

**OPENN NEGOTIATION LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN
612 329 754 ("Company")**

NOTICE OF GENERAL MEETING OF SHAREHOLDERS AND EXPLANATORY STATEMENT

**For a General Meeting of Shareholders to be held on Friday 17th January 2025
at 12:00pm (AEDT)
at Nicols and Brien Chartered Accountants, Level 2, 350 Kent Street, Sydney, New South
Wales, Australia.**

TO SHAREHOLDERS

Dear Shareholder

2 December 2024

As you may be aware, on 3 May 2024 the Company's Shares were suspended from quotation on the official list of the Australian Securities Exchange ("**ASX**") due to its financial condition.

On 13 May 2024 Mr Richard Tucker and John Bumbak of KordaMentha were appointed Voluntary Administrators of the Company.

A proposal by Benelong Capital Partners Pty Ltd, for the restructure and recapitalisation of the Company via a Deed of Company Arrangement and Creditors Trust, was submitted to the Voluntary Administrators ("**Recapitalisation Proposal**") on 26 May 2024. A creditors' meeting was convened by the Voluntary Administrators to consider the Recapitalisation Proposal. Creditors accepted the Recapitalisation Proposal on the 19 August 2024, and the Deed of Company Arrangement was signed on 9 September 2024. The Deed Administrators are Richard Tucker and John Bumbak.

The Recapitalisation Proposal requires, and is subject to, various approvals being obtained from the Shareholders ("**Resolutions**"). Accordingly, the Deed Administrator has called a General Meeting of the Company to consider the Resolutions ("**Meeting**"). The Meeting will be held at 12.00pm (Sydney Time) on Friday 17th January 2025. A summary of the Resolutions being put forward at the Meeting are as follows:

- (1) The company to consolidate shares;
- (2) The company to allot and issue 101.626 million shares to raise \$211,000; and
- (3) New Directors be appointed to the Company.

Enclosed with this letter are the Notice of General Meeting ("**Notice**"), the Explanatory Statement, a Proxy Form and Independent Expert's Report.

The Recapitalisation Proposal is also subject to the following conditions ("**Conditions**"), summarised as follows:

- (a) Payment of \$175,000 cash to the Deed Administrators from the Recapitalisation Fund;
- (b) the Deed Administrators retiring from office upon collection and disbursement of the Recapitalisation Fund and all existing creditors' claims as at the date of voluntary administration extinguished;
- (c) the Shareholder Resolutions being approved without amendment; and
- (d) creditors with a security interest registered on the PPSR Register remove such interest from the personal property securities register established by the Personal Property Securities Act, 2009.

If the Conditions are not met or waived by 31st January 2025 or such other date as agreed by the Deed Administrators and Benelong Capital Partners Pty Ltd or if it appears the terms of the Deed of Company Arrangement cannot be fulfilled, then the Deed Administrator may take steps to place the Company into Liquidation.

Benelong Capital Partners Pty Ltd's role will cease when the Deed of Company Arrangement is effectuated. Benelong Capital Partners Pty Ltd has no relationship or connection to the company whatsoever.

In considering the Resolutions, Shareholders should bear in mind the Company's current financial circumstances. As mentioned above, the Company's Shares have been suspended from quotation on the ASX since 3 May 2024 and the Company requires recapitalisation in order to continue its operations and to seek reinstatement of its Shares to official quotation on the ASX. The Company will have to comply with Chapters 1 and 2 of the ASX Listing Rules. Re-compliance with Chapters 1 and 2 is warranted as it is contemplated that there will be a change to the Company's business after it comes out of external administration. Benelong Capital Partners Pty Ltd will not be lodging an In-Principle Advice as to suitability of the proposal to re-quote the shares. As stated above, Benelong Capital Partners Pty Ltd's role will cease upon effectuation of the Deed of Company Arrangement. Benelong Capital Partners Pty Ltd's role as Deed Proponent ceases upon effectuation of the DOCA. ASX has absolute discretion in deciding whether or not to re-admit the company to the official list and to quote its securities. This means the Company may not be reinstated and the shares may never be quoted. Re-quotation is a difficult and complex exercise. Also, new shares that are issued under the Resolutions proposed in this notice of meeting may be subject to escrow.

Ultimately, if the Resolutions are approved and implemented, the Company will be debt free, and in a position to seek opportunities to create shareholder wealth.

If the Resolutions are not approved and the Conditions have not been met by the time stated in the Deed of Company Arrangement, the Deed of Company Arrangement may terminate in which case the Company may be placed into Liquidation. It is expected that there will be no return to Shareholders in a Liquidation.

Preparation of and responsibility for this document

The Deed Administrators have given their consent to convene the meeting and to despatch this Notice and the Explanatory Statement but expresses no opinion about any of the contents (including, but not limited to, any statements regarding the Recapitalisation Proposal).

The Deed Administrators have not independently verified any of the information contained in this Notice or Explanatory Statement. Neither the Deed Administrator nor any servants, representatives, agents or employees of the Deed Administrators' firm make any representations or warranties (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Notice or the Explanatory Statement.

All such parties and entities expressly disclaim any and all reasonable liability for, based on or relating to, any such information contained in or omissions from this Notice and the Explanatory Statement, to the extent allowable by law.

