



## Notice of 2018 Extraordinary General Meeting

**NOTICE** is hereby given that the 2018 extraordinary general meeting of TTG Fintech Limited ARBN 158 702 400 ("the Company") will be held at 11:30am (China time), 1:30pm (Sydney time) on Wednesday 4 April 2018, at Level 12, Block 2, Xunmei Tech Plaza, No. 8 Keyuan Blvd, Nanshan District, Shenzhen 518000, China ("**Meeting**").

If you are unable to attend the meeting, we encourage you to complete and return the enclosed CDI Voting Instruction Form. The completed CDI Voting Instruction Form must be received at the address shown on the Form before the time fixed for the Meeting or an adjournment thereof, being no later than 11:30am (China time) 1:30pm (Sydney time) on Sunday, 1 April 2018.

### SPECIAL BUSINESS

#### 1. Resolution 1 : Approval for the change of Company name

That the following resolution be approved as a **special resolution**:

*"That, subject to and conditional upon the approval of the Registrar of Companies in Hong Kong being obtained and for the purposes of section 107 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) the English name of the Company to be changed from "TTG Fintech Limited" to "FinTech Chain Limited" (the "**Change of Company Name**") and that any one or more of the directors of the Company be and is/are authorised to do all such acts, ends and things and execute all such documents as he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Change of Company Name and to attend to any necessary registration and/or filings for and on behalf of the Company."*

#### 2. Resolution 2 : Approval for the reduction in exercise price of the Stradbroke Plaza Incentive Options

That the following resolution be approved as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 6.23.3 and for all other purposes, Shareholders approve the reduction in the exercise price for the 1,200,000 options issued under the Company's employee incentive plan to Stradbroke Plaza Pty Ltd as trustee for the Ryan Retirement Fund from A\$0.80 to A\$0.30 on the terms and conditions contained in the Explanatory Statement."*

##### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 2 by Stradbroke Plaza Pty Ltd as trustee for the Ryan Retirement Fund or any Associate of that person.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

**Associate** has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

#### 3. Resolution 3 : Approval for the reduction in exercise price of the Kwok Incentive Options

That the following resolution be approved as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 6.23.3 and for all other purposes, Shareholders approve the reduction in the exercise price for the 6,377,474 options issued under the Company's*

*employee incentive plan to Mr Gary Kwok from A\$0.80 to A\$0.30 on the terms and conditions contained in the Explanatory Statement".*

**Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 3 by Gary Kwok or any Associate of that person.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

**Associate** has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

**4. Resolution 4 : Approval for the reduction in exercise price of the General Incentive Options**

That the following resolution be approved as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 6.23.3 and for all other purposes, Shareholders approve the reduction in the exercise price for the 9,770,000 options issued under the Company's employee incentive plan to employees of the Company from A\$0.80 to A\$0.30 on the terms and conditions contained in the Explanatory Statement".*

**Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 4 by any holders of the 9,770,000 options or any Associate of those persons.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

**Associate** has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

**NOTES**

**(i) Voting entitlements**

The directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Meeting and CHESS Depositary Interest ("CDI") holding of each CDI holder will be taken to be held by the persons who are registered as members and CDI holders at 7:00pm (Sydney time) 5:00pm (China time) on Monday, 2 April 2018.

Accordingly transfers registered after that time will be disregarded in determining members entitled to attend and vote at the meeting.

**(ii) Proxy voting by holder of ordinary shares**

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the proxy. A proxy will not be valid unless it is deposited by mail or by fax at the office of the Company, 1806 Park-In Commercial Centre, 56 Dundas Street, Kowloon, Hong Kong or fax number (852) 2302 4355 by no later than 11:30am (China time) 1:30pm (Sydney time) on Monday, 2 April 2018.

