



REFRESH GROUP LIMITED
ACN 079 681 244

NOTICE OF GENERAL MEETING

**For the General Meeting of the Company to be held at 17 Denninup Way,
Malaga, Perth WA 6090, on Tuesday, 8 January 2019 at 10.00am (WST)**

An Independent Expert's Report accompanies this document. The Independent Expert has concluded that the Eneco Transaction contemplated by Resolution 1 is FAIR AND REASONABLE to non-associated Shareholders.

All Shareholders should refer to the Independent Expert's Report attached to this Notice.

The Directors (other than Mr Yoshihara who abstained from voting) recommend Shareholders vote in favour of the Eneco Transaction and intend to do so in respect of any Shares they own or control.

The Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9248 3006.

REFRESH GROUP LIMITED

ACN 079 681 244

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Refresh Group Limited (**Company**) will be held at 17 Denninup Way, Malaga WA 6090 on Tuesday, 8 January 2019 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 6 January 2019 at 10.00am (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

AGENDA

1. Resolution 1 – Approval of the Eneco Transaction

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

"That, for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, approval is given for:

- (a) *the Company to issue up to 128,902,757 Shares at an issue price of A\$0.06 per Share to Eneco Investment; and*
- (b) *the acquisition by Eneco Investment of a relevant interest in the issued voting shares of the Company otherwise prohibited by section 606(1) of the Act, by virtue of the issue of the Shares referred to in paragraph (a),*

with a resulting increase in the voting power of Eneco Investment and its associates in the Company from approximately 7% (as at the date of this Notice) to a maximum of 51%, on the terms and conditions detailed in the Explanatory Memorandum."

Independent Expert's Report

Shareholders should carefully consider the Independent Expert's Report prepared by Stantons International Securities Pty Ltd accompanying the Explanatory Memorandum at Schedule 3. The Independent Expert's Report comments on the fairness and reasonableness of the Eneco Transaction. The Independent Expert has formed the view that the Eneco Transaction the subject of Resolution 1 is fair and reasonable to Shareholders who do not have an interest in the Eneco Transaction.

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Eneco Investment or any of its associates.

However, the Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairperson 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.

2. Resolution 2 – Ratification of Issue of Tranche 1 Shares

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 10,000,000 Shares to Eneco Investment on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by or on behalf of Eneco Investment or any of its associates.

However, the Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairperson 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.

BY ORDER OF THE BOARD



Julie Moore
Company Secretary
Dated: 3 December 2018

REFRESH GROUP LIMITED

ACN 079 681 244

EXPLANATORY MEMORANDUM

1. Introduction

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

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Overview
Section 4:	Resolution 1 – Approval of the Eneco Transaction
Section 5:	Resolution 2 – Ratification of Issue of Tranche 1 Shares
Schedule 1:	Definitions and Interpretation
Schedule 2:	Nominee Director Biographies
Schedule 3:	Independent Expert's Report

A Proxy Form is located at the end of this Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and

- (d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10.00am (WST) on Sunday, 6 January 2019, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Overview

3.1 Background and Rationale for the Eneco Transaction

On 22 October 2018, the Company announced it had entered into a subscription agreement with Eneco Holdings, Inc (**Eneco Holdings**) and Eneco Investment Pte. Ltd (**Eneco Investment**) (**Subscription Agreement**), under which Eneco Investment has agreed to subscribe for Shares pursuant to a two-stage placement to raise A\$8.2 million (**Equity Subscription**).

Eneco Investment is a wholly owned subsidiary of Eneco Investment Inc. a Japanese company which is an affiliate under common control with Eneco Holdings, a Japanese company specialising in providing water-based fuel products and gas products through water and catalyst reaction technology and emulsion fuel products which can be utilised as an alternative to existing fossil fuels. VanaH Co., Ltd (**VanaH**) is an affiliate of Eneco Holdings specialised in providing and procuring water products (including mineral water containing natural hydrogen, distilled beverages and cosmetic products). Refer to Section 3.2 for further details in relation to the Eneco Group.

As part, and subject to the completion, of the Equity Subscription, the Company has also been granted the exclusive right to distribute, market and import Eneco Holdings' water products and equipment to produce emulsion fuel (**Eneco Products**) in Australia and New Zealand under the terms of a distribution agreement between Refresh, Eneco Holdings and VanaH (**Distribution Agreement**). Details of the material terms and conditions of the Subscription Agreement and Distribution Agreement are detailed in Sections 0 and 3.5, respectively.

On 2 November 2018, the Company issued 10,000,000 Shares under the first tranche of the Equity Subscription to Eneco Investment at a subscription price of A\$0.05 per Share to raise an initial amount of A\$500,000 (before costs) (**Tranche 1 Shares**). The Tranche 1 Shares were issued within the Company's 15% placement capacity under Listing Rule 7.1.

Tranche two of the Equity Subscription, consisting of 128,902,757 Shares to be issued at a subscription price of A\$0.06 per Share to raise an additional A\$7.7 million (before costs) (**Tranche 2 Shares**), is conditional on and subject to, among other things, Shareholder approval under item 7 of section 611 of the Corporations Act (the subject of Resolution 1), permitting Eneco Investment to acquire a relevant interest in the voting shares of the Company from below 20% to more than 20% through the issue of the Tranche 2 Shares.

In recent years, the Company has adopted a diversification strategy, which included a number of strategic acquisitions, in order to expand and diversify its revenue streams. This strategy has successfully increased the Company's operations and vertically integrated the Company from water source to bottle manufacture and distribution.

The Board believes the transactions contemplated by the Subscription Agreement and Distribution Agreement (the **Eneco Transaction**) represents an opportunity to further vertically integrate its water production and distribution operations and is conducive to its overall strategy of diversifying its business operations and revenue streams.

3.2 Profile of the Eneco Group

(a) About the Eneco Group

Eneco Investment is a wholly owned subsidiary of Eneco Investment Inc., a Japanese company which is under common control with Eneco Holdings.

Eneco Holdings and VanaH are affiliated private, Japanese-based companies under common control. Both companies are wholly owned by Mr. Hisao Ishiyama, a founder of the business of both companies.

VanaH develops and distributes water products including mineral water containing natural hydrogen, silica and vanadium, distilled beverages and cosmetic products.

Eneco Holdings develops and distributes technological solutions designed to assist in the production of new technology emulsion fuels and eco gas products with a lower environmental impact than fossil fuel by seeking to combine the underlying fuel with up to 50% water and to extract oxyhydrogen gas from water. As with any newer or developing technology there can be no assurance that the product's commercialisation will be accepted by the market in Australia and New Zealand or that other or new competitive products will not emerge or achieve greater success.

(b) Eneco Group's Future Intentions for the Company

Subject to the more specific disclosure in this Section 3.2 and the basis of intentions described below, Eneco Investment:

- (i) intends to continue the business of the Company in accordance with the Company's existing strategy and to acquire from the Eneco Group, and distribute in Australia and New Zealand, products in accordance with the Distribution Agreement. As a result, Eneco Investment intends that the Company promote the Eneco Products and brand on a unified basis through the Distribution Agreement;
- (ii) intends to not make any major changes to the business of the Company or to redeploy fixed assets of the Company, other than in accordance with the Company's existing strategy and to distribute in Australia and New Zealand products in accordance with the Distribution Agreement;
- (iii) does not intend to acquire further Shares over the next 6 month period other than in accordance with any capital raising conducted by the Company; and
- (iv) intends to continue the employment of the present employees of the Company where this is consistent with the Company's existing strategies.

Following completion, Eneco Investment will appoint two new Directors to the Board, being Yasuhiro Yamamoto and Reiichi Natori (refer to Schedule 2 for the biographies of each of the Nominee Directors).

Eneco Investment's intentions are subject to the usual fiduciary and statutory limitations and the intentions of the other Directors. In this regard, Eneco Investment intends that the Directors appointed by it will act at all times in accordance with their fiduciary duties as required by law and that all legal requirements are complied with in pursuing any of the intentions outlined above.

The intentions in this Section are based on the facts and information concerning the Company, and the existing circumstances, which are known to Eneco Investment. Eneco Investment has reviewed information that has been publicly disclosed in relation to the Company, its current activities and its plans for the future. Eneco Investment has not conducted any non-public due diligence in relation to the Company. As such,

Eneco Investment may not have all relevant information to form its intentions. As such, statements set out in this Section 3.2 are statements of current intention only which may change as new information becomes available or circumstances change.

3.3 Use of Funds

The proceeds from the issue of the Tranche 2 Shares, along with existing working capital, will provide the Company with significant capital which will be applied to future growth opportunities, including through acquiring and developing the markets for the Eneco Products to be distributed under the Distribution Agreement and towards the ongoing working capital requirements of the Company.

The Company proposes to allocate the funds raised from the Eneco Transaction as follows:

Allocation of Funds	\$
Repayment of existing loans	\$800,000
Equipment Upgrade and Raw Material Stocks	\$500,000
Buy Back of 51% of Refresh Waters Queensland and Associated Loan Repayment	\$1,000,000
Prospective Acquisitions	\$2,000,000
Costs of the Eneco Transaction ⁽¹⁾	\$370,000
Working Capital	\$3,564,165
Total	\$8,234,165

Note: Costs of approximately \$370,000 was incurred in connection with the Eneco Transaction, which includes associated legal and advisory costs, and an introductory fee of \$324,613.

3.4 Subscription Agreement

Under the terms of the Subscription Agreement, Eneco Investment has agreed to invest up to A\$8.2 million in the Company through the subscription of up to 138,902,757 Shares in the following two tranches:

- (a) 10,000,000 Shares at a subscription price of A\$0.05 per Share, giving Eneco Investment an initial relevant interest in approximately 7% of the enlarged issued capital of the Company. The Tranche 1 Shares were issued on 2 November 2018; and
- (b) 128,902,757 Shares at a subscription price of A\$0.06 per Share, giving Eneco Investment a further relevant interest in an additional 44% of the enlarged issued capital of the Company.

On Completion, Eneco Investment will hold 51% of the enlarged issued capital of the Company and consequently the Eneco Group comprising Eneco Holdings, VanaH, Eneco Investment, Mr Hisao Ishiyama and any other entities that they control from time to time will have voting power of 51% in the Company.