The Deed Administrators make no recommendation about how shareholders should vote on the resolutions contained in this Notice and have not undertaken any due diligence in relation to the Recapitalisation Proposal and has relied upon correspondence with Benelong Capital Partners Pty Ltd and its advisors.

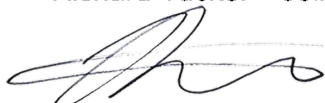
The ASX does not take any responsibility for the contents of this Notice of Meeting, and the fact that the ASX may re-admit the Company's securities to quotation on its official list is not to be taken in any way as an indication of the merits of the Company.

Investment Decisions

This document does not take into account the individual investment objectives, financial situation or particular needs of any other person. Shareholders should seek professional advice from a licensed financial advisor, accountant, stockbroker, lawyer or other appropriate adviser.

Yours faithfully

Richard Tucker – Joint and Several Deed Administrator



Openn Negotiation Limited (ACN 612 329 754)
(Subject to Deed of Company Arrangement)

BUSINESS OF THE MEETING

Agenda

Resolution 1 – Consolidation of Existing Shares

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

"That, subject to the passing of Resolution 2 for the purposes of Section 254H of the Corporations Act, approval is given for the Company's existing ordinary shares be consolidated on a 1:100 basis, ("Consolidation"), with any fractions rounded down."

Resolution 2 – Allotment and Issue of Shares to ST Holding 2 Pty Ltd – ACN 674 151 225

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

"That subject to the passing of Resolution 1 for the purposes of Item 7 of Section 611 of the Corporations Act, and Section 208 and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue 101,626,204 Shares (post consolidation), at \$0.00207623616 per Share to ST Holding 2 Pty Ltd to raise \$211,000.00, and allow ST Holding 2 Pty Ltd to acquire a 90% interest in the company on the terms and conditions set out in the Explanatory Statement".

Note: The maximum level of voting power of ST Holding 2 Pty Ltd (STH) will be 90% if this resolution is passed along with all other resolutions.

Voting exclusion statement: The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- ST Holding 2 Pty Ltd; or
- an associate of ST Holding 2 Pty Ltd.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3 – Appointment of Mr Richard Campbell Brien as a Director

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

“That, subject to the passing of Resolutions 1 and 2, Mr Richard Campbell Brien, being eligible and having consented to act, be elected as a director of the Company, with effect from close of the General Meeting.”

Resolution 4 – Appointment of Mr George Terpens as a Director

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

“That, subject to the passing of Resolutions 1 and 2, Mr George Terpens, being eligible and having consented to act, be elected as a director of the Company, with effect from close of the General Meeting.”

Resolution 5 – Appointment of Mr Gregory Barry Starr as a Director

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

“That, subject to the passing of Resolutions 1 and 2, Mr Gregory Barry Starr, being eligible and having consented to act, be elected as a director of the Company, with effect from close of the General Meeting.”

DATED: 2 December 2024

By order of the Board



Richard Tucker
Joint and Several Deed Administrator
Openn Negotiation Limited (Subject to Deed of Company Arrangement).
ACN 612 329 754

NOTES:

1. A Shareholder of the Company who is entitled to attend and vote at a general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or 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.
3. For the purposes of Regulation 7.11.37 of the Corporations Act, the Deed Administrators have determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements for the Meeting will be as it appears on the Company's share register at 7.00 p.m. (Sydney Time) on Wednesday 15th January 2025 (the Entitlement Time). Accordingly, only those persons registered as holders of Shares at the Entitlement Time will be entitled to attend and vote at the Meeting. Transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the Meeting.
4. In accordance with Section 250BA of the *Corporations Act 2001* the Company specifies the following information for the purposes of receipt of proxy appointments:

Mail and physical address

Level 2, 350 Kent Street,
Sydney NSW 2000
AUSTRALIA

Facsimile: +61 2 9299 2239
Email: steve@nicolsandbrien.com.au

The instrument appointing the proxy must be received by the Company at the address specified above at least forty-eight (48) hours before the time notified for the meeting (proxy forms can be lodged by facsimile). Any proxy form received after that time will not be valid for the scheduled meeting.

For any questions, please call Steve Nicols on phone +61 2 9299 2289.

EXPLANATORY STATEMENT

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the Shareholders of Openn Negotiation Limited (Subject to Deed of Company Arrangement) (**Company**)(**OPN**) in connection with the Resolutions 1-5 (inclusive) to be considered at the General Meeting of the Company's Shareholders to be held at 12.00p.m (AEST) (Sydney Time) on Friday 17th January 2025 ("**Meeting**").

The purpose of this Explanatory Statement is to provide information to Shareholders which is considered to be material to them in deciding whether or not to pass the Resolutions in the Notice of General Meeting of the Company ("**Notice**").

Shareholders should read this Explanatory Statement in full because individual sections do not give a comprehensive review of the Resolutions. In addition, this Explanatory Statement should be read in conjunction with the accompanying Notice.

