



Dear Shareholder

Please find enclosed notice of the Cooks Global Foods Limited (**CGF**) special meeting which will be held on 20 November 2015 at the Jubilee Building, 545 Parnell Rd, Parnell, Auckland, starting at 10am. Shareholder registration opens at 9:30 am.

The resolutions being put forward at the meeting are intended to approve transactions where:

- the current largest shareholder of CGF will sell its shareholding in equal parts to Shandong Jiajiayue Investment Holding Co. Limited (**JJY**) and Cooks Investment Holdings Limited (**CIHL**) - a company led by Keith Jackson that represents a number of strategic investors, CGF senior managers and Esquires franchisees.
- JJY and CIHL will subscribe for \$9 million of new shares in CGF at an issue price of \$0.128 per share.
- the Board of CGF is authorised to offer up to \$9 million of new shares in CGF at an issue price of \$0.128 per share. This is intended to be undertaken through a wholesale and retail offer of such shares in the first quarter of 2016.

If approved, the Board of CGF considers these transactions to be of significant benefit for CGF, as they will:

- introduce an important existing strategic partner of Esquires Coffee Houses onto the CGF share register. JJY is a substantial Chinese business group involved in supermarkets and retailing in Shandong Province in China and the partnership brings natural synergies for Esquires Coffee Houses to increase its presence further in China.
- increase the interests of the senior management team and Esquires Coffee Houses franchisees in CGF shares strengthening their alignment with shareholders.
- secure \$9 million in new capital to enable CGF to retire debt and fund its growth aspirations.
- permit a further capital raising of up to \$9 million to be undertaken which will include existing shareholders having a priority opportunity to invest.

Shareholders may submit specific questions to the Board, in advance of the meeting, by emailing me at [keith.jackson@cooksglobalfoods.com](mailto:keith.jackson@cooksglobalfoods.com).

The enclosed shareholder voting form has detailed instructions on how shareholders may lodge their vote or appoint a proxy to vote on their behalf if they are unable to attend.

I look forward to seeing you at the meeting.

Yours faithfully

A handwritten signature in black ink that reads "Keith Jackson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Keith Jackson  
Executive Chairman



## NOTICE OF SPECIAL MEETING

Notice is hereby given that a special meeting of shareholders of Cooks Global Foods Limited (the **Company**) will be held at the Jubilee Building, 545 Parnell Rd, Parnell, Auckland on 20 November 2015 at 10am.

### Agenda

- A. The Chairman's introduction.
- B. Presentation to shareholders.
- C. Shareholder discussion.
- D. Resolutions.

### Resolutions

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

1 **Approval of Share Purchase and Share Issues:** As an ordinary resolution (passed pursuant to and as required by Rules 7(c) and 7(d) of the Takeovers Code and NZAX Listing Rules 7.3.1(a), 7.5.1 and 9.2.1 as applicable) and conditional on the passing of Resolution 2, that:

- (a) the acquisition of 68,174,454 fully paid ordinary shares in the Company by JJY from DSL Management Limited;
- (b) the acquisition of 68,174,455 fully paid ordinary shares in the Company by CIHL from DSL Management Limited;
- (c) the issue of 35,156,250 fully paid ordinary shares in the Company to JJY at an issue price of \$0.128 per share; and
- (d) the issue of 35,156,250 fully paid ordinary shares in the Company to CIHL at an issue price of \$0.128 per share,

and on the terms otherwise detailed in this Notice of Meeting, is approved.

2 **Approval of Share Offer:** As an ordinary resolution under NZAX Listing Rules 7.3.1(a) and 9.2.1 and conditional on the passing of Resolution 1, that the Directors of the Company are authorised to issue up to 70,312,500 fully paid ordinary shares in the Company at an issue price of \$0.128 per share and on the terms otherwise detailed in this Notice of Meeting.

### Other Business

To consider any other matter that may properly be brought before the meeting.

### Proxies

Any shareholder of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote on their behalf. A corporation which is a shareholder may appoint a representative to attend the meeting on its behalf in the same manner as it could appoint a proxy. A proxy does not need to be a shareholder of the Company.

The Chairman of the Meeting (Mr. Keith Jackson) can be appointed as a proxy. However, Mr. Jackson is disqualified from voting on the Resolutions as is further described below. Accordingly please ensure, should the Chairman be appointed as your proxy, that you include express voting instructions on the proxy form. The Chairman will be unable to act as a discretionary proxy.

To appoint a proxy you should complete and sign the enclosed Proxy Form and either return it by mail, fax or email to the share registrar of the Company:

**By delivery:**

Cooks Global Foods Limited  
C/- Link Market Services Limited  
Level 7, Zurich House  
21 Queen Street  
Auckland 1010

**By mail:**

Cooks Global Foods Limited  
C/- Link Market Services Limited  
PO Box 91976  
Victoria Street West  
Auckland 1142

**By Fax:** +64 9 375 5990

**By Email:** [meetings@linkmarketservices.co.nz](mailto:meetings@linkmarketservices.co.nz) (please put "Cooks Proxy Form" as the subject of the e-mail for easy identification)

Alternatively, to appoint your proxy and vote online please go to the Link Market Services website at <https://investorcentre.linkmarketservices.co.nz/voting/CGF> and follow the instructions. You will be required to enter your holder number and FIN for security purposes. A shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by no later than 48 hours before the meeting, being 10am on Wednesday, 18 November 2015. Online proxy appointments must also be completed by this time. Registered shareholders at that time will be the only persons entitled to vote at the meeting and only the shares registered in those holders' names at that time may be voted at the meeting.

### Ordinary Resolutions

All of the resolutions being put to the Meeting are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of those holders of securities of the Company which carry votes, are entitled to vote and are voting on the resolutions in person or by proxy.