Issue of the Tranche 2 Shares is conditional on the following conditions being satisfied or waived (if applicable) prior to 30 March 2019:

- (a) completion of the issue of the Tranche 1 Shares;

- (b) execution of the Distribution Agreement and such agreement remaining valid and subsisting;
- (c) Shareholders in general meeting validly approving by the appropriate majority the issue of the Tranche 2 Shares to Eneco Investment, including any approvals required by the Company for the purposes of the Listing Rules and the Corporations Act;
- (d) ASX confirming that it will not require the Company to reapply the admission and quotation requirements under Listing Rule 11.1 in respect of the transactions the subject of the Subscription Agreement and the Distribution Agreement and a waiver of Listing Rule 10.1 in relation to the Distribution Agreement;
- (e) no Material Adverse Change has occurred;
- (f) no Prescribed Occurrence has occurred;
- (g) the Company is not in breach of any the warranties given by it under the Subscription Agreement; and
- (h) no government agency takes any action, or imposes any legal restraint or prohibition, to prevent implementation of the transactions the subject of the Subscription Agreement or the Distribution Agreement.

Completion of the issue of the Tranche 1 Shares took place on 2 November 2018. ASX has also confirmed that it does not consider that Listing Rule 11.1.2 or 11.1.3 applies to the transactions contemplated by the Subscription Agreement or the Distribution Agreement, or that Listing Rule 10.1 applies to the Distribution Agreement. Accordingly, the conditions precedent in paragraphs (a) and (d) above have been satisfied.

Under the terms of the Subscription Agreement, for so long as Eneco Investment holds in aggregate such number of Shares which is:

- (a) not less than 5% of the issued Shares, it will have the right, but not the obligation to appoint one person; or
- (b) not less than 50% of the issued Shares, it will have the right, but not the obligation to appoint three persons,

as non-executive Directors of the Company (**Nominee Directors**), subject to the Nominee Director being suitably qualified to serve as a Director as required by applicable laws.

In the event Eneco Investment holds less than 5% of the issued Shares for more than 10 consecutive days on which ASX is open for trading, Eneco Investment will procure that each Nominee Director tenders his or her resignation to the Board for consideration.

If a Nominee Director appointed to the Board retires or is removed from the Board (other than in circumstances described in the preceding paragraph), Eneco Investment will have the right, but not the obligation, to appoint a replacement non-executive Director to the Board, following which the Company must procure the appointment of such a person as a non-executive Director as soon as practicable.

Following the issue of the Tranche 2 Shares, the Board will be reconstituted to comprise seven members, of which Eneco Investment will have the right to nominate three members (being the Nominee Directors).

The Subscription Agreement may be terminated prior to the issue of the Tranche 2 Shares:

- (a) if any of the conditions precedent under the Subscription Agreement are not satisfied or waived (if applicable) by 30 March 2019;

- (b) by written notice from Eneco Investment to the Company if an Insolvency Event (as defined under the Subscription Agreement) occurs in respect of the Company;
- (c) by written agreement to that effect by the Company and Eneco Investment; and
- (d) by either the Company or Eneco Investment if the other (**Defaulting Party**):
 - (i) fails to perform and comply, in any material respects, with its obligations under the Subscription Agreement to be performed and complied with in the period before completion; or
 - (ii) fails to deliver any document or instrument required to be delivered by it at Completion or fails in any material respects to otherwise perform any of its obligations required to be performed at Completion and that failure is not remedied by the Defaulting Party within five business days of the other parties giving them written notice setting out details of the specific failure to perform, comply or deliver.

The Subscription Agreement also contains a number of terms and conditions (including a guarantee by Eneco Holdings of the due and punctual performance by Eneco Investment of its payment obligations under the Subscription Agreement), indemnities, representations and warranties given by each party which are considered customary to an agreement of its nature.

3.5 Distribution Agreement

In connection with the Eneco Transaction, the Company has entered into an exclusive Distribution Agreement with Eneco Holdings and VanaH (an affiliate of Eneco Holdings) to distribute, market and import Eneco Holdings' equipment to produce water-based fuel, and water products produced and/or procured by VanaH in Australia and New Zealand.

The water products are produced and/or procured by VanaH and consist of:

- (a) VanaH mineral water containing natural hydrogen, silica and vanadium;
- (b) Mizugokoro shochu, a Japanese distilled beverage; and
- (c) Su Lucille mist water, a cosmetic product.

Eneco Holding's water-based fuel products are:

- (a) emulsion fuel equipment whereby water is blended with fossil fuel (petrol, diesel, kerosene or biodiesel) to produce Eneco plasma fusion. This uses nano-emulsion technology of achieving complete fusion of water and oil by ultra-refining components to the molecular level; and
- (b) eco-gas generating systems which are designed to produce gas from water. This technology effectively generates oxyhydrogen gas or HHO gas at low energy and low-temperature reaction by employing a uniquely developed catalyst.

Eneco Holdings has also granted the Company a non-exclusive licence to use the "Eneco" mark for the purposes of operating its business in Australia and New Zealand.

Commencement of the Distribution Agreement is conditional on Completion occurring and Eneco Investment becoming the holder of 51% of the Shares in the Company.

Following commencement of the Distribution Agreement, the agreement will remain in force for an initial period of three years, after which time either party to the Distribution Agreement may terminate the agreement by giving the other parties no less than six months' notice in writing.

The Distribution Agreement may also be terminated immediately at any time by any of the parties if:

- (a) another party is in material breach of the Distribution Agreement and, where the breach is capable of being remedied, fails to remedy that breach within 14 days of being required to do so;
- (b) the other party is subject to an Insolvency Event (as defined under the Distribution Agreement); or
- (c) completion does not occur under the Subscription Agreement before 31 March 2019.

Either Eneco Holdings or VanaH may terminate the Distribution Agreement immediately at any time if:

- (a) the Company is suspended from trading on the ASX or it ceases to be controlled (as that term is defined in section 50AA of the Corporations Act) by Eneco Holdings; or
- (b) the Company is more than 90 days in arrears in any payments totalling more than JPY10,000,000 under the Distribution Agreement.

The Distribution Agreement also contains a number of terms and conditions, indemnities and undertakings given by each party which are considered customary to an agreement of its nature.

3.6 Considerations Relevant to Your Vote on the Eneco Transaction

(a) Reasons to vote in favour of the Eneco Transaction

- (i) After carefully considering all aspects of the Eneco Transaction and the Independent Expert's Report, the Directors (other than Koji Yoshihara, who was appointed to the Board as a nominee of Eneco Investment) consider that the Eneco Transaction is in the best interests of Shareholders and unanimously recommend that you vote in favour of Resolution 1 to approve the Eneco Transaction.
- (ii) The proceeds from the issue of the Tranche 2 Shares, along with existing working capital, will provide the Company with significant capital which will be applied to future growth opportunities, including through acquiring and developing the markets for the Eneco Products to be distributed under the Distribution Agreement and towards the ongoing working capital requirements of the Company.
- (iii) The Tranche 2 Shares are being issued at A\$0.06 per Share, representing a 25% premium to the last closing price immediately prior to announcement of the Eneco Transaction and a 44% premium to the 60-day volume weighted average price.
- (iv) The issue of the Tranche 2 Shares is a condition precedent to the commencement of the exclusive rights of the Company to distribute the Eneco Products in Australia and New Zealand.
- (v) Introduction of a reliable strategic partner in the Company with its interests likely to be aligned with other Shareholders.
- (vi) Eneco Investment's Nominee Directors will provide additional knowledge and experience to the Board.
- (vii) The Independent Expert has concluded that the Eneco Transaction is fair and reasonable. In coming to its conclusion the Independent Expert considered the advantages and disadvantages of the Subscription Agreement and

Distribution Agreement, and other significant factors, which are set out in Section 3.9. A full copy of the Independent Expert's Report is included in Schedule 3.

(b) **Reasons why you may choose to vote against the Eneco Transaction**

- (i) There will be dilution of the percentage interest of Shareholders (other than Eneco Investment and its associates) as a result of the proposed issue of the Tranche 2 Shares on Completion. Following Completion, the voting power of Eneco Investment and its associates will increase from approximately 7% to 51% (based on the Company's current issued capital as at the date of the Notice). The voting power of other Shareholders will be diluted from holding in aggregate approximately 93% (before Completion) to approximately 49% (after Completion).
- (ii) On Completion, Eneco Investment will have a 51% interest in the Company and will be the largest Shareholder in, and would have control over, the Company. Eneco Investment's increased shareholding may dissuade potential acquirers of the Company from making a takeover offer in the future. This may adversely affect the Share price and reduce the opportunity for Shareholders to receive a takeover premium in the future.

However, as at the date of the Notice, the Company has not received, nor does it expect to receive, any potential takeover bid proposals.

Eneco Investment has provided its intentions in respect of the Company following Completion, which are detailed in Section 3.2(b).

3.7 Impact of the Eneco Transaction on the Company

(a) **Capital Structure**

As at the date of the Notice, the Company has 143,455,590 Shares on issue. There are no other Equity Securities on issue.

Completion of the issue of the Tranche 2 Shares will result in the Company increasing its issued Share capital by an additional 128,902,757 Shares, resulting in an enlarged Share capital of 272,358,347 Shares.

(b) **Voting Power of Eneco Investment and its Associates**

If the issue of the Tranche 2 Shares is approved by Shareholders, existing Shareholders will have their interest in the Company diluted. The table below details the ownership of the Company, of Eneco Investment assuming Completion occurs and the dilution of existing Shareholders on the basis that:

- (i) no other convertible securities are issued and exercised or converted; and
- (ii) no further Shares are issued by the Company.

	Current		Following Completion	
	Shareholding	Voting Power	Shareholding	Voting Power
Eneco Investment (and its Associates)	10,000,000	c.7%	138,902,757	51%
Other Shareholders	133,455,590	93%	133,455,590	49%
Total	143,455,590	100%	272,358,347	100%

(c) **Board of Directors**

The Board currently comprises five members, which includes Mr Koji Yoshihara, a Nominee Director, who was appointed to the Board following completion of the issue of the Tranche 1 Shares.

As detailed in Section 3.4, subject to its shareholding, Eneco Investment will have the right, but not the obligation, to appoint up to three Nominee Directors to the Board. On Completion, Eneco Investment will have an interest in 51% of the issued capital of the Company and will accordingly be entitled to appoint up to an additional two Nominee Directors. Refer to Schedule 2 for the biographies of Mr Koji Yoshihara and each of the other Nominee Directors.