**(iii) Proxy voting by holder of CDIs**

Holders of CDIs are invited to attend the meeting. CDI holders may complete, sign and return the enclosed CDI Voting Instruction Form to Computershare Investor Services Limited, at GPO Box 242, Melbourne, Victoria, 3001 Australia (free fax number within Australia: 1800 783 447 or outside Australia: +61 3 9473 2555) in order to direct CHESS Depositary Nominees Pty Ltd. ("CDN") to vote the relevant underlying ordinary shares on his or her behalf or may instruct CDN to

appoint such CDI holder or his or her nominee as proxy to vote the ordinary shares underlying the CDIs in person at the Meeting. In either case, the CDI Voting Instruction Form needs to be received at the address shown on the form before the time fixed for the Meeting or an adjournment thereof, being no later than 11:30am (China time) 1:30pm (Sydney Time) on Sunday, 1 April 2018.



Dated: 9 March 2018

By order of the Board

Louie Chow  
Deputy Chairman

## Explanatory Statement

This explanatory statement accompanies the 2018 notice of Meeting of TTG Fintech Limited ARBN 158 702 400 ("Notice") ("the Company") to be held at 11:30am (China time) 1:30pm (Sydney time), on Wednesday 4 April 2018, at Level 12, Block 2, Xunmei Tech Plaza, No. 8 Keyuan Blvd, Nanshan District, Shenzhen 518000, China.

### Resolution 1: Change of Company Name

#### General

This resolution seeks the approval from Shareholders and CDI Holders for the change of name of the Company to "FinTech Chain Limited".

As per ASX announcement made on 23 January 2018, the Board has resolved to expand its business scope in the BlockChain technology sector through the utilisation of its existing resources and innovation platforms in BlockChain. BlockChain is not a new business direction and the Company has been utilizing BlockChain technology through the application of our innovation intellectual property since 2016 in the areas of trade finance BlockChain, cross-border transfer BlockChain, commercial paper and certificate of deposit circulating BlockChain.

In view of the focus on the BlockChain sector, the Board proposes to change its name to "Fintech Chain Limited" to better reflect its growing BlockChain business and to align this focus with the Company's broader business base.

#### Regulatory requirements

Section 107 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) requires the members to pass a special resolution to change a company's name. Accordingly, this resolution seeks approval for the Company to change its name to "FinTech Chain Limited".

#### When does this resolution take effect?

If the resolution is passed, the change of name will take effect when the Hong Kong Registrar of Companies alters the detail of the Company's registration.

#### Voting requirements

This resolution is a special resolution and so requires the approval of 75% of the votes cast by Shareholders and CDI Holders.

### Resolution 2, Resolution 3 and Resolution 4: Approval for the reduction in exercise price of Options

#### General

Resolutions 2, 3 and 4 seek the approval from Shareholders and CDI Holders for the reduction in the exercise price from A\$0.80 to A\$0.30 in respect to the following options:

- 1,200,000 options issued under the Company's employee incentive plan to Stradbroke Plaza Pty Ltd as trustee for the Ryan Retirement Fund (**Stradbroke Plaza**), an entity controlled by Chris Ryan, a non-executive Director of the Company (**Stradbroke Plaza Incentive Options**);
- 6,377,474 options issued under the Company's employee incentive plan to Mr Gary Kwok, a former non-executive Director of the Company (**Kwok Incentive Options**); and
- 9,770,000 options to Group A Investors under the Company's employee incentive plan issued in recognition of their support, dedication and contribution to the Company (**General Incentive Options**).

We set out below a summary of the terms of each of the Stradbroke Plaza Incentive Options, Kwok Incentive Options and General Incentive Options (together the "**Options**")

The Stradbroke Plaza Incentive Options were issued on the following terms:

| Item                                          | Detail                                                                                                                                          |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Holder:                                       | Stradbroke Plaza Pty Ltd as trustee for the Ryan Retirement Fund, an entity controlled by Chris Ryan, a non-executive Director of the Company   |
| Number of Stradbroke Plaza Incentive Options: | 1,200,000 Stradbroke Plaza Incentive Options exercisable into CHES Depository Interests ( <b>CDIs</b> ) on a 1:1 basis.                         |
| Issue price:                                  | The Stradbroke Plaza Incentive Options were issued for a total of HK1.00.                                                                       |
| Approval date:                                | The issue of the Stradbroke Plaza Incentive Options were approved by the Company CDI holders under ASX Listing Rule 10.14 on 18 September 2015. |
| Issue Date:                                   | The Stradbroke Plaza Incentive Options were issued on 23 September 2015.                                                                        |
| Exercise Price:                               | The exercise price of the Stradbroke Plaza Incentive Options is A\$0.80.                                                                        |
| Expiry Date:                                  | The Stradbroke Plaza Incentive Options expire on 30 June 2022.                                                                                  |