### Voting Restrictions

In relation to Resolution 1 and Resolution 2 and pursuant to Listing Rule 9.3.1 and Rule 17 of the Takeovers Code (as applicable):

- JJY, CIHL and their 'Associated Persons' (as that term is defined in the Listing Rules) and their "Associates" (as that term is defined in the Takeovers Code) are each disqualified from voting any securities that they hold in the Company. Such Associated Persons or Associates (as the case may be) include each investor in CIHL (who are all identified on page 11 of this Notice of Meeting) together with their Associated Persons and Associates.
- John Stuart Deeks and Lewis Andrew Deeks and any of their "Associates" (as that term is defined in the Takeovers Code) or any of their 'Associated Persons' (as that term is defined in the Listing Rules) and DSL Management Limited and any of its "Associates" (as that term is defined in the Takeovers Code) or any of its 'Associated Persons' (as that term is defined in the Listing Rules) are prohibited from voting any securities that they hold in the Company.

Under the Takeovers Code, "Associates" are, in summary, where the persons are or through a third person, acting jointly or in concert, where one person acts or is accustomed to act in accordance with the wishes of the other person, where the persons are related companies or where the persons have a business relationship, personal relationship, or an ownership relationship such that they should, under the circumstances, be regarded as associates.

The Company will disregard any votes cast on Resolution 1 or 2 (as applicable) by any persons to whom the foregoing applies. Any discretionary proxies given to persons disqualified from voting under the requirements set out above will not be valid. Proxies that give express voting instructions to such persons will however be accepted.

## **Interdependence of Resolutions 1 and 2**

Resolutions 1 and 2 are interdependent and must all be passed by shareholders in order for either of those resolutions to be effective.

## **Independent Adviser's Report**

Accompanying this Notice of Meeting is an independent report from Simmons Corporate Finance Limited (the **Independent Report**) on the transactions contemplated by Resolution 1 as required by Rules 15(h) and 16(h) of the Takeovers Code. A summary evaluation of the merits of the transactions contemplated by Resolution 1 is contained in section 2.2 of the Independent Report.

## **NZX Approval**

This notice of meeting has been approved by NZX Limited. However, NZX does not take responsibility for any statement contained in this Notice of Meeting.

## **Listing Rule References**

In this notice of meeting, references to the Listing Rules are references to the listing rules of the NZX Alternative Market.

## **EXPLANATORY NOTES**

### ***Background***

Resolutions 1 and 2 are put forward to approve the following transactions:

- Shandong Jiajiayue Investment Holding Co. Limited (**JJY**) and Cooks Investment Holdings Limited (**CIHL**) each acquiring shares held by the current largest shareholder of the Company, DSL Management Limited (**DSL**) in accordance with the Takeovers Code (**DSL Sale**).
- JJY and CIHL each subscribing for \$4.5 million of new shares in the Company at an issue price of \$0.128 per share in accordance with the Listing Rules and the Takeovers Code (**Share Subscription**).
- The Company making an offer of shares, including to all shareholders of the Company, to raise up to a further \$9 million and at an issue price of \$0.128 per share (**Share Offer**). The Share Offer will not be underwritten and it will not be subject to raising a minimum amount. Allotment under the Share Offer will be conditional on the prior completion of the DSL Sale and issue of shares under the Share Subscription.

(together, the **Transactions**)

The Transactions have been formulated following DSL expressing a willingness to sell-down its shareholding so that its principals may focus on other business interests and opportunities. The Company has facilitated the DSL Sale to ensure it is conducted in an orderly manner and as an anchor for securing new capital under the Share Subscription. Please refer to section 2.4 of the Independent Report for a summary of the terms of the DSL Sale and the Share Subscription.

### ***About JJY***

JJY is a joint venture partner to the Company's Chinese subsidiary and is a retail focussed group owning more than 550 supermarkets in Shandong Province in China. JJY is one of the largest employers in the province, with almost 30,000 staff. The joint venture was formed to develop 50 Esquires Coffee Houses stores in Shandong province, China over a 10 year period.

The Company through its Chinese wholly owned subsidiary, Beijing Esquires Management Co. Limited (**Esquires China**) has a 10% interest in a joint venture entity with JJY. Under this joint venture:

- JJY sources suitable sites for Esquires Coffee stores in Shandong.
- Esquires China is responsible for establishing the stores, training staff, and establishing retail systems.
- The joint venture entity pays royalties and/or profit share to, and sources product from, Esquires China.

JJY has entered with the Company a conditional agreement to acquire half of the shares in the DSL Sale and also a conditional agreement to subscribe for \$4.5 million of new shares under the Share Subscription. The agreements are to be completed contemporaneously with the equivalent CIHL agreements. In addition to the shareholder approval sought in this Notice of Meeting, JJY's agreements remain conditional on:

- JJY obtaining Overseas Investment Office (**OIO**) approval to acquire a farm in New Zealand (**NZ Approval**). This farm purchase is not otherwise related to JJY's investment in the Company however JJY is linking these transactions together as comprising its total New Zealand investment. The OIO application was lodged approximately 11 months ago and a decision is expected imminently. The Company is hopeful a ministerial decision will have been received by the day of the Meeting.
- JJY obtaining Chinese Government approval to remit the funds to New Zealand to complete its obligations under the DSL Sale, Share Subscription and acquire the above referred farm (**China Approval**). JJY intends to promptly seek this approval following the receipt of OIO approval in New Zealand. The Company understands this approval to be more akin to an administrative process and therefore with a low risk of being refused. The approval process can take up to four weeks to be completed.

JJY will be invited by the Board to nominate a person to become a director of the Company upon the DSL Sale and Share Subscription being completed. The Board will appoint such nominee as a director however, in accordance with the Listing Rules such nominee will require re-election as a director at the 2016 annual shareholders meeting.

#### **About CIHL**

CIHL is an investment vehicle led by the Executive Chairman of the Company, Mr. Keith Jackson. CIHL will hold the shares it receives under the Transactions as bare trustee for Mr. Jackson and other investors. The other investors (who are disclosed in the Takeovers Code section below) comprise a number of senior managers of the Company, Esquires Coffee Houses franchisees and certain other strategic investors including existing shareholder Yunnan Metropolitan Construction and Investment Company (**YMCI**). YMCI currently holds shares in the Company and will participate in CIHL through its controlled entity, Beijing Yunnan Building Hotel Co. Limited.