3.8 Consequences of Resolution 1 Not Being Passed

If the issue of the Tranche 2 Shares is not approved, the Company will continue to operate as it did before proposing the Eneco Transaction. Eneco Investment will retain its approximately 7% shareholding in the Company and remain as a substantial shareholder and the Distribution Agreement will not come into effect. The Company will utilise its existing working capital (being cash reserves) to continue its current business operations.

The Company may require additional funding in the future if Resolution 1 is not passed. If Resolution 1 is not passed, the Company will consider alternative sources of funding (both debt and equity) to finance future capital investment to expand and further diversify its business operations and revenue streams, as well as satisfy the ongoing working capital requirements of the Company. There is no guarantee that additional or alternative funding will be available for the Company, or if available, that it will be offered on terms that are better than, or comparable to, the Eneco Transaction.

3.9 Independent Expert's Recommendation

In order to assist Shareholders to assess the Eneco Transaction and consider whether to vote in favour of the Resolution 1, the Company appointed Stantons International Securities Pty Ltd (**Independent Expert**) as an independent expert and commissioned it to prepare a report (**Independent Expert's Report**) to provide an opinion as to whether or not the Eneco Transaction is fair and reasonable to the existing Shareholders.

The Independent Expert's Report was prepared to satisfy the recommendations of the ASIC Regulatory Guide 74. If Resolution 1 is approved, Eneco Investment (and consequently Eneco Holdings) will acquire a relevant interest of more than 20% in the Company.

The Independent Expert has concluded that the proposed issue of securities in Resolution 1 is fair and reasonable to Shareholders.

In coming to this view, the Independent Expert considered the advantages and disadvantages of the Subscription Agreement and Distribution Agreement, and other significant factors, which are set out in summary form only below.

The advantages identified by the Independent Expert are:

- (a) the Eneco Transaction provides the Company with a substantial cash injection, allowing the Company to pay some current liabilities, providing working capital to expand the current cash starved cash generating units (**CGU**) and commercialise the opportunities under the Distribution Agreement;
- (b) the Eneco Transaction will increase the net-working capital backing of Shares from 0.513 cents to approximately 3.307 cents, while maintaining the Company's current liabilities at approximately A\$1.415 million;
- (c) there is an incentive for both the Company and the Eneco Group to successfully exploit the existing CGU business and the new business to arise from the Distribution Agreement;
- (d) the costs associated with the Eneco Transaction is less than other traditional capital raising transactions; and
- (e) the issue price of the Tranche 2 Shares is at a premium to the price of Shares traded on ASX since 1 July 2018. The Tranche 1 Shares and Tranche 2 Shares represents a 4% and 25% premium to the last closing price immediately prior to announcement of the Eneco Transaction and a 20% and 44% premium to the 60-day volume weighted average price, respectively.

The disadvantages identified by the Independent Expert are:

- (a) the Eneco Group will acquire a 51% controlling interest in the Company with existing Shareholders being diluted; and
- (b) there are significant risks in entering into the new proposed business activities.

The other key matters the Independent Expert considered are:

- (a) the Eneco Transaction will give Eneco Investment a controlling 51% interest in the Company without having to make a full takeover bid for the Company;
- (b) the issue price of 6 cents per Tranche 2 Share is significantly greater than the net book assets backing price of approximately 3.315 cents per Share;
- (c) the Eneco Transaction could possibly deter any potential bidders to make a takeover bid for the Company (in full or in part); and
- (d) Mr Koji Yoshihara, the first appointed Nominee Director, has corporate and international capital market experience that should assist the Company in expanding its business activities.

The Independent Expert's assessment of the Subscription Agreement and the Distribution Agreement is based on a number of assumptions. Shareholders are strongly encouraged to read the Independent Expert's Report (a full copy of which is included in Schedule 3).

The Independent Expert has consented to the use of the Independent Expert's Report in the form and context in which it appears.

4. Resolution 1 – Approval of the Eneco Transaction

4.1 General

Resolution 1 seeks Shareholder approval pursuant to and in accordance with item 7 of section 611 of the Corporations Act for:

- (a) the Company to issue up to 128,902,757 Shares at an issue price of A\$0.06 per Share to Eneco Investment; and
- (b) the acquisition by Eneco Investment of a relevant interest in the issued voting shares of the Company otherwise prohibited by section 606(1) of the Act, by virtue of the issue of the Shares referred to in paragraph (a).

Resolution 1 is an ordinary resolution.

The Chairperson will cast all available undirected proxies in favour of Resolution 1.

4.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 16 states that Listing Rule 7.1 does not apply to an issue of securities approved by Shareholders for the purposes of item 7 of section 611 of the Corporations Act.

4.3 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval, unless the giving of the financial benefit falls within an exception to sections 210 to 216 of the Corporations Act

Upon completion of the issue of the Tranche 2 Shares, Eneco Investment will hold 138,902,757 Shares and will have a voting power of 51% in the Company. Eneco Investment is therefore a related party of the Company for the purposes of section 228(6) of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Tranche 2 Shares as the exception in section 210 of the Corporations Act applies. The issue price of the Tranche 2 Shares being issued in connection with the Eneco Transaction is considered reasonable and was negotiated on an arm's length basis.

4.4 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

The Company considers that Listing Rule 10.12, Exception 6 applies to the proposed issue of the Tranche 2 Shares to Eneco Investment and consequently Shareholders' approval is not sought under Listing Rule 10.11.

4.5 Section 611 of the Corporations Act

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the issued voting shares of a public company if, because of the transaction, that person's or another person's voting power in the company increases from:

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

The voting power of a person in a company is determined by reference to section 610 of the Corporations Act. A person's voting power in a company is the total of the votes attaching to the

shares in the company in which that person and that person's associates (within the meaning of the Corporations Act) have a relevant interest, divided by the total number of votes attaching to all voting shares in the Company.

Under section 608 of the Corporations Act, a person will have a relevant interest in shares if:

- (a) the person is the registered holder of the shares;
- (b) the person has the power to exercise or control the exercise of votes or disposal of the shares; or
- (c) the person has over 20% of the voting power in a company that has a relevant interest in shares, then the person has a relevant interest in said shares.

For the purposes of determining who is an associate it is necessary to consider section 12 of the Corporations Act. Any reference to associate in Chapters 6 to 6C of the Corporations Act has the meaning give to that term in section 12. A person is only an associate for the purpose of Chapters 6 to 6C if that person is an associate under section 12.

Section 12 of the Corporations Act provides that a person (**first person**) will be an associate of the other person (**second person**) if:

- (a) the first person is a body corporate and the second person is:
 - (i) a body corporate the first person controls;
 - (ii) a body corporate that controls the first person: or
 - (iii) a body corporate that is controlled by an entity that controls the first person;
- (b) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the Board or the conduct of the designated body's affairs; or
- (c) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the designated body's affairs.

The Corporations Act defines "control" and "relevant agreement" very broadly as follows:

- (a) section 50AA of the Corporations Act defines "control" as the capacity to determine the outcome of decisions about the financial and operating policies of a company. In determining the capacity it is necessary to take into account the practical influence a person can exert and any practice or pattern of behaviour affecting the company's financial or operating policies; and
- (b) section 9 of the Corporations Act defines "relevant agreement" as an agreement, arrangement or understanding:
 - (i) whether formal or informal or partly formal and partly informal;
 - (ii) whether written or oral or partly written and partly oral; and
 - (iii) whether or not having legal or equitable force and whether or not based on legal or equitable rights.

Associates are determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the company's business affairs.

Section 611 of the Corporations Act contains exceptions to the prohibition in section 606 of the Corporations Act. Item 7 of section 611 of the Corporations Act provides a mechanism by which shareholders of a company may approve an issue of shares to a person which results in that person's or another person's voting power in the company increasing from:

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

Resolution 1 seeks Shareholder approval, for the purpose of item 7 of section 611 of the Corporations Act, to allow the Company to issue the Tranche 2 Shares to Eneco Investment which will result in Eneco Investment and its associates' voting power in the Company increasing to 51%.

4.6 Information Required by Item 7 of Section 611 of the Corporations Act and ASIC Regulatory Guide 74

To comply with the requirements of the Corporations Act and ASIC Regulatory Guide 74, the Company provides the following information:

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

The acquisition will be made by Eneco Investment, a wholly owned subsidiary of Eneco Investment Inc., a Japanese company which is under common control with Eneco Holdings. Eneco Investment's associates are:

- (i) Eneco Holdings;
- (ii) Eneco Investment Inc.
- (iii) VanaH;
- (iv) Mr Hisao Ishiyama; and
- (v) any other entities that they control from time to time,

(Eneco Associates).

For further information on Eneco Investment and Eneco Holdings, refer to Section 3.2.

- (b) **The maximum extent of the increase in that person's voting power in the company.**

If Resolution 1 is passed and Completion occurs, no other convertible securities are issued and exercised or converted, and no further Shares are issued by the Company, the maximum extent of the increase in Eneco Investment and the Eneco Associates' voting power is 44%

- (c) **The voting power the person would have as a result of the acquisition.**

In the circumstances outlined in Section 4.6(b), the acquisition would result in Eneco Investment's voting power in the Company increasing to 51%.

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

The maximum extent of the increase in the Eneco Associates' voting power will be equivalent to the increase in voting power of Eneco Investment, being 44%.

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

The voting power that the Eneco Associates would acquire will be equivalent to the voting power that Eneco Investment would acquire, being 51%.

- (f) **An explanation of the reasons for the proposed acquisition.**

In recent years, the Company has adopted a diversification strategy, which included a number of strategic acquisitions, in order to expand and diversify its revenue streams. This strategy has successfully increased the Company's operations and vertically integrated the Company from water source to bottle manufacture and distribution. The Board believes the Eneco Transaction represents an opportunity to further vertically integrate its water production and distribution operations and is conducive to its overall strategy of diversifying its business operations and revenue streams.

The issue of the Tranche 2 Shares will raise approximately A\$7.7 million which will provide the Company with significant capital which will be applied to future growth opportunities and towards the ongoing working capital requirements of the Company. Refer to Section 3.6 about the advantages and disadvantages of the Eneco Transaction.