The Kwok Incentive Options were issued on the following terms:

| Item                              | Detail                                                                                                                              |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Holder:                           | Mr Gary Kwok, a former non-executive Director of the Company                                                                        |
| Number of Kwok Incentive Options: | 6,377,474 Kwok Incentive Options exercisable into CDIs on a 1:1 basis.                                                              |
| Issue price:                      | The Kwok Incentive Options were issued for a total of HK1.00.                                                                       |
| Approval date:                    | The issue of the Kwok Incentive Options were approved by the Company CDI holders under ASX Listing Rule 10.14 on 18 September 2015. |
| Issue Date:                       | The Kwok Incentive Options were issued on 23 September 2015.                                                                        |
| Exercise Price:                   | The exercise price of the Kwok Incentive Options is A\$0.80.                                                                        |
| Expiry Date:                      | The Kwok Incentive Options expire on 30 June 2022.                                                                                  |

The General Incentive Options were issued on the following terms:

| Item                                 | Detail                                                                                                                                                                                  |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Holders:                             | Employees under the Company's employee incentive plan issued in recognition of their support, dedication and contribution to the Company, generally referred to as "Group A Investors". |
| Number of General Incentive Options: | 9,770,000 General Incentive Options exercisable into CDIs on a 1:1 basis.                                                                                                               |
| Issue price:                         | The General Incentive Options were issued for a total of HK1.00.                                                                                                                        |
| Approval date:                       | N/A                                                                                                                                                                                     |

|                 |                                                                 |
|-----------------|-----------------------------------------------------------------|
| Issue Date:     | The General Incentive Options were issued on 12 August 2015.    |
| Exercise Price: | The exercise price of the General Incentive Options is A\$0.80. |
| Expiry Date:    | The General Incentive Options expire on 30 June 2021.           |

In an announcement to the market on 6 October 2016, the Company advised that the Board intended to reduce the exercise prices of the Options from A\$0.8 to A\$0.3.

As announced to the market, the reduction in the exercise price will require:

- The ASX agreeing to provide a waiver of ASX Listing Rule 6.23.3; and
- Shareholder/CDI holder approval under ASX Listing Rule 6.23.4.

The Board of the Company has formed the view that it would seek a reduction in the exercise price of the Options for the following reasons:

- In terms of the Stradbroke Plaza Incentive Options:
  - The Stradbroke Plaza Incentive Options were issued in lieu of cash remuneration to Chris Ryan following a decision not to reduce the cost base of the Company by paying cash remuneration to Chris Ryan; and
  - Chris Ryan has, however satisfied the performance hurdles under the employee incentive plan required to exercise the Stradbroke Plaza Incentive Options. These performance hurdles included:
    - being responsible for the effective governance of the Company;
    - assisting to formulate the Company's strategic direction;
    - reviewing, approving and monitoring the business plan and annual budget;
    - contribution to the development of board and organisational policies;
    - compliance with the legal requirements of being a director and with legal and regulatory requirements of running a business;
    - monitoring risks facing the Company;
    - assisting with shareholder communications and networking on behalf of the Company;
    - acting in the role of chairman of the Audit and Risk Management Committee, and, as a member of the Remuneration and Nominee Committee, identifying skills required by the board and potential candidates.

On the basis of the above, the Board are of the view that a reduction in the Stradbroke Plaza Incentive Option exercise price is appropriate as it will reflect the remuneration intention of the Company at the time they were issued; namely, to issue options with an exercise price in excess of the trading CDI price but at a level such that the Stradbroke Plaza Incentive Options constituted both appropriate remuneration (given the Stradbroke Plaza Options were issued in lieu of cash remuneration) and to act as an incentive to continue to build the Company.

The proposed new exercise price of A\$0.30, while being lower than the current exercise price of A\$0.80, it is still above the current CDI trading price of the Company and given the Stradbroke Plaza Incentive Options will not be "in the money" following the reduction in the exercise price, they will therefore continue to act as an incentive.