On completion of the DSL Sale and Share Subscription the Company will procure that Esquires China fully repays to YMCI a working capital loan of approximately NZ\$1.9 million (**YMCI Debt**) which was advanced when the shares of Esquires China were acquired from YMCI and other parties late last year. This loan was otherwise due for repayment in the first quarter of 2016. YMCI will be invited by the Board to nominate a person to become a director of the Company upon the Transactions being completed. The Board will appoint such nominee as a director however, in accordance with the Listing Rules such nominee will require re-election as a director at the 2016 annual shareholders meeting.

CIHL has entered with the Company a conditional agreement to acquire half of the shares in the DSL Sale and also a conditional agreement to subscribe for \$4.5 million of new shares under the Share Subscription. The agreements are to be completed contemporaneously with the equivalent JJY agreements noted above. Otherwise the CIHL agreements are only conditional on the shareholder approval sought in this Notice of Meeting. Despite Completion, the Company has agreed with CIHL that the payment of up to approximately \$3.7 million of the Share Subscription may be deferred provided that the total amount due has been paid by 31 March 2016.

The investors in, and operation of, CIHL is discussed further below in the Takeovers Code section of this Notice of Meeting. The Company has been advised that Mr. Jackson may, following completion, sell down his beneficial

interest in up to approximately 47 million shares to non-associated parties. In the event of such sale the legal interest in such shares will remain held by CIHL. If such sales occur they will be advised to the market through directors and senior managers' disclosure notices in accordance with the Financial Markets Conduct Act 2013. Under its constituting agreement, CIHL will be wound up one year following completion at which time all beneficial owners will be transferred legal title to their shares from CIHL.

### ***Purpose of the Transactions***

The purpose of the Transactions is to secure new capital for the Company so that it is resourced to execute its growth ambitions. This includes reducing debt such as short term loans, bank borrowings and term debt. To this effect and as noted above the YMCI debt will be repaid immediately following completion. In addition the Company has a \$500,000 term loan due for repayment on 15 December 2015 to which proceeds of the Share Subscription will be applied to.

The proceeds of the Share Subscription and Share Offer will otherwise be prioritised towards the three core growth strategies of the Company:

- growing the Esquires brand in the Company's existing markets. In developed markets where the Company currently has stores (such as China, the United Kingdom and Ireland), the Company is investing in brand upgrades to ensure that the brand remains true to its Organic and Fairtrade principles. The Company will also enhance its global franchise system to further promote brand positioning and awareness.
- growing the Esquires brand in new markets. The Company has recently signed Master Franchise agreements in Jordan, Northern Cyprus, Egypt and Indonesia with the first stores due to open in all of these regions within the next six months. The Company is also targeting opening stores in Canada and the United States in the short term. As part of this strategy, the Company has negotiated to bring three existing coffee houses in Alberta, Canada under the Esquires brand immediately. The agreement also provides for 20 stores in Alberta by the end of 2020. In addition to selling conventional franchises, the Company intends to establish flagship stores in key locations in both the US and Canada. Demand for artisan and ethical coffee has been created in markets where corporate chains like Starbucks have a significant presence.
- growing its supply chain businesses Scarborough Fair and Progressive Processors. Scarborough Fair and Progressive Processors source and produce food and beverage products. As integration with the global Esquires network grows, they need to be leveraged to the growth in Esquires Coffee stores. They will help to ensure goods supplied to Esquires stores are high quality, consistently branded and marketed and profitably priced. These subsidiaries also offer the Company the security of a self-managed and efficient supply chain.

The Transactions will give the Company the necessary capital to pursue these strategies with uptake on the Share Offer dictating to what extent. Accordingly the apportionment of the proceeds from the Transactions towards debt repayment and the above growth strategies will be determined by the level of uptake on the Share Offer except as expressly stated otherwise. Ultimately the Board is committed to seeking growth in the Company's operations so that it reaches break-even as soon as possible.

Following the Transactions being concluded the Company intends to locate and appoint at least one new suitably qualified and independent director (within the meaning of the NZX Main Board Listing Rules) to strengthen its corporate governance. At that point it also intends to review its current NZAX market listing.

### ***Release of DSL Escrow***

DSL entered a Deed of Escrow with the Company when it received shares in the Company in October 2013. The escrow arrangement lapsed entirely on 15 October 2015. The escrow arrangement prohibited DSL selling or agreeing to sell a specified number of shares during the escrow term.

In order to facilitate the Transactions the Company entered a Deed of Variation of Escrow with DSL to release the escrow for the purposes of the Transactions and permit DSL to agree to sell the DSL Shares. The Company applied to NZX for, and received, approval to vary the escrow in this manner in accordance with the Listing Rules.

### ***Effect of Resolutions 1 and 2 Passing***

If shareholders pass Resolutions 1 and 2 the DSL Sale and the Share Subscription will be completed contemporaneously and as soon as possible following the Meeting (**Completion**). The timing will be conclusively determined by the receipt of China Approval for JJY. The Company understands that this is an administrative procedure that can take up to four weeks and can only commence once JJY has received the NZ Approval. If either the China Approval or the NZ Approval was not obtained the Transactions would not be completed (unless JJY waived such conditions) and the Company would be in the same position as if Resolutions 1 and 2 had not passed.

It is intended that, subject to receipt of the necessary regulatory approvals, the Share Offer will be undertaken in the first quarter of 2016.

If the Transactions are approved:

- The Company will be resourced to pursue its growth strategies and retire debt.
- The Company will appoint at least two new directors.
- The Company will have a more diversified shareholder base that includes strategic partners and a broader spread of the senior management team and Esquires franchisees.

This Notice of Meeting should be read in conjunction with the Independent Report, which assesses the fairness of the Transactions.

### ***Effect of Resolutions 1 and 2 Not Passing***

Resolutions 1 and 2 are interdependent and so both must be passed by shareholders in order for the Transactions to proceed. If the Transactions are not approved:

- The Company will be unable to pursue its growth strategies in the short to medium term.
- The Company will need to urgently look for other sources of new capital to keep its businesses operating or look to divest parts or all of its business.
- The Company may suffer an insolvency event. The essentiality of raising new capital was outlined in the Company's 2015 annual report (a copy of the report is available at [www.cooksglobalfoods.com](http://www.cooksglobalfoods.com)). Resolution 1 will have the effect of providing the essential capital needed. Resolution 2 will, depending on the level of uptake in the Share Offer as noted above, allow the Company to more aggressively pursue its growth strategies.