- (g) **When the proposed acquisition is to occur.**

If Resolution 1 is passed and Completion occurs, the Tranche 2 Shares will be issued to Eneco Investment on the date Completion occurs, being 5 business days after the day on which all of the conditions precedents have been satisfied or waived (if applicable) or such other date as agreed in writing by the Company and Eneco Investment.

- (h) **The material terms of the proposed acquisition.**

Refer to Section 3.4 for a summary of the terms of the Subscription Agreement.

- (i) **Details of any other relevant agreement between the acquirer and the target entity or vendor (or any of their associates) that is conditional on (or directly or indirectly depends on) members' approval of the proposed acquisition.**

Refer to Section 3.5 for a summary of the terms of the Distribution Agreement, the commencement of which is subject to the completion of the Equity Subscription.

- (j) **A statement of the acquirer's intentions regarding the future of the target entity if members approve the acquisition.**

Refer to Section 3.2(b) for a summary of the Eneco Group's intentions regarding the future of the Company if the Eneco Transaction is approved.

- (k) **Any intention of the acquirer to significantly change the financial or dividend distribution policies of the entity.**

The Company does not currently declare or pay any dividends to Shareholders. Eneco Investment has no present intention to change the Company's existing policies in relation to the financial or dividend distribution policies of the Company.

- (l) **The interests that any director has in the acquisition or any relevant agreement disclosed under paragraph (i) above.**

Other than Mr Koji Yoshihara and the interest Directors have in the Eneco Transaction by reason of their ownership of securities in the Company, no Director has an interest in the Subscription Agreement or the Distribution Agreement.

Under the terms of the Subscription Agreement and as detailed in Section 3.4, Eneco Investment has the right to nominate and appoint up to three Nominee Directors to the Board. Mr Koji Yoshihara was appointed to the Board as a nominee of Eneco Investment.

- (m) **The following details about any persons who is intended to become a director if member approve the acquisition.**

As at the date of the Notice and subject to Completion occurring, Eneco Investment proposes to nominate Yasuhiro Yamamoto and Reiichi Natori to the Board. Refer to Schedule 2 for the biographies of each of the Nominee Directors.

4.7 Listing Rule Confirmations

A listed company has an obligation to notify ASX of a proposed significant change to the nature or scale of its activities under Listing Rule 11. ASX can exercise its discretion to require the listed company to obtain the approval of its security holders in relation to the change in the nature or scale of its activities (Listing Rule 11.1.2), or to re-comply with ASX's admission requirements (Listing Rule 11.1.3).

Listing Rule 10.1 provides that an entity must not acquire a substantial asset from, or dispose of a substantial asset to, any related party or substantial holder without the approval of holders of its ordinary securities. Under Listing Rule 10.2, an asset is substantial if the value of the asset, or the value of the consideration being paid for it is, or is in ASX's opinion, 5% or more of the Company's equity interests as set out in the latest accounts lodged with ASX.

The Distribution Agreement allows the Company to make orders for products during the term of the Distribution Agreement. The Company considers that it is impracticable to seek Shareholder approval for cumulative orders over 5% of the equity interests of the Company and has accordingly sought confirmation from ASX that Listing Rule 10.1 does not apply to the Eneco Transaction.

ASX has confirmed to the Company that:

- (a) ASX does not consider Listing Rules 11.1.2 or 11.1.3 apply to the Eneco Transaction; and
- (b) ASX does not consider that Listing Rule 10.1 applies to the Eneco Transaction.

4.8 Directors' Recommendation and Voting Intentions

Koji Yoshihara was appointed to the board as a nominee of Eneco Investment and as such declines to make any recommendation in relation to Resolution 1. The other Directors, excluding Koji Yoshihara, support the Eneco Transaction and unanimously recommend that Shareholders vote in favour of Resolution 1.

Subject to their fiduciary and statutory duties, each Director (other than Koji Yoshihara) intends to vote in favour of Resolution 1 in respect of all the Shares they hold or control.

The Directors (other than Koji Yoshihara) make this recommendation having regard to the advantages and disadvantages detailed in Section 3.6 and the Independent Expert's Report. The Directors (other than Koji Yoshihara) believe that the Eneco Transaction is conducive to its overall strategy of diversifying its business operations and revenue streams

5. Resolution 2 – Ratification of Issue of Tranche 1 Shares

5.1 General

Under the Subscription Agreement, Eneco Investment made an initial investment of A\$500,000 by subscribing for 10,000,000 Shares at a subscription price of A\$0.05 per Share (**Tranche 1 Shares**). The Tranche 1 Shares were issued on 2 November 2018, under the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 2 seeks to ratify the prior issue of the Tranche 1 Shares.

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The effect of passing Resolution 2 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

5.2 Specific Information Required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the prior issue as follows:

- (a) 10,000,000 Shares were issued to Eneco Investment on 2 November 2018;
- (b) the Shares were issued for A\$0.05 per Share to raise A\$500,000 (before costs);
- (c) the Shares were issued as fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares;
- (d) the Company will use the proceeds from the issue of the Tranche 1 Shares will be applied to future growth opportunities and towards the ongoing working capital requirements of the Company; and
- (e) a voting exclusion statement is included in the Notice for Resolution 2.

5.3 Board recommendation

The Board (other than Koji Yoshihara) unanimously recommends that Shareholders vote in favour of Resolution 2. Koji Yoshihara was appointed to the board as a nominee of Eneco Investment as such declines to make any recommendation in relation to Resolution 2.

Schedule 1 – Definitions and Interpretation

1. Definitions

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors from time to time.

Chairperson means the person appointed to chair the Meeting convened by the Notice.

Company means Refresh Group Limited ACN 079 681 244.

Completion means completion of Eneco Investment's subscription for the Tranche 2 Shares pursuant to the Subscription Agreement.

Director means any director of the Company and **Directors** means all of them.

Distribution Agreement means a distribution agreement entered between the Company, Eneco Holdings and VanaH dated 22 October 2018.

Eneco Group means Eneco Holdings, Eneco Investment, Inc., VanaH, Eneco Investment and Mr. Hisao Ishiyama.

Eneco Holdings means Eneco Holdings, Inc. company registration number 0900-01-012604.

Eneco Investment means Eneco Investment Pte. Ltd company registration number 201800716M.

Eneco Products has the meaning given in Section 3.1.

Eneco Transaction has the meaning given in Section 3.1.

Equity Subscription has the meaning given in Section 3.1.

Explanatory Memorandum means this explanatory memorandum.

Group means the Company and any entity it controls (in accordance with section 50AA or the Corporations Act).

Independent Expert means Stantons International Securities Pty Ltd ACN 128 908 289.

Independent Expert's Report means the report prepared by the Independent Expert dated 5 November 2018 which accompanies this Explanatory Memorandum.

Listing Rules means the official listing rules of the ASX (as amended from time to time).

Material Adverse Change means any event or change in circumstances which individually, or when aggregated with all other events or changes:

- (a) diminishes or could reasonably be expected to diminish:
 - (i) the consolidated net assets of the Group by A\$100,000 or more; or
 - (ii) the consolidated earnings before interest, tax, depreciation and amortisation of the in any financial year by A\$100,000 or more; or

- (b) has or could reasonably be expected to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Group taken as a whole.

Meeting has the meaning given in the introductory paragraph of the Notice.

Nominee Directors has the meaning in Section 3.4.

Notice means the notice convening the Meeting and includes the Agenda, Explanatory Memorandum and the Proxy Form.

Official List means the official list of the ASX.

Prescribed Occurrence means any of the following:

- (a) the Company converts all or any of its Shares into a larger or smaller number of Shares;
- (b) any member of the Group resolves to reduce its share capital in any way;
- (c) any member of the Group enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) other than in accordance with the Subscription Agreement, any member of the Group issues shares or grants an option or similar right over its shares or agrees to make such an issue or grant such an option or similar right;
- (e) any member of the Group issues, or agrees to issue, convertible notes or any other securities convertible into shares;
- (f) any member of the Group (other than a wholly-owned subsidiary of the Company) announces, declares or determines to pay any dividend or announces or makes any other distribution to its members;
- (g) any member of the Group disposes of, or agrees to dispose of, the whole, or a substantial part of its business or property;
- (h) any member of the Group grants, or agrees to grant, a security interest (within the meaning of section 51A of the Corporations Act) in the whole, or a substantial part of, its business or property;
- (i) any member of the Group resolves to be wound up;
- (j) a liquidator or provisional liquidator of any member of the Group is appointed;
- (k) a court makes an order for the winding up of any member of the Group;
- (l) an administrator of any member of the Group is appointed under section 436A, 436B or 436C of the Corporations Act;
- (m) any member of the Group executes a deed of company arrangement: or
- (n) a receiver or a receiver and manager is appointed in relation to the whole or a substantial part of the property of any member of the Group.

Proxy Form means the proxy form attached to the Notice.

Resolution means any resolution detailed in the Notice as the context requires.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Securities means any Equity Security (as defined in the Listing Rules) issued by the Company.

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

Shareholder means a registered holder of a Share.

Subscription Agreement means a subscription agreement between the Company, Eneco Investment and Eneco Holdings dated 22 October 2018.

Tranche 1 Shares has the meaning given in Section 3.1.

Tranche 2 Shares has the meaning given in Section 3.1.

VanaH means Vanah Co., Ltd company registration number 0900-01-010815.

WST means Western Standard Time, being the time in Perth, Western Australia.

2. Interpretation

In the Notice and this Explanatory Memorandum, headings and words in bold are for convenience only and do not affect the interpretation of the Notice and this Explanatory Memorandum and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in the Notice or this Explanatory Memorandum have a corresponding meaning;
- (d) a term not specifically defined has the meaning given to it (if any) in the Corporations Act;
- (e) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (g) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (h) “**include**” and “**including**” are not words of limitation;
- (i) a reference to “**\$**”, “**A\$**” or **dollars** is a reference to Australian currency; and
- (j) a reference to “**¥**”, **JPY** or **Yen** is a reference to Japanese currency.

Schedule 2 – Nominee Director Biographies

Yasuhiro Yamamoto

Mr. Yamamoto worked at a well-known Japanese electronics company for about eight years primarily engaged in factory automation as a skilled technician. He joined Eneco Holdings, Inc. as the Vice-President and developed the technologies of emulsion fuel. In 2014, he succeeded in developing Eneco Plasma Fusion and Eneco Plasma R Hydrogen Gas and started sales focused on overseas markets. In 2016, Mr. Yamamoto became the President and CEO of Eneco Holdings, Inc.