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company. In this regard, Shareholders should note that reports have been made by the Company's appointed Voluntary Administrators in accordance with the Corporations Act. The reports set out in detail the financial position of the Company, the actions and investigations to be taken by the Administrators and the reasons for the current status of the Company. The Voluntary Administrators' reports are available by contacting Nicols + Brien Chartered Accountants on phone: (02) 9299 2289. They will arrange for copies to be sent. The Voluntary Administrators' reports are also available at <https://kordamentha.com/creditors/openn-group>

If all of the Resolutions are passed and the Recapitalisation Proposal is completed, the Company will be debt free and solvent. Completion of the proposal will not be enough to meet the ASX Listing Rule requirements for re-quotation. Re-quotation is a difficult exercise (among other things, the company will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules), and the completion of the Recapitalisation Proposal will not guarantee the reinstatement of the company to the official list of the ASX. ASX has absolute discretion in deciding whether or not to re-admit the company to the official list and to quote its securities. This means the Company may not be reinstated and the shares may never be quoted. Also, new shares that are issued under the resolutions proposed in this notice of meeting, may be subject to escrow. If Shareholders do not approve the Resolutions and as a consequence the Recapitalisation Proposal is rejected, the Company will likely go into liquidation and it is likely that there will be no return to Shareholders.

1.1 Background

A general background in respect of the appointment of the Voluntary Administrators is set out in the letter by the Deed Administrator to Shareholders accompanying the Notice ("**Letter**").

1.2 History of the Company

The company was formed on 11 May 2016 and was admitted on the ASX Official List on 21 July 2021. The principal activity of the company and subsidiaries was the development of global real estate transactions that would streamline and enhance the offer management process, fostering transparency. The company's property technology generated sales mostly in Canada. However despite a successful capital raising in July 2023, the company needed to pursue further fund raising in April 2024. The company signed a non-binding

term sheet regarding fundraising however this did not proceed. On 13 May 2024 the directors decided to appoint Richard Tucker and John Bumbak as Voluntary Administrators.

The Voluntary Administrators called a meeting of creditors pursuant to Section 439A of the Corporations Act, recommending the proposal of Benelong Capital Partners Pty Ltd to re-capitalise the company. The creditors passed the requisite resolution, and a Deed of Company Arrangement was entered into on 9 September 2024, Richard Tucker and John Bumbak became Deed Administrators. The Deed is conditional upon resolutions 1-2 listed herein being passed without alteration.

1.3 Summary of the terms of the Recapitalisation Proposal

Set out below is a detailed summary of the Recapitalisation Proposal.

The essential terms of the Recapitalisation Proposal are as follows:

- (a) Entering into a Deed of Company Arrangement and Creditors Trust;
- (b) Consolidation of shares;
- (c) Placement to exempt, professional and sophisticated investors, whom will subscribe in aggregate for 101.626 million shares to raise \$211,000;
- (d) The proposed New Directors for the Company will be appointed.
- (e) Benelong Capital Partners Pty Ltd will pay \$175,000.00 into a Deed of Company Arrangement Fund. Benelong will incur a further \$26,000 costs shown on the table on page 13 herein. These monies will be reimbursed by the company to Benelong Capital Partners Pty Ltd from the capital raising of \$211,000 if the shareholders pass the resolutions 1 and 2, leaving the company with \$10,000 cash at bank, and no liabilities. These payments are to effectuate the Deed of Company Arrangement.

The Benelong Capital Partners Pty Ltd Recapitalisation Proposal was submitted to the Voluntary Administrators 26 May 2024. It was accepted by the creditors of the company on 19 August 2024 and the Deed of Company Arrangement was signed on 9 September 2024. The DOCA and recapitalisation proposal also needs shareholder approval. The Resolutions put forward in the Meeting are for the purposes of implementing the Recapitalisation Proposal. The key terms of the DOCA are that a Recapitalisation Fund will be created to pay creditors, and from which costs, charges and expenses of the Voluntary Administrators and the Deed Administrators will be paid. The Deed Administrators will then retire; the conditions precedent require shareholders to pass all resolutions of the recapitalisation proposal, in particular 1 and 2.

The Recapitalisation Proposal involves the simultaneous completion or "effectuation" of the Deed of Company Arrangement via a Creditors Trust mechanism when the shareholders pass all the resolutions. The Company will also be released from all Creditors Claims estimated at \$335,000 and will have nil liabilities once Completion occurs. The costs, charges, and expenses of Benelong Capital Partners Pty Ltd and related parties will be paid by ST Holding 2 Pty Ltd ("STH"), i.e. not Openn Negotiation Limited (Subject to Deed of Company Arrangement).

1.4 New Directors

None of the 3 proposed directors have an interest in the proposed transaction.

Proposed Director Richard Campbell Brien – B.Bus UTS; Chartered Accountant

Richard has over 40 years experience in the insolvency area as an Official Liquidator and Registered Trustee dealing with a vast array of administrations both corporate and personal as well as providing advice and management assistance to small businesses.

During the last 3 years Mr Brien has held a directorship in ASX listed company Candy Club Holdings Limited and Kalium Lakes Limited (current).

Proposed Director George Terpens – QPIB, Dip Fin Sevv (Brok) Sydney

Mr George Terpens has more than 40 years of experience in the insurance industry, and is an authorised representative of Steadfast IRST Limited. During the last 5 years Mr Terpens held a directorship in ASX Listed World.Net Services Limited and Kalium Lakes Limited (current).

Proposed Director Gregory Barry Starr

Mr Starr, a CPA, is an experienced chairman, independent director, managing director, finance director and company secretary with over 30 years experience with public companies in various roles. He is currently a Non-Executive Director of Diatreme Resources Limited (ASX:DRG) and Kalium Lakes Limited (KLL) and has held numerous roles in public listed companies over the last 30 years including roles as Chief Executive Officer of Pulse Markets Pty Ltd, Executive Director and Company Secretary of Investor Centre Limited (ASX:ICU) and is currently a director of AHP Group Limited and Admiralty Resources NL.