### ***Dilution Effect***

Resolution 1 will have the following dilution effect on shareholders if passed:

<b>Current Shares on issue</b>	338,353,651
<b>Shares issued under Share Subscription</b>	70,312,500
<b>Total shares on issue after Share Subscription</b>	408,666,151
<b>Example shareholder: pre-offer percentage holding</b>	10%
<b>Example shareholder: post-offer percentage holding</b>	8.28%

As the shares being acquired under the DSL Sale make up a larger proportion of the JJY and CIHL post-transaction shareholdings (and are already issued shares) the dilution effects of the Transaction are not considered material. Shareholders will also have an opportunity to participate in the Share Offer to recover dilution. Please refer to section 2.10 of the Independent Report for an assessment of the dilutionary impact on shareholders that are not participating in the Share Subscription.

### **Requirements for Shareholder Approval**

Shareholder approval for Resolution 1 is required under a number of applicable Listing Rules and the Takeovers Code. Resolution 2 seeks approval under Listing Rule 7.3.1(a). How the Transactions trigger these requirements and relevant disclosures against these requirements are set out below.

### **Listing Rule 7.3.1(a) – Issues of New Equity Securities**

Resolution 1 and 2 authorise the Board of the Company to issue up to 140,625,000 new ordinary shares in aggregate (**New Shares**) at an issue price of not less than \$0.128 per share. All of the New Shares must be issued by the Company within 12 months of the date of the Meeting.

Approval of these share issues under the Transactions is sought pursuant to Listing Rule 7.3.1(a). This Listing Rule provides that shareholders must approve the precise terms and conditions of the share issue and that the share issue must be completed within 12 months of the date the authorising resolution is passed.

Specific disclosures required by Listing Rule 6.2.1 are:

<b>Resolution 1 – Share Subscription</b>													
<b>Number of Shares to be Issued:</b>	70,312,500												
<b>Purpose of Issue:</b>	To raise new capital for the purpose of retiring debt and funding the growth plans of the Company.												
<b>Issue Price:</b>	\$0.128 per share.												
<b>Parties to whom Shares will be Issued:</b>	JJY – 35,156,250 shares. CIHL – 35,156,250 shares.												
	CIHL will hold the shares as bare trustee for a number of individual investors. The following directors and executive officers of the Company and their associated persons (including associated persons of the Company) are directly or indirectly such investors:												
	<table border="1"> <thead> <tr> <th><b>Investor Name</b></th> <th><b>Relationship to Company</b></th> </tr> </thead> <tbody> <tr> <td>Graeme Keith Jackson</td> <td>Executive Director</td> </tr> <tr> <td>Michael George Rae Hutcheson</td> <td>Director</td> </tr> <tr> <td>Craig Brown</td> <td>Chief Financial Officer</td> </tr> <tr> <td>John MacDonald</td> <td>Head of Design and Brand Management</td> </tr> <tr> <td>Stuart Macintosh</td> <td>General Manager - Supply</td> </tr> </tbody> </table>	<b>Investor Name</b>	<b>Relationship to Company</b>	Graeme Keith Jackson	Executive Director	Michael George Rae Hutcheson	Director	Craig Brown	Chief Financial Officer	John MacDonald	Head of Design and Brand Management	Stuart Macintosh	General Manager - Supply
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	Michael George Rae Hutcheson	Director											
	Craig Brown	Chief Financial Officer											
John MacDonald	Head of Design and Brand Management												
Stuart Macintosh	General Manager - Supply												
<b>Time Period for the Issue:</b>	The issue of shares will occur at Completion.												
<b>Ranking of New Shares:</b>	The new shares will rank equally in all respects with all other ordinary shares on issue.												

<b>Resolution 2 – Share Offer</b>	
<b>Number of Shares to be Issued:</b>	Up to 70,312,500

<b>Purpose of Issue:</b>	To raise new capital for the purpose of retiring debt and funding the growth plans of the Company.
<b>Issue Price:</b>	\$0.128 per share.
<b>Parties to whom Shares will be Issued:</b>	<p>John Stuart Deeks and Lewis Andrew Deeks (or their associated persons) have committed to subscribe for 4 million shares under this offer. Both of Stuart and Lewis are directors of the Company and will resign prior to Completion and they are both directors and beneficial owners of DSL Management Limited who is selling shares under the DSL Sale.</p> <p>It is otherwise intended to offer the remaining shares to investors (including retail investors) under a 'same class offer' pursuant to clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013. That offer will provide that existing shareholders of the Company have priority to subscribe for shares ahead of non-shareholders.</p> <p>No directors of the Company (or their associated persons) will participate in the Share Offer.</p>
<b>Time Period for the Issue:</b>	The issue of shares under the Share Offer is intended to occur shortly after Completion but must be completed within 12 months of the date of the Meeting.
<b>Ranking of New Shares:</b>	The new shares will rank equally in all respects with all other ordinary shares on issue.

#### ***Listing Rules 7.5.1 – Issues of Securities Affecting Control***

Listing Rule 7.5.1 provides that no issue of securities shall be made by the Company (without shareholder approval) if there is a significant likelihood that the issue will result in any person or group of associated persons materially increasing their ability to exercise, or direct the exercise of (either then or at any future time) effective control of the Company. This Listing Rule applies where that person or group of associated persons is entitled before the issue to direct the exercise of not less than 1% of the total votes attaching to securities of the Company and, together will have the ability to block ordinary resolutions.

CIHL will hold shares for a number of beneficial owners as are described in the Takeovers Code tables below. Those beneficial holders together hold or control 27.78% of all shares on issue in the Company prior to the Transactions occurring. These beneficial owners and JJY are all considered associated persons of each other under the Listing Rules for the purposes of the Transactions. If the Transactions are approved JJY and all of the beneficial holders (through CIHL) will hold or control up to 73.57% of the shares on issue in the Company. This materially increases their control of the Company. Please refer to section 2.9 of the Independent Report for an assessment of the impact on the Company's control on shareholders.