- In terms of the Kwok Incentive Options:
  - The Kwok Incentive Options were issued in lieu of cash remuneration to Gary Kwok following a decision not to reduce the cost base of the Company by paying cash remuneration to Gary Kwok; and
  - Gary Kwok had satisfied the performance hurdles under the employee incentive plan required to exercise the Kwok Incentive Options before he resigned from the Board. These performance hurdles included;
    - As an executive director – making recommendations and reporting to the Board regarding the development of strategies for and the management and performance of the business and operations of the Company, being responsible for managing the Company (in conjunction with the other executive directors) in accordance with the strategy, business plans and policies approved by the Board and conducting himself in the role as an executive director in compliance with the requirements and responsibilities detailed in the Companies Ordinance and under common law;
    - As the chief financial officer – ensuring that the risk management and internal compliance and control systems of the Company were operating efficiently and effectively in all material respects in relation to financial reporting and ensuring that the Company's financial reports in each financial period presented a true and fair view of the Company's financial condition and operational results and were in accordance with the relevant accounting standards.

On the basis of the above, the Board are of the view that a reduction in the Kwok Incentive Option exercise price is appropriate given the Kwok Incentive Options were issued in lieu of cash remuneration and reducing the exercise price will reflect the remuneration intention of the Company at the time they were issued; namely, to issue options with an exercise price in excess of the trading CDI price but at a level such that the Kwok Incentive Options constituted appropriate remuneration (given the Kwok Incentive Options were issued in lieu of cash remuneration).

The Board also consider that given Gary was integral to the listing of the Company on the ASX, it is reasonable that he be treated equally with other senior management in regards to the pricing of his Kwok Incentive Options.

- In terms of the General Incentive Options – The General Incentive Options were issued as a remuneration component to well performing employees of the Company. The Board are of the view that a reduction in the exercise price of the General Incentive Options reflect the intention of the Board to provide access to CDIs in the Company by way of the issue of options with an exercise price that, while being above the current CDI trading price of the Company, is nonetheless set at a price that will act as a real incentive for those employees to contribute to the Company's growth.

In terms of the pricing of the Stradbroke Plaza Incentive Options, Kwok Incentive Options and General Incentive Options, CDI holders should note that:

- at the date these were issued, the average trading price was approximately \$0.20. This means that the Options at the time of issue (with an exercise price of \$0.80) had an exercise price that was 4 times the then average trading price.
- in this case, the trading price of the Company (as at the close of trading on 25 February 2018) is \$0.12 (as at the close of trading on 2 March 2018). On the basis of the reduction in the exercise price to \$0.30, the Options will have an exercise price of 2.5 times that of the current average trading price.

The Board has formulated the view that the reduction to \$0.30, being 2.5 times that of the current average trading price is reasonable given the trading history of the Company.

#### Regulatory requirements

LR 6.23.3 stipulates that changes to options which have the effect of reducing the exercise price, increasing the exercise period or increasing the number of securities received on exercise is prohibited.

Reducing the exercise price of the Options without a waiver of LR 6.23.3 from the ASX will be a contravention of LR 6.23.3.

A waiver of LR 6.23.3 was provided by the ASX on 6 March 2018. This waiver provided as follows:

1. *Based solely on the information provided, ASX Limited ("ASX") grants TTG Fintech Limited (the "Company") a waiver from listing rule 6.23.3 to the extent necessary to permit the Company to amend the exercise price of 1,200,000 options issued to Stradbroke Plaza Pty Ltd as trustee for the Ryan Retirement Fund (an entity controlled by Mr Chris Ryan), 6,377,474 options issued to Mr Gary Kwok (former non-executive director), and 9,770,000 options issued to unrelated employees (together, the "Options") from \$0.80 to \$0.30, subject to the Company obtaining shareholder approval for the amendment of the exercise price of the Options.*
2. *ASX has considered listing rule 6.23.3 only and makes no statement as to the Company's compliance with other listing rules.*

#### Voting requirements

These Resolutions are ordinary resolutions and so requires the approval of more than 50% of the votes cast by Shareholders and CDI holders.

A voting exclusion has been included for each of Resolutions 2, 3 and 4.