

BLACKWELL GLOBAL HOLDINGS LIMITED**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

Notice is given that the Annual Meeting of shareholders of Blackwell Global Holdings Limited (*BGI* or the *Company*) will be held online on **Thursday 22 September 2022 at 1.30pm**.

VIRTUAL SHAREHOLDER MEETING

To participate in the meeting online, please use the following link to BGI's virtual meeting Zoom platform:

<https://us02web.zoom.us/j/87194200168?pwd=a2NscW1ENS85cnhBbldnZ3Q1NHZGQT09>

Meeting ID: **871 9420 0168**

Passcode: **123123**

Shareholders are encouraged to vote via their proxy form before the meeting.

BUSINESS OF THE MEETING**1. Re-election of Director**

"That Mr Kaw Sing Chai, who retires in accordance with the provisions of the Constitution of the Company and, being eligible, offers himself for re-election as a Director of the Company."

2. Remuneration of Auditors

"To record the appointment of William Buck Audit (NZ) Limited as Auditors of the Company under section 200 of the Companies Act, and to authorise the Board to fix their remuneration for the forthcoming year."

3. Extension and capitalisation of bonds

"To approve:

(a) extension of the maturity date of the secured bonds issued by the Company to 31 December 2023; and

(b) the issue of 100,000,000 ordinary shares in the Company to Blackwell Global Group Limited, being the majority shareholder of the Company at a price of \$0.0045 per share, to be satisfied by capitalising \$450,000 of its secured bonds, as explained further in the explanatory notes."

NOTES**1. Explanatory notes**

Explanatory notes on the business of the meeting are set out in the following pages. Additional information on the proposed capitalisation of bonds is set out in the accompanying Independent Appraisal Report from Armillary Limited dated 31 August 2022.

2. Proxies

All shareholders of the Company entitled to attend online and vote at the meeting are entitled to appoint a proxy to attend to vote for them instead. A proxy need not be a shareholder of the Company.

If a shareholder wishes to appoint a proxy, the shareholder should complete the proxy form enclosed. To be effective, the proxy form must be lodged at the Registered Office of the Company or with the Company's Share Registrar, Link Market Services, in accordance with the instructions in the Notes to the Proxy Form accompanying this Notice within at least 48 hours before the meeting is due to begin (i.e. before 1.30pm on 20 September 2022).

If you wish to appoint an independent director or the Chairman as your proxy, Mr Sean Joyce is willing to act on your behalf and will vote "for" on all 3 resolutions.

If you do not name a proxy in your proxy form, Mr Sean Joyce, as Chairman, will be deemed appointed your proxy and will vote in accordance with your express instructions. Proxy forms that record an express intention may not be exercised by someone disqualified from voting.

Discretionary proxies given to persons disqualified from voting will not be valid.

3. Entitlement to vote

All persons registered on the Company's register of shareholders as at 5pm on 21 September 2022 are entitled to vote at the Meeting online or by proxy.

By order of the Board of Directors

Sean Joyce
Chairman

31 August 2022

EXPLANATORY NOTES

Ordinary Resolutions

All items of business to be considered at the meeting are ordinary resolutions. An *ordinary resolution* is a resolution passed by a simple majority of votes of shareholders of the Company, entitled to vote and voting.

Voting restrictions

Blackwell Global Group Limited and any of its "Associated Persons" (as defined in the NZX Listing Rules), including its director Kaw Sing Chai (Michael Chai), are restricted from voting on resolution 3 referred to in the Notice of Annual Meeting. See further discussion below in the Explanatory Notes on resolution 3.

Resolution 1: Re-election of Director

Mr Kaw Sing Chai (Michael), retires in accordance with the provisions of the Constitution of the Company. Mr Chai, being eligible, offers himself for re-election.

Michael is the founder and CEO of Blackwell Global Group Limited. With more than a decade of forex and derivatives experience, he has built Blackwell on transparency and devotion to clients earning special mentions, accolades and awards from international financial portals like Forex Magnates as well as Global Banking and Finance Review. Michael holds a Degree in Economics with National Cheng Chi University (NCCU), Taiwan.

Due to his association with Blackwell Global Group Limited, and because he is a substantial shareholder in his own right, Michael Chai is not an independent director for the purposes of the NZX Listing Rules.

Resolution 2: Remuneration of auditor

William Buck Audit (NZ) Limited are automatically reappointed as Auditors of the Company under section 200 of the Companies Act. Resolution 2 seeks authority for the Board to fix their remuneration for the forthcoming year.

Resolution 3: Overview of Proposed Capitalisation of Secured Bonds

Background

Summary of essential terms of secured Bonds

The Company currently has \$1 million principal amount of secured bonds (**Bonds**) on issue, held by its majority shareholder Blackwell Global Group Limited (**BGGL**). The Bonds carry 0% interest. The Bonds are secured by a first ranking general security deed over the present and after acquired property of the Company.

The Bonds were scheduled to be repaid on 30 June 2022. However, on 25 November 2020 BGGL had agreed with the Company that BGGL would not seek to enforce the Bonds unless and until BGI has the financial resources to repay the Bonds whilst still complying with the Companies Act 1993 solvency test.

Proposed Bond Transaction

On 29 June 2022 BGI disclosed in its annual report released to NZX that BGGL had provided a letter of comfort to the Company stating that, in its capacity as majority shareholder, BGGL will provide ongoing support to the Company and planned to: 1. Capitalise \$450,000 of the Bonds into new fully paid ordinary shares and 2. Provide the Company with adequate financial support, in the form of additional funding to the extent of no less than \$550,000 to ensure ongoing business continuity and solvency.