#### ***Listing Rule 9.2.1 – Related Party Transactions***

Listing Rule 9.2.1 provides that except with the prior approval of an ordinary resolution the Company may not enter a material transaction with a related party. Resolution 1 and Resolution 2 seek such approvals.

The Transactions are a material transaction under the Listing Rules because is comprises a series of linked transactions for an issue of securities that have an aggregate value of up to \$18 million which is in excess of 10% of the average market capitalisation of the Company. The Company as at 30 October 2015 had a market capitalisation of approximately \$42 million.

The following related parties are interested in the Transactions to the following extent:

- Lewis Andrew Deeks is a director (or was at the time of the meeting, a director within the past 6 months) of the Company. Lewis is a director and shareholder of DSL and will indirectly receive proceeds from the DSL Sale. He will also, either directly or indirectly, subscribe for up to 2 million shares under the Share Offer.
- John Stuart Deeks is a director (or was at the time of the meeting, a director within the past 6 months) of the Company. John is a director and shareholder of DSL and will indirectly receive proceeds from the DSL Sale. He will also, either directly or indirectly, subscribe for up to 2 million shares under the Share Offer.
- JJY is an associated person of the Company (and therefore is also a related party of the Company) by virtue of a joint venture that it has in place in China with a wholly owned subsidiary of the Company. JJY is acquiring half of DSL's shareholding under the DSL Sale and is investing \$4.5million into the Share Subscription. JJY will become, if the DSL Sale and Share Subscription are approved and completed, a 25.28% shareholder of the Company.
- CIHL is an associated person of a director of the Company (and therefore a related party) by virtue of Keith Jackson being the sole shareholder and director of CIHL. CIHL is acquiring half of DSL's shareholding under the DSL Sale and is investing \$4.5million into the Share Subscription. CIHL will become, if the DSL Sale and Share Subscription are approved and completed, a 25.28% shareholder of the Company. The following related parties of the Company will either directly or indirectly have a beneficial interest in shares held by CIHL:
  - Graeme Keith Jackson is the Executive Chairman of the Company, is a director of CIHL and will be beneficially interested in 55,891,038 shares held by CIHL following the Share Subscription and DSL Sale.
  - Michael George Rae Hutcheson is a Director of the Company and will be beneficially interested in 600,000 shares held by CIHL following the Share Subscription and DSL Sale.
  - Craig Brown is the Chief Financial Officer of the Company and will be beneficially interested in 1,250,000 shares held by CIHL following the Share Subscription and DSL Sale.
  - John MacDonald is the Head of Design and Brand Management for the Company and will be beneficially interested in 250,000 shares held by CIHL following the Share Subscription and DSL Sale.
  - Stuart Macintosh is the General Manager of Supply for the Company and will be beneficially interested in 875,000 shares held by CIHL following the Share Subscription and DSL Sale.

A certificate from the non-interested director of the Company as required by Listing Rule 9.2.5(b) is included at the end of this Notice of Meeting.

### ***Takeovers Code***

The Company is a "Code Company" under the Takeovers Code meaning that there are restrictions on persons being allotted or acquiring voting rights (or the control of voting rights) above a 20% threshold. A permitted procedure under the Takeovers Code is that the Company's non-associated shareholders approve an allotment and/or acquisition above this threshold. Resolution 1 seeks such an approval.

The investors in CIHL and JJY are considered associated for the purposes of the Takeovers Code as they are acting in concert in relation to the Transactions.

The table below sets out the specific disclosures required by Rule 16 of the Takeovers Code in respect of the proposed allotment of shares under the Share Subscription:

	Rule 16, Takeovers Code	Compliance Information																																																		
(a)	<p>the identity of the allottee and, if different from the allottee, the identity of any person who will become a controller of an increased percentage of voting securities in the code company as a result of the allotment or allotments.</p>	<p>JJY will be allotted 35,156,250 shares under the Share Subscription.            CIHL will be allotted 35,156,250 shares under the Share Subscription. CIHL will hold such shares as bare trustee for:</p> <table border="1" data-bbox="810 414 1426 1559"> <thead> <tr> <th data-bbox="810 414 1235 456">Investor Name</th> <th data-bbox="1238 414 1426 456">Shares</th> </tr> </thead> <tbody> <tr><td data-bbox="810 461 1235 504">Graeme Keith Jackson</td><td data-bbox="1238 461 1426 504">16,136,159</td></tr> <tr><td data-bbox="810 508 1235 568">Beijing Yunnan Building Hotel Co Limited</td><td data-bbox="1238 508 1426 568">8,263,050</td></tr> <tr><td data-bbox="810 573 1235 633">Graeme Keith Jackson, Patricia Frances Jackson and Phillip Mack Picot</td><td data-bbox="1238 573 1426 633">2,879,673</td></tr> <tr><td data-bbox="810 638 1235 680">Michael George Rae Hutcheson</td><td data-bbox="1238 638 1426 680">210,708</td></tr> <tr><td data-bbox="810 685 1235 728">Craig and Annette Brown</td><td data-bbox="1238 685 1426 728">460,923</td></tr> <tr><td data-bbox="810 732 1235 775">John and Marion Macdonald</td><td data-bbox="1238 732 1426 775">87,795</td></tr> <tr><td data-bbox="810 779 1235 822">Stuart Macintosh</td><td data-bbox="1238 779 1426 822">307,282</td></tr> <tr><td data-bbox="810 826 1235 869">Shane Moates</td><td data-bbox="1238 826 1426 869">21,949</td></tr> <tr><td data-bbox="810 873 1235 916">Christian Joseph</td><td data-bbox="1238 873 1426 916">43,897</td></tr> <tr><td data-bbox="810 920 1235 963">Alison Shackell</td><td data-bbox="1238 920 1426 963">175,590</td></tr> <tr><td data-bbox="810 967 1235 1010">Michelle Brick</td><td data-bbox="1238 967 1426 1010">96,574</td></tr> <tr><td data-bbox="810 1014 1235 1057">Malcolm Lindeque</td><td data-bbox="1238 1014 1426 1057">43,897</td></tr> <tr><td data-bbox="810 1061 1235 1104">Ji Hui</td><td data-bbox="1238 1061 1426 1104">253,508</td></tr> <tr><td data-bbox="810 1108 1235 1169">Matthew Wallace Yates, Megan Anne Telfer and Samuel Stephen Mercer</td><td data-bbox="1238 1108 1426 1169">43,897</td></tr> <tr><td data-bbox="810 1173 1235 1216">Ruby Cove Holdings Limited</td><td data-bbox="1238 1173 1426 1216">1,097,436</td></tr> <tr><td data-bbox="810 1220 1235 1263">Harry McLernon</td><td data-bbox="1238 1220 1426 1263">131,692</td></tr> <tr><td data-bbox="810 1267 1235 1328">Christopher Douglas Kennings and Charles Peter Ring</td><td data-bbox="1238 1267 1426 1328">59,262</td></tr> <tr><td data-bbox="810 1332 1235 1375">Christopher Douglas Kennings</td><td data-bbox="1238 1332 1426 1375">328,792</td></tr> <tr><td data-bbox="810 1379 1235 1422">Michael John Murray Sidey</td><td data-bbox="1238 1379 1426 1422">438,974</td></tr> <tr><td data-bbox="810 1426 1235 1469">Graham Drury</td><td data-bbox="1238 1426 1426 1469">2,194,872</td></tr> <tr><td data-bbox="810 1473 1235 1516">Michael Walter Daniel</td><td data-bbox="1238 1473 1426 1516">614,564</td></tr> <tr><td data-bbox="810 1520 1235 1563">Paul Bright</td><td data-bbox="1238 1520 1426 1563">395,077</td></tr> <tr><td data-bbox="810 1568 1235 1610">Bawabet Alqahwa LLC</td><td data-bbox="1238 1568 1426 1610">431,703</td></tr> <tr><td data-bbox="810 1615 1235 1657">PT Pangan Asri Indah</td><td data-bbox="1238 1615 1426 1657">438,974</td></tr> </tbody> </table> <p>Please note some of the above subscribers may take up their shares through a controlled entity or family trust.            (together, the <b>Subscribers</b>)</p>	Investor Name	Shares	Graeme Keith Jackson	16,136,159	Beijing Yunnan Building Hotel Co Limited	8,263,050	Graeme Keith Jackson, Patricia Frances Jackson and Phillip Mack Picot	2,879,673	Michael George Rae Hutcheson	210,708	Craig and Annette Brown	460,923	John and Marion Macdonald	87,795	Stuart Macintosh	307,282	Shane Moates	21,949	Christian Joseph	43,897	Alison Shackell	175,590	Michelle Brick	96,574	Malcolm Lindeque	43,897	Ji Hui	253,508	Matthew Wallace Yates, Megan Anne Telfer and Samuel Stephen Mercer	43,897	Ruby Cove Holdings Limited	1,097,436	Harry McLernon	131,692	Christopher Douglas Kennings and Charles Peter Ring	59,262	Christopher Douglas Kennings	328,792	Michael John Murray Sidey	438,974	Graham Drury	2,194,872	Michael Walter Daniel	614,564	Paul Bright	395,077	Bawabet Alqahwa LLC	431,703	PT Pangan Asri Indah	438,974
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(b)	<p>particulars of the voting securities to be allotted, including:</p> <p>(i) the number being allotted; and</p> <p>(ii) the percentage of the aggregate of all existing voting securities and all voting securities being allotted that that number represents; and</p>	<p>70,312,500 ordinary shares in aggregate being allotted to JJY and CIHL respectively as follows:</p> <p>JJY – 35,156,250 ordinary shares            CIHL - 35,156,250 ordinary shares</p> <p>17.21% in aggregate but between the respective parties as follows:</p> <p>JJY – 8.605%            CIHL – 8.605%</p>																																																		

	<b>Rule 16, Takeovers Code</b>	<b>Compliance Information</b>
	(iii) the percentage of all voting securities that will be held or controlled by the allottee after completion of the allotment; and	JJY – 25.285% CIHL – 25.285%
	(iv) the aggregate of the percentages of all voting securities that will be held or controlled by the allottee and the allottee’s associates after completion of the allotment.	73.57% in aggregate between JJY, CIHL and the Subscribers as follows:  JJY– 25.285% CIHL – 25.285% Subscribers – 23.00%
	(c) not applicable	
	(d) the issue price for the voting securities to be allotted and when it is payable.	\$0.128 per share. Payment of the issue price will be satisfied at Completion.
	(e) the reasons for the allotment.	To provide funding for the Company’s growth plans and to retire debt as is further described in this notice of meeting and accompanying documents.
	(f) a statement to the effect that the allotment, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.	The allotment of ordinary shares under the Share Subscription, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.
	(g) a statement by the allottee setting out particulars of any agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between the allottee and any other person (other than between the allottee and the code company in respect of the matters referred to in paragraphs (a) to (e) relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the code company.	The Subscribers, other than JJY, have entered into a regulation agreement with each other and CIHL that governs the operation of CIHL. That agreement provides that CIHL holds the Company’s shares on bare trust for the Subscribers and that all economic rights associated with the shares rest with the Subscribers. The regulation agreement is for a one year term at the conclusion of which the Company shares held by CIHL will be distributed to the Subscribers. Subscribers may sell their beneficial interest in the shares during the term of the regulation agreement. While CIHL holds the shares the voting rights associated with the shares may be exercised by the sole director of CIHL, Graeme Keith Jackson.  Other than as set out above, CIHL, the Subscribers and JJY, have not, nor intend to, enter into any arrangement or agreement with any other person, apart from the Company relating to the allotment, holding or control of the voting securities to be allotted, or the exercise of the voting rights in the Company.
	(h) the report from an independent adviser that complies with rule 18.	The Independent Report from Simmons Corporate Finance Limited accompanies this notice of meeting.
	(i) the statement by the directors of the Code company referred to in rule 19.	The directors of the Company unanimously recommend approval of Resolution 1 for the reasons set out in the section entitled “ <i>Directors Recommendation</i> ” below.