Reiichi Natori

Mr. Natori (born in Yamanashi, Japan in Sep. 1969) received B.S. degrees in commerce from Chuo University (Tokyo, Japan) in 1994 and Accounting (emphasis taxation) from Utah Valley University (United States of America) in 2003. He had various opportunities to work for two Big Four national accounting firms as a corporate tax professional in Chicago, Illinois from 2003 to 2010. With the each of the firms, he had 26-30 corporate clients to serve the engagements. Upon returning to Japan, he developed his career at the Japanese trading company where he served to treasury and accounting. He joined Eneco Holdings, Inc. in 2017.

Koji Yoshihara

After graduating from university with a bachelor degree of Liberal Arts from International Christian University (ICU) (Mitaka, Tokyo), Mr. Yoshihara started his business career at the Japanese automotive market with export division and then moved to the Japanese Investment Bank. He has approximately 26 years working experience in the investment banking business, particularly in international capital markets and has engaged in a number of cross border transactions between Japan and overseas. He is also experienced in corporate planning and management of oversea subsidiaries.

In addition to the banking business, Mr. Yoshihara has also worked for a Japanese environment-related company, where his role was to lead corporate planning of the Asian business and M&A. He has a wealth of experience in international business, especially in the Asian region.

Schedule 3 – Independent Expert’s Report

5 November 2018

Refresh Group Limited
17 Denniup Way
MALAGA WA 6090

Summary of Opinion

	Preferred
The fair value of a RGP Share on a control basis prior to the Proposed Transactions (cents)	3.315
Fair value of a RGP Share on a minority basis post the Proposed Transactions (cents)	3.560

For the purposes of Section 611 (item 7) of TCA, in relation to the approval to issue shares to Eneco, in our opinion, taking into account the factors noted elsewhere in this report including the factors (positive, negative and other factors) noted in section 8 of this report, the proposals as outlined in paragraph 1.2 and Resolution 1 of the Notice are considered to be fair and reasonable to the non-associated shareholders at the date of this report.

Dear Sirs

RE: REFRESH GROUP LIMITED (ACN 079 681 244 ("RGP" OR "THE COMPANY") - MEETING OF SHAREHOLDERS PURSUANT TO SECTION 611 (ITEM 7) OF THE CORPORATIONS ACT 2001 ("TCA") RELATING TO THE PROPOSAL TO ISSUE SHARES TO ENECO INVESTMENT PTE LTD ("ENECO" OR "THE SUBSCRIBER"), A SINGAPOREAN INCORPORATED COMPANY - (REFER BELOW).

1. Introduction

- 1.1 We have been requested by the directors of RGP to prepare an Independent Expert's Report to determine the fairness and reasonableness relating to the proposals as set out in Resolution 1 of the Notice of Meeting ("the Notice") to be disseminated to shareholders of RGP in November 2018 for a shareholders meeting to be held in December 2018.
- 1.2 Under the proposals ("Proposed Transactions") put forward by the directors of RGP, Eneco (an affiliate of Eneco Holdings, Inc.) ("Eneco Holdings") would increase its shareholdings from a starting point that is nil to a shareholding in a partially recapitalised RGP of in excess of 20%.

In October 2018, the Company entered into a Subscription Agreement with Eneco and Eneco Holdings as guarantor, for Eneco to subscribe for new shares in RGP as noted below:

- 10,000,000 shares at a subscription price of 5.0 cents each ("Tranche 1 Subscription Shares") to initially raise a gross \$500,000 ("Tranche 1 Subscription"); and
- 128,902,757 shares at a subscription price of 6.0 cents ("Tranche 2 Subscription Shares") to raise a gross \$7,734,165 (rounded) ("Tranche 2 Subscription"). Refer below for a table to calculate the number of Tranche 2 Subscription Shares to be issued to Eneco by RGP.

Thus, the total amount proposed to be raised from Eneco is approximately \$8,234,165. The \$500,000 from the Tranche 1 Subscription was received on 2 November 2018 and the 10,000,000 Tranche 1 Subscription Shares issued on that date.

Following completion of both tranches, the enlarged issued share capital of Refresh will be 272,358,347 Shares and, accordingly Eneco will hold 51% of the enlarged issued share capital of Refresh. The subscription price for the Tranche 1 Subscription Shares and Tranche 2 Subscription Shares represents a 4% and 25% premium to the last closing price and a 20% and 44% premium to the 60-day volume weighted average price, respectively.

1.3 The obligations of the parties to complete the Tranche 2 Subscription are subject to and conditional upon the following:

- Tranche 1 Completion occurring;
- the Distribution Agreement (refer below) and such agreement remaining valid and subsisting;
- the members of the Company in general meeting validly approving by the appropriate majority the issue of the Tranche 2 Subscription Shares to the Subscriber, including any approvals required by the Company for the purposes of the Listing Rules and Part 2E and item 7 of section 611 of the TCA;
- the ASX granting the ASX Waiver and Confirmation in a form and on conditions satisfactory to the Subscriber acting reasonably;
- no Material Adverse Change has occurred;
- no Prescribed Occurrence has occurred;
- no breach by the Company of the Company Warranties has occurred; and
- no Government Agency takes any action, or imposes any legal restraint or prohibition, to prevent implementation of the transactions the subject of this Agreement or the Distribution Agreement,

(Tranche 2 Conditions Precedent).

Distribution Agreement means a distribution agreement proposed to be entered into between the Company, VanaH Co., Ltd. and the Guarantor in respect to the exclusive distribution of the Guarantor's water-based fuel products and water products produced and/or procured by VanaH Co., Ltd in Australia and New Zealand.

The water products are produced and/or procured by VanaH (an affiliate of Eneco Holdings) and include:

- VanaH mineral water containing natural hydrogen, silica and vanadium;
- Mizugokoro shochu, a Japanese distilled beverage; and
- Su Lucille mist water, a cosmetic product.

Eneco Holdings' water-based fuel products are:

- emulsion fuel equipment whereby water is blended with fossil fuel (petrol, diesel, kerosene or biodiesel) to produce Eneco plasma fusion. This uses nano-emulsion technology of achieving complete fusion of water and oil by ultra-refining components to the molecular level; and

- eco-gas generating system which is designed to produce gas from water. This technology effectively generates oxyhydrogen gas or HHO gas at low energy and low-temperature reaction by employing a uniquely developed catalyst.

The Distribution Agreement will commence for an initial period of three years and may be terminated anytime thereafter by giving no less than six months' notice in writing.

Appointment of Nominee Directors

Following Tranche 1 Completion, for so long as the Subscriber (together with any of its Associates) holds in aggregate such number of Shares which is:

- not less than 5.00% of the issued Shares, the Subscriber will have the right, but not the obligation, to appoint one person; or
- more than 50.00% of the issued Shares, the Subscriber will have the right, but not the obligation, to appoint three persons,

as a non-executive director(s) of the Company (Nominee Directors) by written notice to the Company, and the Company must procure the appointment of the Nominee Directors as non-executive director(s) of the Company as soon as practicable after receiving written notice from the Subscriber. Mr Koji Yoshihara was appointed a director of the Company on 2 November 2018 (as nominated by Eneco).

The number of Tranche 2 Subscription Shares to be issued is based on the following formula:

Number of shares on issue immediately prior to the Issue of the Tranche 2 Subscription Shares times 0.51-10,000,000
Divided by 0.49

Based on the assumption that there would be 143,455,590 shares on issue immediately before the issue of the Tranche 2 Subscription Shares (takes into account the 10,000,000 Tranche 1 Subscription Shares issued), the number of Tranche 2 Subscription Shares equates to 128,902,757 (rounded).

- 1.4 Eneco Holdings and VanaH are affiliated private, Japanese-based companies under common control. VanaH develops and distributes water products including mineral water containing natural hydrogen, silica and vanadium, distilled beverages and cosmetic products. Eneco Holdings develops and distributes technological solutions designed to assist in the production of new technology emulsion fuels and eco gas products with a lower environmental impact than fossil fuel.

Further details on Eneco are noted in Section 3 of the Explanatory Memorandum ("EM") attached to the Notice that outlines the resolutions being put to the shareholders of RGP.

- 1.5 Following the issue of the 10,000,000 Tranche 1 Subscription Shares on 2 November 2108, Eneco obtained an approximate 6.97% shareholding interest in RGP. The issue of such shares will be ratified at the shareholders meeting and Resolution 2 refers. Resolution 1 relates to the approval for the Company to allot and issue to Eneco 128,902,757 Tranche 2 Subscription Shares at an issue price of 6.0 cents each to Eneco to raise a gross \$7,734,165. In the event that all 128,902,757 Tranche 2 Subscription Shares are issued (following shareholder approval), Eneco's shareholding interest in RGP would increase to approximately 51% (138,902,757 shares out of 272,358,347 shares then on issue- assumes no other share issues).
- 1.6 We are not reporting on the other resolution in the Notice but note that the issue and ratification of the issue of the Tranche 1 Subscription Shares is all part of the total capital raising proposals with Eneco. Further details on the other resolution (and Resolution 1 that we are reporting on) are outlined in the EM attached to the Notice.

- 1.7 Following the consummation of the resolutions relating to the issue of new shares, the following table depicts the new share structure of the Company assuming Eneco is issued the Tranche 2 Subscription Shares described in Resolution 1. Section 3 of the EM refers to the shareholding details if all resolutions are passed and consummated. The total number of shares on issue would be 272,358,347 as detailed in the following table.

	Existing shareholders other than Eneco	Maximum No. of Shares issued to Eneco pursuant to Resolutions 1 and 2	% held by Eneco	Total
Existing shareholders	133,455,590	-	-	133,455,590
Issue of the Tranche 1 Subscription Shares (ratified via Resolution 2)	10,000,000	10,000,000	100.00	10,000,000
Sub-total	143,455,590		6.97	143,455,590
Issue of the Tranche 2 Subscription Shares (Resolution 1)	128,902,757	128,902,757	100	128,902,757
Total after issue to the Tranche 1 and Tranche 2 Subscription shares	272,358,347	138,902,757	51.00	272,358,347

- 1.8 Under Section 606 of TCA, a person must not acquire a relevant interest in issued voting shares in a company if 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 that is above 20% and below 90%.