Mr Starr brings significant corporate governance and investor relations experience in ASX listed companies to the board.

1.5 ASX Listing

The Company is admitted to the Official List of ASX. However trading in the Company's Shares was suspended on 3 May 2024. Trading in the Shares will not recommence until all Resolutions are passed and not until the Company complies with Chapters 1 and 2 of the Listing Rules. ASX could still use its discretion to not approve the re-listing.

The intention of the New Directors with regard to the business of the Company is to use the working capital to be injected into the Company via the Recapitalisation Proposal for the purposes described in Section 1.11 of this Statement. The New Directors' plan is to identify and assess potential acquisition opportunities of a material asset subject to approval by ASX, Shareholders and regulatory bodies, where relevant. It is anticipated that the company will need to raise funds if it acquires an asset or business. There is no certain timeframe as to when this may occur, but it is anticipated to be in the first quarter of 2025. The Company is also mindful of the ASX's automatic removal policy, which deals with lodgement of all overdue statutory reports as well as a maximum 2 year suspension rule. Furthermore, ASX may remove the company if it fails to lodge any of the documents referred to in listing rule 17.5 for a continuous period of 1 year after the deadline for lodgement of that document (or the earlier of this or the 2 year period) (GN33 at section 3.4).

1.6 Advantages and Disadvantages of the Recapitalisation Proposal

Advantages

- 1.6.1 The passing and consummation of Resolutions 1 to 5 as part of the recapitalisation proposal would result in a net cash position of approximately \$10,000 (assuming the

capital raising of the \$211,000 referred to above) and having a company with no liabilities, compared with the current position whereby the Company has no assets, and significant debts of approximately \$335,000.

- 1.6.2 If the proposals per Resolutions 1 to 5 are consummated as part of the recapitalisation process, the net cash asset backing of a OPN share rises from nil cents to approximately \$0.00009 per share.
- 1.6.3 If Resolutions 1 to 5 are passed together with the completion of the recapitalisation proposal, the Company's chances to continue to investigate opportunities are enhanced as, without the recapitalisation, it is likely that the Company may be wound up and deregistered. The Company would need to find a new business and raise additional funds so that it could meet the Listing Rules.
- 1.6.4 The proposed Directors bring additional expertise to the Company in that such Directors have finance and corporate experience and/or experience as Directors or Managers of trading entities. Paragraph 1.4 above discloses the background of the proposed directors.

Disadvantages

- 1.6.5 A significant dilution of existing shareholders will occur. i.e. they will own approximately 10% as compared to 100% now of the expanded issued capital of the Company after the passing of Resolutions 1 and 2 (the passing of Resolutions 1 and 2 are dependent on both resolutions being passed). However, we note that OPN will be partly recapitalised with approximately \$10,000 in net cash (assuming completion of the \$211,000 total capital raising), will have no debt and will have the opportunity to consider the acquisition of other assets or businesses. It is assumed that all investors will obtain a benefit particularly if the Company's shares can be re-quoted on ASX (the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules). Re-quotations on the ASX is a difficult and complex exercise. ASX has absolute discretion in deciding whether or not to re-admit the company to the official list and to quote its securities. This means the Company may not be reinstated and the shares may never be quoted. Also, any new shares that are issued under the resolutions proposed in this notice of meeting, may be subject to escrow.

The dilution effect of the transaction on existing members interests, also affects the voting power of STH if approval is given for the transaction and STH's voting power in the company increases to 90%. This means STH will be able to unilaterally pass or block both ordinary and special resolutions. STH will be able to compulsorily acquire the remaining 10% of shares as the 90% holder under Part 6A.2 of the Corporations Act. However it has no intention of doing so.

- 1.6.6 The Company would only have approximately net cash of \$10,000 after the issue of the 101.626 million shares for a total capital raising of \$211,000 as per Resolutions 1 and 2. The Company would still need to find a new business and raise additional funds so that it could meet the Listing Rules. In the absence of a superior offer (made before shareholders vote on Resolutions 1 to 5) the shell value does not exist and it is quite possible in the absence of any other recapitalisation proposal, the Company could be placed into Liquidation.
- 1.6.7 If the Company seeks new business opportunities, there is no guarantee that such businesses will be profitable.

Interest of Other Groups

1.6.8 The following groups will benefit from the transaction, namely creditors as they will receive a dividend payment under the DOCA, Deed Administrators will receive remuneration of \$15,000 under the DOCA; executives will retain their shares, albeit consolidated 1:100.

1.7 **Conclusion**

The Resolutions 1 to 5 set out in the Notice are important and affect the future of the Company. All of the Resolutions 1 to 5 should be approved in order to implement the Recapitalisation Proposal. Shareholders are therefore urged to give careful consideration to the Notice the contents of this Statement.

1.8 **Capital Raising**

The Company intends to raise \$211,000 by issuing 101.626 million shares each to exempt, professional and sophisticated investors.

Funds raised under the Placement will be used in accordance with the table set out in Section 1.11 below.

1.9 **Financial Effect of Placement**

The completion of the Placement will increase the Company's cash balance by \$211,000 and also increase the Company's issued capital by the same amount.