The table below sets out the specific disclosures required by Rule 15 of the Takeovers Code in respect of the proposed acquisition of shares under the DSL Sale:

Rule 15, Takeovers Code	Compliance Information																																																		
<p>the identity of the following</p> <p>(i) the person acquiring the voting securities; and</p>	<p>JY will acquire 68,174,454 shares under the DSL Sale. CIHL will acquire 68,174,455 shares under the DSL Sale.</p>																																																		
<p>(ii) (if different from the person described in paragraph (i)), any person who will become a controller of an increased percentage of voting securities in the code company as a result of the acquisition.</p>	<p>CIHL will acquire shares under the DSL Sale and hold them as bare trustee for:</p> <table border="1" data-bbox="810 533 1390 1733"> <thead> <tr> <th data-bbox="810 533 1198 566">Investor Name</th> <th data-bbox="1198 533 1390 566">Shares</th> </tr> </thead> <tbody> <tr> <td data-bbox="810 566 1198 611">Graeme Keith Jackson</td> <td data-bbox="1198 566 1390 611">31,290,989</td> </tr> <tr> <td data-bbox="810 611 1198 685">Beijing Yunnan Building Hotel Co Limited</td> <td data-bbox="1198 611 1390 685">16,023,578</td> </tr> <tr> <td data-bbox="810 685 1198 786">Graeme Keith Jackson, Patricia Frances Jackson and Phillip Mack Picot</td> <td data-bbox="1198 685 1390 786">5,584,217</td> </tr> <tr> <td data-bbox="810 786 1198 824">Michael George Rae Hutcheson</td> <td data-bbox="1198 786 1390 824">408,601</td> </tr> <tr> <td data-bbox="810 824 1198 862">Craig and Annette Brown</td> <td data-bbox="1198 824 1390 862">893,815</td> </tr> <tr> <td data-bbox="810 862 1198 900">John and Marion Macdonald</td> <td data-bbox="1198 862 1390 900">170,251</td> </tr> <tr> <td data-bbox="810 900 1198 938">Stuart Macintosh</td> <td data-bbox="1198 900 1390 938">595,877</td> </tr> <tr> <td data-bbox="810 938 1198 976">Shane Moates</td> <td data-bbox="1198 938 1390 976">42,563</td> </tr> <tr> <td data-bbox="810 976 1198 1014">Christian Joseph</td> <td data-bbox="1198 976 1390 1014">85,125</td> </tr> <tr> <td data-bbox="810 1014 1198 1052">Alison Shackell</td> <td data-bbox="1198 1014 1390 1052">340,501</td> </tr> <tr> <td data-bbox="810 1052 1198 1090">Michelle Brick</td> <td data-bbox="1198 1052 1390 1090">187,276</td> </tr> <tr> <td data-bbox="810 1090 1198 1128">Malcolm Lindeque</td> <td data-bbox="1198 1090 1390 1128">85,125</td> </tr> <tr> <td data-bbox="810 1128 1198 1167">Ji Hui</td> <td data-bbox="1198 1128 1390 1167">491,598</td> </tr> <tr> <td data-bbox="810 1167 1198 1240">Matthew Wallace Yates, Megan Anne Telfer and Samuel Stephen Mercer</td> <td data-bbox="1198 1167 1390 1240">85,125</td> </tr> <tr> <td data-bbox="810 1240 1198 1279">Ruby Cove Holdings Limited</td> <td data-bbox="1198 1240 1390 1279">2,128,131</td> </tr> <tr> <td data-bbox="810 1279 1198 1317">Harry McLernon</td> <td data-bbox="1198 1279 1390 1317">255,376</td> </tr> <tr> <td data-bbox="810 1317 1198 1391">Christopher Douglas Kennings and Charles Peter Ring</td> <td data-bbox="1198 1317 1390 1391">114,919</td> </tr> <tr> <td data-bbox="810 1391 1198 1429">Christopher Douglas Kennings</td> <td data-bbox="1198 1391 1390 1429">637,588</td> </tr> <tr> <td data-bbox="810 1429 1198 1467">Michael John Murray Sidey</td> <td data-bbox="1198 1429 1390 1467">851,253</td> </tr> <tr> <td data-bbox="810 1467 1198 1505">Graham Drury</td> <td data-bbox="1198 1467 1390 1505">4,256,263</td> </tr> <tr> <td data-bbox="810 1505 1198 1543">Michael Walter Daniel</td> <td data-bbox="1198 1505 1390 1543">1,191,754</td> </tr> <tr> <td data-bbox="810 1543 1198 1581">Paul Bright</td> <td data-bbox="1198 1543 1390 1581">766,127</td> </tr> <tr> <td data-bbox="810 1581 1198 1619">Bawabet Alqahwa LLC</td> <td data-bbox="1198 1581 1390 1619">837,152</td> </tr> <tr> <td data-bbox="810 1619 1198 1657">PT Pangan Asri Indah</td> <td data-bbox="1198 1619 1390 1657">851,253</td> </tr> </tbody> </table> <p data-bbox="810 1733 1428 1832">Please note some of the above acquirers may take up their shares through a controlled entity or family trust (together, the <b>Acquirers</b>).</p>	Investor Name	Shares	Graeme Keith Jackson	31,290,989	Beijing Yunnan Building Hotel Co Limited	16,023,578	Graeme Keith Jackson, Patricia Frances Jackson and Phillip Mack Picot	5,584,217	Michael George Rae Hutcheson	408,601	Craig and Annette Brown	893,815	John and Marion Macdonald	170,251	Stuart Macintosh	595,877	Shane Moates	42,563	Christian Joseph	85,125	Alison Shackell	340,501	Michelle Brick	187,276	Malcolm Lindeque	85,125	Ji Hui	491,598	Matthew Wallace Yates, Megan Anne Telfer and Samuel Stephen Mercer	85,125	Ruby Cove Holdings Limited	2,128,131	Harry McLernon	255,376	Christopher Douglas Kennings and Charles Peter Ring	114,919	Christopher Douglas Kennings	637,588	Michael John Murray Sidey	851,253	Graham Drury	4,256,263	Michael Walter Daniel	1,191,754	Paul Bright	766,127	Bawabet Alqahwa LLC	837,152	PT Pangan Asri Indah	851,253
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<p>(iii) the person disposing of the voting securities</p>	<p>DSL Management Limited</p>																																																		