Under Section 611 (Item 7) of TCA, section 606 does not apply in relation to any acquisition of shares in a company approved by resolution passed at a general meeting at which no votes were cast in favour of the resolution by the acquirer or the disposer or their respective associates. An independent expert is required to report on the fairness and reasonableness of the transaction pursuant to a Section 611 (Item 7) meeting.

- 1.9 Eneco as at 31 October 2018 held nil shares in RGP. Following completion of the recapitalisation and the other proposals noted in paragraphs 1.2 and 1.3 above and in the Notice, Eneco would own a total of 138,902,757 shares in RGP representing approximately 51.00% of the then shares on issue (approximately 6.97% if the Tranche 2 Subscription Shares are not issued).
- 1.10 A notice prepared in relation to a meeting of shareholders convened for the purposes of Section 611 (Item 7) of TCA should be accompanied by an independent expert's report stating whether it is fair and reasonable to approve the issue of the Tranche 2 Subscription Shares to Eneco.

To assist shareholders in making a decision on the proposals outlined in the Notice, (and in particular Resolution 1 relating to the issue of the Tranche 2 Subscription Shares), the directors of RGP have requested that Stantons International Securities Pty Ltd prepare an Independent Expert's Report, which must state whether, in the opinion of the Independent Expert, the proposal under Resolution 1 is fair and reasonable to the non-associated shareholders of RGP (not associated with Eneco).

1.11 Apart from this introduction, this report considers the following:

- Summary of opinion
- Implications of the proposals with Eneco
- Corporate history and nature of business
- Future direction of RGP
- Basis of valuation of RGP shares
- Premium for control
- Fairness of the Proposals
- Conclusion as to fairness
- Reasonableness of the Proposals
- Conclusion as to reasonableness
- Shareholders decision
- Sources of information
- Appendix A and Financial Services Guide

1.12 In determining the fairness and reasonableness of the transaction pursuant to Resolution 1 we have had regard to the definitions set out by the Australian Securities and Investments Commission ("ASIC") in its Regulatory Guide 111, "Content of Expert Reports". The Regulatory Guide 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above mentioned offer. Furthermore, this comparison should be made assuming 100% ownership of the "target" and irrespective of whether the consideration is scrip or cash. An offer is "reasonable" if it is fair.

An offer may also be reasonable, if despite not being "fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer. It also states that, where an acquisition of shares by way of an allotment is to be approved by shareholders pursuant to Section 611 (Item 7) of TCA, it is desirable to commission a report by an independent expert stating whether or not the proposal is fair and reasonable, having regards to the proposed allottees and whether a premium for potential control is being paid by the allottees. Regulatory Guide 111 also provides that such an allotment should involve a comparison of the advantages and disadvantages likely to accrue to non-associated shareholders if the transactions proceed compared with if they do not.

1.13 Accordingly, our report in relation to Resolution 1 comprising the approval to issue a total of 128,902,757 Tranche 2 Subscription Shares to Eneco is concerned with the fairness and reasonableness of the proposal with respect to the existing non-associated shareholders of RGP and whether Eneco is paying a premium for control.

1.14 Summary of Opinion

The fair value of a RGP Share on a control basis	
prior to the Proposed Transactions (cents)	3.315
Fair value of a RGP Share on a minority basis	
post the Proposed Transactions (cents)	3.560

For the purposes of section 611 (item 7) of TCA, the proposal in relation to the approval to issue 123,944,410 Subscription Shares as set out in Resolution 1 of the Notice, is in our opinion, taking into account the factors noted elsewhere in this report including the fair value of an RGP share prior to the Proposed Transactions and the fair value of an RGP share on a minority basis post the Proposed Transactions and the factors (positive, negative and other factors) noted in section 8 of this report, be considered to be fair and reasonable to the non-associated shareholders at the date of this report.

- 1.15 Each shareholder needs to examine the share price of RGP, market conditions and announcements made by RGP up to the date of the shareholders meeting at the time of exercise of vote to ascertain the impact, if any, on Resolution 1. The opinion expressed above must be read in conjunction with the more detailed analysis and comments made in this report.

2. Implications of the Proposals

- 2.1 As at 31 October 2018, there were 133,455,590 ordinary fully paid shares on issue in RGP. Post the implementation of all of the recapitalisation proposals, the number of shares may increase to 272,358,347 shares as set out in paragraph 1.7 above.

Further details on the shares that could be on issue and the shareholding interests of Eneco and other parties are noted above.

- 2.2 Pursuant to the Subscription Agreement with Eneco, the Company raised a gross \$500,000 (received on 2 November 2018) and thus issued the 10,000,000 Tranche 1 Subscription Shares at 5 cents each and will raise a further \$7,734,165 on the issue of the 128,902,757 Tranche 2 Subscription Shares at 6 cents each to Eneco. Following the issue of Tranche 1 and Tranche 2 Subscription Shares, Eneco's shareholding will increase from nil% as at 31 October 2018 to 6.97% (current shareholding as at 2 November 2018) and then to approximately 51.00%.

- 2.3 The existing directors at 31 October 2018 were Henry Heng, Peter Chai, Michael Pixley and Chiau Thuan Teh. Following Tranche 1 Completion, for so long as the Subscriber (together with any of its Associates) holds in aggregate such number of Shares which is:

- not less than 5.00% of the issued Shares, the Subscriber will have the right, but not the obligation, to appoint one person; or
- more than 50.00% of the issued Shares, the Subscriber will have the right, but not the obligation, to appoint three persons,

as a non-executive director(s) of the Company.

Mr Koji Yoshihara was appointed a director of the Company on 2 November 2018 (as nominated by Eneco).

- 2.4 On completion of the issue of the Tranche 2 Subscription Shares, RGP will become an approximate 51.00% subsidiary of Eneco Holdings (via Eneco Holdings owning all of the shares in Eneco). However, it is still planned to maintain RGP as a listed entity on the Australian Securities Exchange ("ASX"). Shareholders may still be able to trade their shares and other new investors may acquire shares via trading on the ASX.

- 2.5 A distribution agreement will be entered into between the Company, VanaH Co., Ltd. and the Guarantor in respect to the exclusive distribution of the Guarantor's (Eneco Holdings) water-based fuel products and water products produced and/or procured by VanaH Co., Ltd in Australia and New Zealand.

- 2.6 Set out below is an audited consolidated statement of financial position of the Company as at 30 June 2018 (adjusted for the \$500,000 received from the issue of the Tranche 1 Subscription Shares, estimated losses to 30 September 2018 as noted in the management accounts to 30 September 2010 of around \$210,000 – adjusted cash downwards by \$142,000 and adjusted plant and equipment for 3 months depreciation by \$68,000 from the audited figures) together with the pro-forma consolidated balance sheet (statement of financial position) adjusted to include the transactions as noted below:

- the issue of 128,902,757 Tranche 2 Subscription Shares to raise a gross \$7,734,165; and
- the incurring of capital raising and other costs associated with the Subscription Agreement with Eneco of approximately \$370,000 (including an introduction fee of \$324,613).

	Statement of Financial Position	Pro- Forma Statement of Financial Position after the completion of the Tranche 2 Subscription
	\$	\$
Current Assets		
Cash Assets	736,128	8,100,293
Receivables	1,043,658	1,043,658
Inventory	1,279,474	1,279,474
Total current assets	3,059,260	10,423,425
Non-Current Assets		
Trade and other receivables	246,010	246,010
Plant and equipment	2,417,703	2,417,703
Intangible assets	451,542	451,542
Investment in associates	492,216	492,216
Other financial assets	300,000	300,000
Total non-current assets	3,907,471	3,907,471
Total assets	6,966,731	14,330,896
Liabilities		
Current Liabilities		
Trade Creditors and Accruals	684,598	685,598
Financial liabilities	261,355	261,355
Provisions and accruals	468,838	486,838
Total Current Liabilities	1,414,791	1,414,791
Non-current Liabilities		
Financial liabilities	680,844	680,844
Provisions	114,798	114,798
Total non-current liabilities	795,642	795,642
Total Liabilities	2,210,433	2,210,433
Net Assets	4,756,298	12,120,463
Equity		
Issued Capital	10,995,698	18,359,863
Reserves	548,121	548,121
Accumulated Losses	(6,787,521)	(6,787,521)
Total Equity	4,756,298	12,120,463
Shares on issue	143,455,590	272,358,347
Net assets per share (cents) (rounded)	3.315	4.450

Note 1

The movement in the cash assets is reconciled as follows:

	\$
Cash Assets:	
Opening Balance	736,128
Placement of Tranche 2 Subscription Shares	7,734,165
Repayment of creditors (estimated)	(370,000)
Net cash on hand	8,100,293

Note 2

The movement in the issued capital is reconciled as follows:

	\$
Issued Capital:	
Opening Balance	10,995,698
Placement of Tranche 2 Subscription Shares (Resolution 1)	7,734,165
Placement costs (estimated)	<u>(370,000)</u>
Closing balance (estimated)	<u>18,359,863</u>

3. Corporate History and Nature of Business

3.1 We note below an extract from the 2018 Annual Report of RGP.

"The weaker Western Australia economy has affected us quite badly. This has resulted in a drop in profit. With the outlook for mining improving, we will be able to achieve better sales this financial year.

Our New South Wales (NSW) operations continued to do well with an increase of 12% in revenue. Revenue growth was partly contributed by the acquisition of Aquazuro on 1 April 2017. However, with higher operating costs, profit dipped by 4%. We are glad that despite the drop, NSW became our most profitable segment for the first time.

Victoria operations did very well with a 31% increase in revenue and a turnaround from loss to profit of \$137k. This was mainly because of new sales secured by the former Business Development Manager who was not replaced when he left. Melbourne's increase in profit was also contributed by the acquisition of Ampí Plastics. Bottles are now transferred at cost because they are deemed inter-company transfers. Unfortunately, it has conversely affected the bottom line of Ampí.

Overall we are glad that Refresh Waters managed to grow by 4% and its profit also increased by 4%.

The acquisition of Ampí Plastics helped increase revenue by \$2.7 million. Unfortunately, an operating loss of \$590k was incurred which required a total write-off of the goodwill of \$409k.