The Company's only asset will be the cash raised under the Placement, less any amounts expended in accordance with the table set out in Section 1.11 below.

The Company has not presented pro forma financial information in relation to the transactions as recent historical audited financial information is not available owing to the Company being in Administration. In addition, the Deed Administrator is of the opinion that to present a financial position based on this historical information would not be representative of the Company's current financial position.

1.10 **Control Implications**

As more than 20% of the company's issued shares are proposed to be issued to STH, the Company is seeking shareholder approval under Corporations Act, namely Item 7 of Section 611 for the purposes of Resolution 2.

A table showing the impact of the various issues of securities pursuant to this Notice on the aggregated Shareholding interests of existing Shareholders is set out below (on a post Consolidation basis).

	Before		After	
	# Shares	% of Shares	# of Shares	% of Shares (Approx.)
Change as a result of Share issue only				
Existing Shareholders (Resolution 1)	1,129,179,635	100%	11,291,796	10%
ST Holding 2 Pty Ltd(Resolution 2)	0	0%	101,626,204	90%
		TOTAL	112,918,000	100%

1.11 Purpose of funds to be raised under the Recapitalisation Proposal

The Recapitalisation Proposal seeks to raise the sum of \$211,000 through issues of Shares to sophisticated, professional or other exempt investors who do not require a disclosure document under section 708 of the Corporations Act. The purpose of these capital raisings are to:

- (a) pay for the Voluntary Administration, Deed of Company Arrangement ("DOCA"). The payments to creditors will remove the Company from Administration and to extinguish all liabilities; and
- (b) provide working capital to meet the administration costs of the Company.

An estimated budget is set out below.

Estimated Use of Funds – Expenditure Budget

Total funds raised \$211,000	\$
Voluntary Administration costs and Deed of Company Arrangement	175,000.00
Independent Experts Report, printing and mail out of this notice, ASIC, Share Registry.	26,000.00
Working Capital for the company	10,000.00
Total funds utilised (\$)	\$211,000.00

The Company's arrangement with Benelong Capital Partners Pty Ltd is that the Company will effectuate its Deed of Company Arrangement when Benelong Capital Partners Pty Ltd pays the Deed of Company Arrangement amount and then it will reimburse Benelong Capital Partners Pty Ltd from the \$211,000 raised. Benelong Capital Partners Pty Ltd will incur costs and expenses to third parties to achieve the Recapitalisation Proposal. Therefore, Benelong Capital Partners Pty Ltd is taking a risk that it may not be reimbursed payments to third parties if the Recapitalisation Proposal fails. To date, Benelong Capital Partners Pty Ltd has paid \$25,000.00 to the Voluntary Administrators. Benelong Capital Partners Pty Ltd will also pay all costs associated with preparing, calling, holding the Shareholders meeting. The costs, charges, and expenses of Benelong Capital Partners Pty Ltd will be paid by ST Holding 2 Pty Ltd, i.e. not Openn Negotiation Limited (Subject to Deed of Company Arrangement).

Directors will not be paid directors fees. If and when the company has funds, directors will be paid \$2,500 each per month. Costs such as financial reporting costs will be met by the proposed major shareholder.

2. RESOLUTION 1 CONSOLIDATION OF CAPITAL

2.1 Background

If this Resolution is passed and excluding any Securities issued pursuant to the other Resolutions, the number of shares and options and performance rights on issue will be reduced from 1,129,179,635 to 11,291,796 (subject to rounding down); 2,934,519 to 29,345; and 16,845,000 to 168,450 respectively.

2.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

2.3 Fractional entitlements

Not all Security Holders will hold that number of Shares which can be evenly divided by 100. Where a fractional entitlement occurs, the Company will round that fraction down to the nearest whole Security. This means some shareholders holding less than 100 shares will be rounded down to zero. Eleven shareholders fall within this criteria.

2.4 Taxation

It is not considered that any taxation implications will exist for Security Holders arising from the Consolidation. However, Security Holders are advised to seek their own tax advice on the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

2.5 Holding statements

From the date of the Consolidation, all previous holding statements for Security will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a pre-consolidation basis.

After the consolidation become effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

2.6 Proposed capital structure

Current Capital Structure shares

	Shares	Percentage %
Current Shares on Issue	1,129,179,635	100

Proposed Capital Structure

	Shares	Percentage % (Approx.)
Resolution 1 Existing Shares Consolidated 1:100	11,291,796	10%
Resolution 2 Issue of Shares to ST Holding 2 Pty Ltd	101,626,204	90%
TOTALS	112,918,000	100%

Current Capital Structure – Options and Performance Rights

	Number	Exercise Price
Options – Expiry 20/1/2025	2,934,519	\$0.24
Performance Rights (OPNAD)	4,300,000	Nil
Performance Rights (OPNAE)	3,250,000	Nil
Performance Rights (OPNAF)	9,295,000	Nil

Proposed Capital Structure – Options and Performance Rights

	Number	Exercise Price
Options – Expiry 20/1/2025	29,345	\$24
Performance Rights (OPNAD)	43,000	Nil
Performance Rights (OPNAE)	32,500	Nil
Performance Rights (OPNAF)	92,950	Nil

2.7 Indicative timetable

If this Resolution is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the ASX Listing Rules).