	Rule 15, Takeovers Code	Compliance Information
<b>(b)</b>	particulars of the voting securities to be acquired, including: (i) the number being acquired;	136,348,909 ordinary shares in aggregate being sold to JJY and CIHL respectively as follows:  JJY – 68,174,454 CIHL – 68,174,455
	(ii) the percentage of all voting securities that that number represents; and	40.30% (prior to the Share Subscription occurring and 33.36% once Share Subscription occurs). JJY and CIHL will acquire the following percentages:  JJY – 20.15% (16.68% post Share Subscription allotment)  CIHL – 20.15% (16.68% post Share Subscription allotment)
	(iii) the percentage of all voting securities that will be held or controlled by the person acquiring the voting securities after completion of the acquisition; and	JJY – 25.28% <sup>1</sup> CIHL – 25.28% <sup>2</sup>
	(iv) the aggregate of the percentages of all voting securities that will be held or controlled by the person acquiring the voting securities and by that person's associates after completion of the acquisition; and	73.57% in aggregate between JJY, CIHL and the Subscribers as follows:  JJY– 25.28% CIHL – 25.28% Subscribers – 23.01%
<b>(c)</b>	not applicable	
<b>(d)</b>	the consideration for the acquisition or the manner in which the consideration will be determined and when the consideration is payable; and	\$0.05 per share. Payment of the consideration is to be made at Completion in cash.
<b>(e)</b>	the reasons for the transaction; and	DSL Management Limited wishes to sell down its shareholding in the Company.
<b>(f)</b>	a statement to the effect that the acquisition, if approved, will be permitted under rule 7(c) of the Takeovers Code as an exception to rule 6 of the Takeovers Code; and	The acquisition of ordinary shares under the DSL Sale, if approved, will be permitted under rule 7(c) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.

<sup>1</sup> This percentage recognises that the allotment under the Share Subscription and purchase under the DSL Sale will occur contemporaneously.

<sup>2</sup> This percentage recognises that the allotment under the Share Subscription and purchase under the DSL Sale will occur contemporaneously.

	Rule 15, Takeovers Code	Compliance Information
(g)	a statement by the person acquiring the voting securities setting out particulars of any agreement or arrangement (whether or not legally enforceable) that has been, or is intended to be, entered into between the person and any other person (other than between that person and the person disposing of the voting securities in respect of the matters referred to in paragraphs (a) to (e)) relating to the acquisition, holding, or control of the voting securities to be acquired, or to the exercise of voting rights in the code company; and	<p>The Acquirers, other than JJY, have entered into a regulation agreement with each other and CIHL that governs the operation of CIHL. That agreement provides that CIHL holds the Company's shares on bare trust for the Acquirers and that all economic rights associated with the shares rest with the Acquirers. The regulation agreement is for a one year term at the conclusion of which the Company's shares will be distributed to the Acquirers. Subscribers may sell their beneficial interest in the shares during the term of the regulation agreement. While CIHL holds the shares the voting rights associated with the shares may be exercised by the sole director of CIHL, Graeme Keith Jackson.</p> <p>In order to facilitate an orderly sale of the DSL Shares, DSL Management Limited entered a share sale deed with the Company where the Company agreed to procure purchasers of the DSL Shares. The Company then entered share purchase deeds with each of CIHL and JJY where they would respectively acquire the DSL Shares on the terms disclosed in this Notice of Meeting.</p> <p>Other than as set out above, CIHL, the Acquirers and JJY, have not, nor intend to, enter into any arrangement or agreement with any other person, apart from the Company relating to the allotment, holding or control of the voting securities to be allotted, or the exercise of the voting rights in the Company.</p>
(h)	the report from an independent adviser that complies with rule 18; and	The Independent Report from Simmons Corporate Finance Limited accompanies this notice of meeting.
(i)	the statement by the directors of the Code company referred to in rule 19.	The directors of the Company unanimously recommend approval of Resolution 1 for the reasons set out in the section entitled "Directors Recommendation" below.

**Director Recommendation – Rule 19 of the Takeovers Code and Listing Rule 9.2.5(b)**

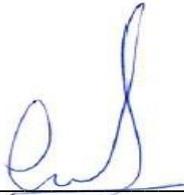
The Director of the Company that is not interested in the Transactions:

1. recommends that shareholders vote in favour of the Transactions for the purposes of the Takeovers Code; and
2. certifies that in his opinion the terms of the Transactions are fair and reasonable to shareholders of the Company and are in the best interests of the Company for the purposes of Listing Rule 9.2.5(b).

The grounds supporting this recommendation and certification are:

1. The Company has a need to raise new capital in order to pursue its growth plans and retire debt. The Transactions secure \$9 million in new capital for the Company which significantly enhances the capital adequacy of the Company and provides the Company with a strong platform to raise up to a further \$9 million in new capital under the Share Offer.

2. While JJY and CIHL will significantly increase their control in the Company at Completion they will then be diluted by the Share Offer which gives the Company an opportunity to diversify its shareholding base.
3. DSL Management Limited had indicated that it was not in a position to contribute new capital to the Company. The DSL Sale and the Share Subscription permit new shareholders to take significant shareholdings in the Company and also provide the required new capital to the Company.
4. JJY is an important strategic partner to the Company with whom the Company can accelerate its growth in the Chinese market. JJY is already a joint venture partner to the Company's Chinese subsidiary. JJY becoming a shareholder of the Company aligns its interests with those of the Company shareholders.
5. CIHL is comprised of a number of underlying investors including directors, senior managers and franchisees of the Company. Through CIHL participating in the Transactions the interests of these persons is better aligned with shareholders of the Company.
6. The Share Subscription will be undertaken at \$0.128 per share. The Company intends to conduct the Share Offer at \$0.128 per share with shareholders of the Company having priority to shares under the Share Offer. Accordingly all shareholders will have an opportunity to subscribe for shares at the same price as under the Share Subscription.



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Andrew Malcolm Kerslake