The loss arose from the following:

- The die-setter left in July 2017 on short notice after working for 24 years at Ampí. This didn't give us enough time to look for a replacement. The replacement die-setter did not do a good job. Presently, a good die-setter has been employed. The use of contractors during the changes resulted in higher expenses.
- Rising petroleum price has resulted in increased cost of plastic resins. We have increased prices to customers but this takes time for the increase to flow through.
- Ampí was run for 41 years as a family business. Refresh has since revamped their accounting system to comply with accounting standards.
- We have upgraded a number of machines in preparation of business growth, resulting in higher once-off expenditure.
- Because of inter-company transfers at costs, Ampí had to forego profits from sale to Refresh but this is reflected in the higher profit at Refresh Melbourne.

We are shifting our focus to produce more of our own products than contract manufacture other companies' products. Currently, a higher excise duty is levied on beer sold in containers smaller than 48 litres. The cut-off will be reduced to 8 litres from 1 July 2019. As we produce one-way Petainer PET kegs of only up to 30 litres, this will help us sell more kegs and increase profits.

	<u>FY 2018</u>	<u>FY 2017</u>	<u>Variance</u>
	\$'000	\$'000	
Revenue			
WA	3,007	3,238	-7%
NSW	1,873	1,668	12%
VIC	1,180	899	31%
Refresh Waters	6,060	5,805	4%
Refresh Plastics	2,724	374	628%
Refresh Group	8,784	6,179	42%
Profit/Loss			
WA	145	273	-47%
NSW	164	170	-4%
VIC	137	-15	1013%
Refresh Waters	446	428	4%
Refresh Plastics	-590	61	-1067%
Goodwill written off	-409	-	-
Corporate	-510	-488	-5%
Operating Profit/(Loss)	-1,063	1	-106400%

End of extract from the 2018 Annual Report.

4. Future Directions of RGP

4.1 We have been advised by the directors that the initial proposals are to:

- Complete all the proposals as noted in the resolutions in the Notice and raise a gross \$8,234,165 from Eneco (approximately \$7,864,165 after costs). These funds will be used to repay certain current liabilities, general working capital and plans to commercialise the Distribution Agreement;
- Composition of the Board of directors of RGP will change in the near future as outlined in paragraph 2.3; and
- No dividend policy has been set and it is not proposed to be set until such time as the Company is profitable and has a positive cash flow.

5. Basis of Valuation of RGP

5.1 Shares

5.1.1 In considering the proposals as outlined in Resolution 1, we have sought to determine whether the issue price of the Tranche 2 Subscription Shares is in excess of the current fair value of the shares in RGP on issue and whether the proposed Tranche 2 Subscription is at a price that RGP could make to unrelated third parties and then conclude whether the proposal is fair and reasonable to the existing non associated shareholders of RGP.

5.1.2 The valuation methodologies we have considered in determining a theoretical value of a RGP share are:

- capitalised maintainable earnings/discounted cash flow;
- takeover bid - the price at which an alternative acquirer might be willing to offer;
- adjusted net asset backing and windup value; and
- the recent market prices of RGP shares.

5.2 Capitalised maintainable earnings and discounted cash flows

- 5.2.1 RGP in its own right does not have a reliable cash flow or profit history from a business undertaking. The RGP Group has incurred accumulated losses to 30 June 2018 in excess of \$6.6 million and has insufficient funds to fully exploit the RGP businesses/CGU's that it is currently involved in. Cash flow forecasts to date have been proven to be not the most reliable, although forecasts from 1 July 2018 have been used to consider the fair values of the four cash generating units as noted below. To value the Company's shares as a whole using discounted cash flows or maintainable earnings are not considered to be appropriate in the current circumstances where the Company has insufficient cash funds to fully commercialise the CGU's.

5.3 Takeover Bid

- 5.3.1 It is possible that a potential bidder for RGP could purchase all or part of the existing shares, however no certainty can be attached to this occurrence. Currently the Company does not have sufficient funds for working capital and further commercialisation of the existing business activities. In the view of the Board, the recapitalisation proposals with Eneco is the most appropriate for the Company. However, after all of the Tranche 1 and Tranche 2 Subscription Shares are issued, Eneco would control approximately 51% of the expanded ordinary issued capital of the Company (RGP would become an indirect 51% subsidiary of Eneco Holdings).

5.4 Adjusted Net Asset Backing

Net asset backing and windup value

- 5.4.1 As noted above prior to the recapitalisation proposal, RGP has net assets approximating \$4,256,000 and approximately \$4,756,000 after the cash raised from the Tranche 1 Subscription by Eneco. In the absence of the validity and reliability of the other methodologies (including ASX listed share prices as noted below due to no deep market existing for shares in RGP), we consider that using net asset backing is the more appropriate methodology to use in the current circumstances.

We have reviewed the assets and liabilities and note the following.

The current assets are at cost less write downs for non-collectible receivables and obsolete and damaged inventories. The auditors in their annual audit report noted that under Key Audit Matters that they had undertaken work on inventories and have accepted the final figure appearing in the statement of financial position. Although not noted under Key Audit Matters, they have made no separate comments on the other significant current asset, Receivables and thus we have accepted the net carrying value as fair value.

The auditors also noted under Key Audit Matters that there were significant non-current assets, namely plant and equipment and intangibles (including goodwill relating to 4 cash generating units (CGU's)). They undertook tests to ensure that such assets were not overvalued. An impairment of \$409,000 was made against goodwill relating to the Refresh Plastics CGU as at 30 June 2018.

The Investment in Associates of \$492,216 relates to its 49% shareholding in Refresh Waters Queensland Pty Ltd. The auditors also noted under Key Audit Matters that under non-current assets, was a loan to an associated company, Refresh Waters Queensland Pty Ltd. They undertook tests to ensure that such assets were not overvalued.

Other Financial Assets is an investment in ASX listed company Eve Investments Limited (Eve) and were valued at market (last sale price of an Eve share as traded on ASX on 30 June 2018) at a carrying value of \$300,000. No significant change has been made to the investment at the date of this report.

No specific comments were made by the auditors on liabilities and we have accepted such figures at face value.

The audited accounts to 30 June 2018 noted that the fair value of non-current assets and liabilities approximated fair values and all financial liabilities were at fair values.

It is our view that the carrying values of all assets and liabilities as at 30 June 2018 as adjusted to account for estimated losses to 30 September 2018 are at or near fair values.

Thus, it is our opinion that RGP total net value at fair values approximates \$4.756 million or approximately 3.315 cents per share after the issue of the Tranche 1 Subscription Shares but prior to the issue of the Tranche 2 Subscription Shares and the cash to be raised from the issue of the Tranche 2 Subscription Shares).

5.5 Market price of RGP shares

- 5.5.1 Share prices in RGP as recorded on the ASX since 1 January 2018 up to and including 19 October 2018 (the date immediately before the announcement of the Proposed Transactions with Eneco) have been between 3.9 cents (on 14 September 2018) and 7.8 cents (26 February 2018). Between 1 July 2018 and 3 October 2018 (last sale date before the announcement of the Proposed Transactions with Eneco), the shares have traded in the more narrow range of 3.9 cents to 5.6 cents with a last sale on 3 October 2018 of 4.8 cents (only 976,045 shares traded in such period representing approximately 0.731% of the shares on issue). Post 22 October 2018 and to 2 November 2018, 7,048,738 shares were traded at prices between 4.6 cents and 4.8 cents. The sales of 2 November 2018 shares we traded at 4.6 cents each (700,000 shares traded).

As can be seen from the trading volume on ASX, there is definitely no “deep market” of trading of RGP shares before the announcement of the Proposed Transactions. It is noted that over the past several years, the vast majority of small cap industrial consumer goods companies listed on the ASX are trading at significant discounts or premiums to appraised technical values and in some cases have traded at a discount to cash asset backing. In the case of RGP, the monthly volume of trades on the ASX is extremely low and is not large enough to argue that an orderly market exists for the Company’s shares. There are some major shareholders in RGP who do not trade their shares and thus the number of shares that are available for regular trading is not high.

It is our view that using share prices as traded on ASX is not a fair indicator of value of a RGP share but we have considered share prices as a secondary methodology (not the primary methodology).

Summary conclusion on value of a share in RGP

- 5.6 Having considered the above bases of valuations of a RGP share under paragraphs 5.2 to 5.5, we have concluded that the most appropriate basis is to value a RGP share on the basis of the fair market asset values pre-announcement of the Proposed Transactions. Whilst usually our preferred basis to determine the value of a share is to use the value of a share traded on the ASX immediately pre-announcement of the Proposed Transactions, we note that trading in RGP shares has been on a low volume immediately prior to the announcement of the Proposed Transactions. Whilst the market is fully informed of RGP’s businesses and prospects, the low volume of trades and significant variation in price may not provide a reasonable basis for assessing the underlying fair value of a RGP share. As noted above, the other two basis that we considered, being the Capitalised Maintainable Earnings/Discounted Cash Flow and the Takeover Bid – (the price at which an alternative acquirer might be willing to offer) are not considered suitable.

After taking into account the matters referred to in the preceding paragraphs, we are of the view that the current theoretical value of an RGP share (prior to the recapitalisation proposal) is 3.315 cents.

The future value of a Refresh share will depend upon, inter alia:

- the future prospects of its current CGU's;
- the state of the consumer goods businesses (and prices) in Australia and overseas;
- the state of Australian and overseas stock markets;
- the strength and performance of the Board and management and/or who makes up the Board and management;
- foreign exchange rates
- general economic conditions;
- the liquidity of shares in RGP; and
- possible ventures and acquisitions entered into by RGP.

6. Premium for Control

- 6.1 Premium for control for the purposes of this report has been defined as the difference between the price per share that a buyer would be prepared to pay to obtain a controlling interest in the Company and the price per share at which the same person would be required to pay per share which does not carry with it control of the Company.
- 6.2 It is generally accepted that premium for control may vary from 10% to 40% or more depending on many different factors including the nature of the business, the financial position of a company, and shareholding percentages. We have reviewed other company takeover premiums in assessing the range of premiums. In addition, we looked at the study undertaken in 2017 by a large accounting firm (RSM) and this study supported the above range of premiums. It is our view, taking into account the existing shareholding, the Board position that may alter and the percentage that Eneco may obtain (51% maximum), that a control premium of 25% is reasonable.
- 6.3 Our preferred methodology is to value RGP share on a technical (market) net asset basis which assumes a 100% interest in the Company. Therefore, no adjustment is considered necessary to the technical (market) asset values determined under paragraph 5.4 and 5.6 as these already represent the fair value of the Company or a share in the Company on a pre-Proposed Transactions control basis (but includes the \$500,000 from the issue of 10,000,000 Tranche 1 Subscription Shares issued on 2 November 2018).