Action	Date
Company announces Consolidation, lodges 3A.3 with ASX and sends out Notice of Meeting	Friday, 13 December 2024
Effective Date	Tuesday, 14 January 2025
Last day for trading in pre-consolidated shares	Wednesday, 15 January 2025
Last day for company to register transfers on a pre consolidation basis	Wednesday, 15 January 2025
Record Date	Friday, 17 January 2025
Shareholder meeting	Friday, 17 January 2025
Company announces on ASX that Shareholders have approved the Consolidation and Effective Date of	Friday, 17 January 2025

Consolidation	
First day for the company to update its register and to send holding statements	Monday, 20 January 2025
Last day for the company to update its register and to send holding statements	Friday, 24 January 2025

3. Resolution 2 – Allotment and Issue of Placement of Shares

3.1 General

Resolution 2 seeks Shareholder approval for the issue 101.626 million Shares at an issue price of \$0.00207623616 per Share to raise \$211,000 (**Placement**). The shares issued under the placement (the subject of Resolution 2) are likely to be subject to ASX imposed escrow. ASX will confirm the treatment of escrow in due course.

3.2 Technical information required for Shareholders

The following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 101.626 million;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.002076263616 per Share. This amount was calculated by reference to the required DOCA payment and working capital required to enable the company to come out of an insolvent state. The company has been under external administration since 13 May 2024 and the shares are worthless. There is also significant risk that the company may never be re-quoted on the ASX.
- (d) the Shares will be issued to ST Holding 2 Pty Ltd
- (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 Shares; and
- (f) the Company intends to use the funds raised from the Placement towards funding the recapitalisation of the Company (including payment under the DOCA) with remaining funds being used for working capital purposes.

3.3 Section 611 of the Corporations Act

Shareholder approval of Resolution 2 is required under Item 7 of Section 611 of the Corporations Act given Resolution 2 involves the issue of more than 20% of all Shares then on issue.

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does

so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases;

- (a) From 20% or below to more than 20%; or
- (b) From a starting point above 20% and below 90%.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

The "associate" reference includes a reference to a person in concert with whom a primary person is acting or proposes to act,

A person has a relevant interest in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Chapter 2E of the Corporations Act

Section 208(1) of the Corporations Act requires that for a public company to give a financial benefit to a related party of the public company, it must either fall within certain exceptions or obtain shareholder approval. A related party includes a party that does or may control a public company. Accordingly, ST Holding 2 Pty Ltd is a related party of the Company for the purposes of Chapter 2E of the Corporations Act.

Pursuant to Resolution 2 the company is seeking shareholder approval for the issue of 101.626 million shares to raise \$211,000.

The following information is provided:

- (a) The related party is ST Holding 2 Pty Ltd ("STH"). STH is a Sydney based investment company. The nature of the related party relationship is if the transaction is approved STH will have control of the company.
- (b) The maximum number of shares, being the nature of the financial benefits being provided to be issued, will be 101.626 million shares. The nature of the financial benefit is further explained by noting STH will control an ASX Listed and Suspended company and the basis for this is the absence of any viable alternative to implementing the DOCA and hence avoiding probable Liquidation of the company

The alternative, i.e. probable liquidation of the company, is inferior and not desirable for existing shareholders. The Voluntary Administrators considered alternatives, and was not able to elicit any other offer apart from the current transaction. The Voluntary Administrators recommended the Deed of Company

Arrangement (DOCA), which is conditional upon this current transaction proceeding. The other alternative being to raise capital, was attempted by directors as noted in paragraph 1.2 above, and was not successful.

The impact on the company if the financial benefit is given will be very beneficial in that the company will remove \$335,000 in debt, and have \$10,000 cash at bank. Another impact on the company is that it will change business activities and strategic direction because its previous business was loss making and not successful. The impact on the company if the financial benefit is not given will be that the company will remain insolvent, with \$335,000 in debt, and will probably go into liquidation. Shareholders will lose all value. Another impact on the company if the financial benefit is not given will be the lost opportunity for the solvent company to seek out new opportunities to enhance shareholder value.

- (c) The shares will be issued after the share consolidation takes place, being or about 31 January 2025;
- (d) The issue price will be \$0.00207623616 per share, even though the IER values the shares at \$Nil;
- (e) The funds raised will be used for the same purposes as all other funds raised under the capital raising as set out in Section 1.11 this explanatory statement;
- (f) The shares issued under the capital raising will be fully paid ordinary shares in the capital of the company issued on the same terms and conditions as the company's existing shares;
- (g) The value of the financial benefit is calculated by the number of securities being issued multiplied by the valuation price, and is set out below:

Securities	Value paid per Security	Financial Benefit	Amount Paid
101.626 million Shares	\$0.00207623616	\$Nil	\$211,000

The company's shares have been suspended from trading since 3 May 2024 with the last trading price of the company prior to going into administration being \$0.006.

The company will be issuing shares at \$0.00207623616 and the Directors therefore consider that \$211,000 is more than the valuation of the shares being issued, the subject of Resolution 2

- (h) The current relevant interests of ST Holding 2 Pty Ltd in the securities of the company are nil.
- (i) The remuneration and emoluments from the company to ST Holding 2 Pty Ltd for the previous financial year and the proposed remuneration and emoluments for the current financial year are also \$Nil.