To further formalise the letter of comfort and to provide the Company with greater financial flexibility, on 25 July 2022 BGI's independent directors and BGGL agreed that, subject to shareholder approval:

1. BGGL will extend the maturity date of the Bonds to 31 December 2023, and will not call for a repayment of the Bonds prior to that date except in a liquidation of BGI or through the Bond Capitalisation referred to below (the **Bond Extension**); and
2. BGGL agreed to capitalise \$450,000 of the Bonds at an issue price of NZ\$0.0045 per new share (for an issue of 100,000,000 new fully paid ordinary shares in BGI) (the **Bond Capitalisation**).

(the Bond Extension and the Bond Capitalisation, together the **Bond Transaction**).

Entry into the Bond Transaction was also announced to NZX on 25 July 2022.

Following completion of the Bond Transaction there would be \$550,000 of Bonds that remain outstanding with a maturity date of 31 December 2023.

The proposed issue price of \$0.0045 per share is at a premium to the recent trading prices of BGI's shares over the 3 months prior to announcement of the Bond Transaction on 25 July 2022. The Bond Capitalisation issue price per share represents:

- a 12.5% premium to BGI's share price immediately prior to the announcement of the Bond Transaction on 25 July 2022 of \$0.0040;
- a 12.5% premium to the one month volume weighted average price (**VWAP**) up to 25 July 2022 of \$0.0040; and
- a 10.3% premium to the 3 month VWAP up to 25 June 2022 of \$0.0041.

Should shareholders approve the Bond Transaction the Company plans to complete it on 17 October 2022 (being the 12 month anniversary of the last issue of shares to BGGL, and therefore not requiring approval under the Takeovers Code).

The new shares issued will rank equally with the existing 573,759,059 ordinary shares currently on issue.

BGGL is the majority shareholder in the Company and is therefore a "Related Party" of the Company pursuant to the NZX Listing Rules. In addition, the Company's director Michael Chai is also a BGGL director and therefore is treated as an "Associated Person" of BGGL under the NZX Listing Rules.

BGGL currently holds 382,929,770 shares in the Company, representing 66.74% of the voting securities in the Company. If shareholders approve the Bond Transaction, the additional 100,000,000 shares issued would increase BGGL's holding to 482,929,770 shares or 71.68% (an increase of 4.94 %).

BGGL is permitted to increase its holding or control of the Company's voting rights by this amount under rule 7(e) of the Takeovers Code (the '5% creep' exception), and so the Company is not seeking shareholder approval under the Takeovers Code.

The minority buyout rights in sections 110 to 118 of the Companies Act 1993 do not apply in relation to the Bond Transaction.

Requirement for the resolution

Resolutions 3 is required by NZX Listing Rule 5.2 as the Bond Transaction is a Material Transaction with a Related Party that triggers a shareholder approval requirement by ordinary resolution. The Bond Transaction is a Material Transaction as it has an aggregate value in excess of 10% of the Average Market Capitalisation of the Company.

Further, BGGL is an Associated Person of one of the Company's directors, Kaw Sing Chai (Michael Chai), as Michael Chai is a director of BGGL and the Company and is the second largest shareholder of the Company. Therefore, shareholder approval is also required under NZX Listing Rule 4.2.1 because of the size of the issue and given that BGI is not using placement headroom. BGGL and its "Associated Person" (as defined in the NZX Listing Rules) is restricted from voting on Resolution 3 referred to in this Notice of Meeting.

As shown in the below table, Michael Chai also holds 9.74% of the shares in the Company (of which 55,871,667 shares in the Company are personally held by Michael as at 5 August 2022), and he is the second largest Shareholder of the Company. Michael Chai is an "Associated Person" of BGGL for the purpose of the NZX Listing Rules, and an "associate" of BGGL for the purpose of the Takeovers Code. Therefore, Michael Chai will also be restricted from voting on resolution 3.

BGI Shareholding Post the Bond Transaction

	Current		Bond Conversion		Post Bond Conversion		Change
	No of Shares	%	No of Shares	%	No of Shares	%	
BGGL	382,929,770	66.74%	100,000,000	100.00%	482,929,770	71.68%	+ 4.94%
Michael Chai	55,871,667	9.74%		0.00%	55,871,667	8.29%	- 1.45%
Total BGGL and Associates	438,801,437	76.48%	100,000,000	100.00%	538,801,437	79.97%	+ 3.49%
Non-associated Shareholders	134,957,622	23.52%	0	0.00%	134,957,622	20.03%	- 3.49%
Total	573,759,059	100.00%	100,000,000	100.00%	673,759,059	100.00%	

Consequences of Resolution not being approved

In the event that resolution 3 is not approved by shareholders then the Company will have less financial flexibility as BGGL could call for repayment of some of the Bonds and deplete the Company's cash resources (although not to a level that would mean the Company could not satisfy the Companies Act solvency test).

Appraisal Report

Additional information is set out in the accompanying Appraisal Report from Armillary Limited dated 31 August 2022.

NZ RegCo No Objection

NZ RegCo have reviewed and do not object to the Notice of Annual Meeting. However, NZ RegCo does not take any responsibility for any statements in the Notice of Annual Meeting or any other document.