Related Party	Financial Year ended 30 June 2024	Financial Year ended 30 June 2025
ST Holding 2 Pty Ltd	\$Nil	\$Nil

- (j) The trading history of the shares on ASX in the 12 months before the date of this notice is set out below:

	Price	Date
Highest	1 cent	9 October 2023
Lowest	0.004 cents	10 April 2024
Last	0.006 cents	29 April 2024

Shareholders should note that the company's securities were suspended from quotation on 3 May 2024 and remain suspended.

- (k) The primary purpose of the issue of the shares is to raise fresh capital; and
- (l) None of the current Directors have an interest in the outcome of Resolution 2. The Directors' powers are suspended whilst the company is subject to Deed of Company Arrangement.
- (m) The Deed Administrators are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the company to pass Resolution 2.

Information required by Item 7 of the Section 611 of the Corporations Act

Also set out below are the matters required to be disclosed in accordance with Item 7(b) of Section 611 of the Corporations Act.

- (a) *the identity of the person proposing to make the acquisition and their associates:*

It is proposed that 101.626 million Shares be issued to ST Holding 2 Pty Ltd as per Resolution 2. ST Holding 2 Pty Ltd, nor related parties, does not have relevant interests in any Shares existing as at the date of this notice.

- (b) *the maximum extent of the increase in that persons voting power in the company that would result from the acquisition:*

If Resolution 2 is passed, ST Holding 2 Pty Ltd's voting power in the Company will be 90% (approx).

- (c) *the voting power that the relevant allottees would have as a result of the acquisition:*

If Resolution 2 is passed, ST Holding 2 Pty Ltd's voting power in the Company will be 90% (approx.).

- (d) *the maximum extent of the increase in the voting power of each of the allottee's associates that would result from the acquisition.*

As ST Holding 2 Pty Ltd has no holding or any relevant interest in existing Shares there is no increase in its voting power in the Company as a result of the acquisition.

- (e) *the voting power that each of the allottee's associates would have as a result of the acquisition:*

As ST Holding 2 Pty Ltd has no associates holding any relevant interest in existing shares, there is no increase in its voting power in the Company as a result of the acquisition.

Other Required Information – ASIC regulatory Guide 74

The following further information is disclosed:

- (a) The Company will review its current business activities. As part of the process, it is proposed that 3 New Directors will be elected to the Board. These elections form the subject of separate Resolutions. The current Directors and company secretary will be resigning;
- (b) In accordance with the Recapitalisation Proposal, the Company intends to raise capital to:
- (i) pay for the DOCA and recapitalisation costs and expenses so as to remove the Company from Administration and to extinguish all debt of the Company; and
- (ii) meet the administration and working capital costs of the Company.

The Company will have sufficient funds if all Resolutions are passed and share capital raised in order to meet the aims of the Recapitalisation Proposal;

- (c) There is no current intention to redeploy any other fixed assets of the Company or to change the Company's existing policies in relation to financial matters or dividends. At present, the Company does not pay a dividend. The dividend policy of the Company will be assessed in accordance with the future profitability of the Company's business; and
- (d) Proposed directors Richard Campbell Brien, George Terpens and Gregory Barry Starr do not intend to inject further capital into the company. However this will change if the company seeks re-quotation on ASX.
- (e) An Independent Expert's Report or IER is enclosed, and shareholders are urged to read it in full.

The Corporations Act provides that an independent expert's report of the transaction (as contemplated by Resolution 2) must be provided to Shareholders. The IER provides an opinion as to whether the acquisition of the voting power referred to in Resolution 2 and this section, is fair and reasonable to the non-associated Shareholders of the Company.

The IER is enclosed with the Notice and is attached to Annexure A.

Hall Chadwick Corporate Finance Pty Ltd has concluded that the acquisition of the voting power by ST Holding 2 Pty Ltd as contemplated by Resolution 2 ("**Acquisition**") **is fair and reasonable to the Shareholders of the Company.**

The advantages and disadvantages of the Recapitalisation Proposal are outlined in the IER and are provided to enable non-associated Shareholders of the Company to determine whether they are better off if the Acquisition proceeds than if not.

Shareholders are urged to carefully read the IER in deciding how to vote on the Resolutions, particularly Resolution 2

- (f) ST Holding 2 Pty Ltd will only have a right to compulsorily acquire the shares of minority shareholders pursuant to Section 664C of the Corporations Act if they own more than 90%. However they have no intention whatsoever to compulsorily acquire the shares of minority shareholders.

Other required information – ASIC Regulatory Guide 76

The following further information is disclosed:

- (a) The related party is ST Holding 2 Pty Ltd.
- (b) The nature of the financial benefit is the issue of 101.626 million Ordinary Shares in the capital of the Company as set out in this Explanatory Memorandum;
- (c) The Directors of the Company are unable to make a recommendation in relation to whether Shareholders should or should not vote in favour of the Resolution as their powers are suspended whilst the company is under DOCA;
- (d) No Directors have an interest in the outcome of the Resolution

All other information that is reasonably required by Shareholders to decide whether or not it is in the Company's interests to pass a resolution and that is known to the Company, is set out in this Explanatory Memorandum and in the Independent Expert's Report.

4. Resolution 3 to 5 – Appointment of new Directors

4.1 General

The Corporations Act provides that:

- (a) the Company must have at least 3 directors, per Section 201A(2) of the Corporations Act;
- (b) the Company's Shareholders may appoint new Directors of the Company by resolution passed in general meeting, per Section 201G of the Corporations Act; and
- (c) the appointment of a person as a Director at a general meeting is subject to the Company receiving his or her consent to the nomination, per Section 201D of the Corporations act.

Having received nominations for the following persons to be appointed as new Directors of the Company, and having received consents to act as a Director from each such person, Resolutions 3 to 5 respectively seek Shareholder approval for the appointment of the following persons as Directors effective from the close of the General Meeting:

- (a) Mr Richard Campbell Brien – Resolution 3;
- (b) Mr George Terpens – Resolution 4;
- (c) Mr Gregory Barry Starr – Resolution 5

A summary of experience of each of the proposed Directors is set out in paragraph 1.4 above.

5. ENQUIRIES

Shareholders are invited to contact Mr Steven Nicols of Benelong Capital Partners Pty Ltd on phone + 61 2 9299 2289 if they have any queries in respect of the matters set out in these documents.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

A General Meeting of the shareholders of Openn Negotiation Limited (Subject to Deed of Company Arrangement) will be held at Nicols and Brien Chartered Accountants, Level 2, 350 Kent Street, Sydney at 12.00pm (Sydney Time) on Friday 17th January 2025.

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 12.00 p.m. (Sydney Time).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy by email to steve@nicolsandbrien.com.au or by facsimile to the Company on facsimile number (International: + 61 2 9299 2239); or
- deliver the proxy to the Company at c/- Level 2, 350 Kent Street, Sydney, New South Wales, Australia.

so that it is received not later than 7pm (Sydney Time) on Wednesday 15th January 2025.

Your proxy form is enclosed.

GLOSSARY

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, operated by ASX Limited, as the context requires

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Company means Openn Negotiation Limited (Subject to Deed of Company Arrangement) (ACN 612 329 754).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Creditor means a creditor of the Company as at the date of the Notice.

Creditor's Trust means the trust to be established in accordance with the terms of the Recapitalisation Proposal and the DOCA for the purpose of satisfying approved Creditor's claims, to be known as Openn Subsidiaries Creditors Trust.

Deed Administrators means Richard Tucker and John Bumbak of KordaMentha Perth.

Deed of Company Arrangement or DOCA means the Deed of Company Arrangement between Deed Administrators and the Company dated 19 August 2024 and includes any variation to such.

Director means a director of the Company.

Dollar or \$ means Australian dollars.

Explanatory Statement or **Statement** means the explanatory statement to the Notice of General Meeting.

Glossary means this glossary.

IER means Independent Experts Report annexed hereto

OPN means the company.

Meeting means the general meeting of the Shareholders convened by the Notice to be held on Friday 17th January 2025.

New Directors means the Directors to be appointed under Resolutions 3, 4 and 5.

Notice means this notice of general meeting of the Shareholders in respect of the Meeting to be held on Friday 17th January 2025.

Recapitalisation Fund means the funds available from Recapitalisation Proposal.

Recapitalisation Proposal means the Recapitalisation Proposal submitted by Benelong Capital Partners Pty Ltd on 26 May 2024 to the Administrators relating to the restructure and recapitalisation of the Company.

Resolutions means the resolutions described in the Notice.

Shareholder means the holder of Shares.

Shares means ordinary class shares in the capital of the Company.

Sydney Time means time in Sydney NSW Australia from time to time.

Trustee means the Trustee of the Creditors Trust, namely Richard Tucker and John Bumbak of KordaMentha Perth.

Voluntary Administrators means Richard Tucker and John Bumbak of KordaMentha Perth.

PROXY FORM
APPOINTMENT OF PROXY
Openn Negotiation Limited
(Subject to Deed of Company Arrangement)
ACN 612 329 754

GENERAL MEETING

I/We

being a Member of Openn Negotiation Limited (Subject to Deed of Company Arrangement) entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person or body corporate so named or, if no person or body corporate is named, the Chair of the Meeting as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit at the General Meeting to be held on Friday 17th January 2025 at 12.00 p.m. (Sydney Time) and at any postponement or adjournment thereof. If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, then by submitting the Voting Form you expressly authorise the Chair of the Meeting to exercise the proxy in respect of items/resolutions 1 to 5, even though the items are connected directly or indirectly with the remuneration of the Administrators.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Consolidation of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Allotment and Issue of Shares to ST Holding 2 Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Richard Campbell Brien as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Election of George Terpens as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Election of Gregory Barry Starr as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do **not** wish to direct your proxy how to vote, please place a mark in this box ☐

Appointment of a Second Proxy

If you hold two or more shares, you may appoint up to two proxies. If you appoint two proxies, you should complete two separate Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify the percentage or number, each proxy may exercise half the votes. You must return both Voting Forms together.

%

Dated this day of 20

Individuals and joint holders Companies (affix common seal if appropriate)

Signature
Signature

Director
Sole Director and Sole Company Secretary

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - For a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting, if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. You may fax the Proxy form to: Facsimile No. +61 2 9299 2239 or mail Level 2, 350 Kent Street, Sydney NSW 2000, Australia, or email to steve@nicolsandbrien.com.au.
7. The instrument appointing the proxy must be received by the Company at the address specified above at least forty eight (48) hours before the time notified for the meeting (proxy forms can be lodged by facsimile).
8. Any questions, please call Steve Nicols on phone +61 9299 2289, or email to steve@nicolsandbrien.com.au.