7. Conclusion as to Fairness

- 7.1 In arriving at our conclusion on fairness, we considered whether the transaction is "fair" by comparing:
- (a) the fair market value of a RGP share, pre-transaction on a control basis; versus
 - (b) the fair market value of a RGP share, post-transaction on a minority basis, taking into account the associated dilution resulting from the issue of new shares under the Subscription Agreement.
- 7.2 We set out below the value of a RGP share on a minority basis post the Proposed Transactions (but noting that the 10,000,000 Tranche 1 Subscription Shares have been treated as prior to the Proposed Transaction) after taking into account the following:
- the issue of 128,902,757 Tranche 2 Subscription Shares at 6.0 cents each to raise a gross \$7,734,165; and
 - the incurring of capital raising and other costs associated with the Subscription Agreement with Eneco of approximately \$370,000.

	\$
Net fair value (<u>preferred</u>) as noted in paragraph 5.4 above	4,756,298
Issue of the Tranche 2 Subscription Shares	7,734,165

Costs relating to the Subscriptions	(370,000)
Assessed fair value after the Proposed Transactions	<u>12,120,463</u>
Number of shares on issue post Subscriptions	272,358,347
Net value per share (cents) on a control basis	4.450
Minority interest discount	20.0%
Minority value per share (cents)	3.560

The minority value per share in Australian cents is approximately 3.560 cents.

To reflect the value of a RGP share post the Proposed Transactions, to a minority shareholder, a minority interest discount is applied of 20% as this is the inverse of the 25% premium for control. In this case, the minority value per share is 3.560 cents and if a 25% premium is applied, the controlling interest equates to 4.450 cents (as above). The inverse is used to arrive at the fair value of a share to a minority shareholder. A 25% premium applied to the minority value per share then equals the value to a controlling shareholder. This is standard practice and is used by all independent valuers.

- 7.3 The preferred fair market value of an RGP share has been estimated at 3.315 cents on a pre Proposed Transaction control basis. The Tranche 2 Subscription by Eneco results in an adjusted value of 4.450 cents per share and the minority interest value per share at 3.560 cents. As the preferred fair market value of an RGP share to a minority shareholder is greater on a post transaction basis, the proposed issue of Tranche 2 Subscription Shares to Eneco is considered to be fair to the non-associated shareholders of RGP (not associated with Eneco).

- 7.4 **As the fair value of a RGP share to a minority shareholder post the Proposed Transactions is greater than the value of a share pre the Proposed Transactions, we are of the opinion that, in the absence of a superior proposal, the proposals as outlined in Resolution 1 of the Notice are fair to the non-associated shareholders of RGP as at the date of this report (not associated with Eneco).**

8. Reasonableness of the Proposals with Eneco

It is noted that if the Proposed Transactions were deemed fair, then the Proposed Transactions would also be deemed to be reasonable. In this case, the proposed issue of the Tranche 2 Subscription Shares is considered fair. However, we also set out some advantages, disadvantages and other factors for shareholder information.

Advantages

- 8.1 The passing and consummation of Resolution 2 as part of the recapitalisation proposals would result in a gross cash position of approximately \$8.100 million compared with a cash position at approximately \$0.236 million (before the \$500,000 cash raised from the Tranche 1 Subscription on 2 November 2018) and net working capital would increase from around \$1.144 million to around \$9.008 million (assuming the capital raisings of the \$8,234,165 referred to above) and allowing the company to pay some current liabilities, provide working capital to expand the current four CGU's and commercialise the opportunities under the proposed Distribution Agreement noted above. Current cash reserves are low and to meet all commitments and expand the RGP businesses, a substantial amount of cash is required, such as that to be provided by Eneco. Without a cash injection as envisaged, the current CGU's would be starved of capital and may then not be able to expand as envisaged by management.
- 8.2 If the proposal to issue the Tranche 2 Subscription Shares as part of the recapitalisation proposal with Eneco, the net-working capital backing of a RGP share rises from 0.513 cents to approximately 3.307 cents but the RGP Group will still have current liabilities totalling approximately \$1.415 million.
- 8.3 There is an incentive to RGP and Eneco, to successfully exploit the existing CGU businesses and the new business to arise from the Distribution Agreement.

- 8.4 Fees and costs of between generally 4.5% to 7.5% may be payable (approximately \$370,000 to \$617,000) on a capital raising of \$8,234,165. After taking into account the estimated \$370,000 in costs pertaining to the Proposed Transactions, this is some savings in capital raising costs.
- 8.5 The issue price of the Tranche 2 Subscription Shares is at a premium to the share price of an RGP share as traded on ASX since 1 July 2018 (traded at between 3.9 cents and 5.6 cents). The subscription price for the Tranche 1 Subscription Shares and Tranche 2 Subscription Shares represents a 4% and 25% premium to the last closing price and a 20% and 44% premium to the 60-day volume weighted average price, respectively.

Disadvantages

- 8.6 A significant shareholding in the Company is being given to Eneco in that could own up to approximately 51% of the expanded issued capital of the Company after the completion of the Subscriptions. However, we note that RGP will be significantly recapitalised as noted above. The existing shareholders are diluted to approximately 49% after the completion of the Subscriptions. It is assumed that all investors will obtain a benefit particularly if the Company enters into the additional business activities as envisaged under the Distribution Agreement and expansion of the existing CGU's. However there are significant risks into entering into the new proposed business activities.
- 8.7 RGP will become a 51% owned subsidiary of Eneco and thus shareholder control would predominantly be in the hands of Eneco. However, we have been advised that RGP will continue with being listed on ASX and shareholders will still be able to trade in their RGP shares.

Other Factors

- 8.8 By approving Resolution 1, it gives Eneco the flexibility to obtain a controlling 51% interest in RGP without having to make a full takeover bid for the Company. Section 611 (Item 7) approval (Resolution 1) and the passing of Resolution 1 would eliminate the need for a full takeover bid.
- 8.9 The issue price of 6.0 cents per Tranche 2 Subscription Share is significantly greater than the net book asset backing per share price of approximately 3.315 cents per RGP ordinary share.
- 8.10 The issue of the Tranche 2 Subscription Shares could possibly deter any potential bidders to make a takeover for the Company (in full or in part). To our knowledge, there are no current bids in the market place and the directors of RGP have formed the view that there is unlikely to be any takeover bids (for 100% of RGP) made for RGP in the immediate future, other than Eneco obtaining a 51% shareholding interest.
- 8.11 The new director (Koji Yoshihara) appointed has corporate and international capital market experience that should assist the Company in expanding its business activities.

9. Conclusion as to Reasonableness

- 9.1 After taking into account the matters referred to in sections 7 and 8 above and elsewhere in this report, we are of the opinion that, in the absence of a superior proposal, the proposal as outlined in Resolution 1 of the Notice are reasonable to the non-associated shareholders of RGP as at the date of this report.**

10. Shareholder Decision

- 10.1 Stantons International Securities Pty Ltd has been engaged to prepare an independent expert's report setting out whether in its opinion the issue of Tranche 2 Subscription Shares to Eneco is fair and reasonable and state reasons for that opinion. Stantons International Securities Pty Ltd has not been engaged to provide a recommendation to shareholders in relation to Resolution 1 (and Resolution 2) (but we have been requested to determine whether

the proposal pursuant to Resolution 1 is fair and/or reasonable to those shareholders not associated with Eneco). The responsibility for such a voting recommendation lies with the directors of RGP.

- 10.2 In any event, the decision whether to accept or reject Resolution 1 (and Resolution 2) is a matter for individual shareholders based on each shareholder's views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the proposal under Resolution 1 Resolution 2) shareholders should consult their own professional adviser.
- 10.3 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in RGP. This is an investment decision upon which Stantons International Securities Pty Ltd does not offer an opinion and is independent on whether to accept the proposal under Resolution 1 (and Resolution 2). Shareholders should consult their own professional adviser in this regard.

11. Sources of Information

- 11.1 In making our assessment as to whether the proposal pursuant to Resolution 1 is fair and reasonable, we have reviewed relevant published available information and other unpublished information of RGP which is relevant in the current circumstances. In addition, we have held discussions with two of the directors of RGP about the present state of affairs of RGP. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by the Company and publicly filed information on the financial position of the Company lodged via the ASX website.
- 11.2 Information we have received includes, but is not limited to:
- draft of the October 2018 Notice of General Meeting of Shareholders of RGP (and draft of the EM attached);
 - discussions with two of the Directors of RGP;
 - shareholding details of RGP as at 15 October 2018;
 - announcements made by RGP to the ASX from January 2017 to 2 November 2018;
 - Audited financial statements of RGP for the year ended 30 June 2018;
 - The executed Subscription Agreement;
 - The executed Distribution Agreement;
 - Eneco profile document;
 - Management accounts of the RGP Group for the 3 months to 30 September 2018;
 - CGU cash flow models as at 30 June 2018 testing for impairment.
- 11.3 Our report includes Appendix A and Financial Services Guide, attached to this report.

Yours faithfully

STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)



John Van Dieren - FCA
Director

APPENDIX A

AUTHOR INDEPENDENCE

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities Pty Ltd (trading as Stantons International Securities) dated 5 November 2018, relating to Resolution 1 outlined in the Notice of Meeting of Shareholders and the accompanying EM to be distributed to shareholders of RGP in November 2018.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposals. There are no relationships with RGP other than acting as an independent expert for the purposes of this report. There are no existing relationships between Stantons International Securities and the parties participating in the transactions detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated not to exceed \$24,000 (excluding GST). The fee is payable regardless of the outcome. With the exception of that fee, neither Stantons International Securities nor John Van Dieren and Martin Michalik have received nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the making of this report. Stantons International Securities and Stantons International Audit and Consulting Pty Ltd or any directors of Stantons International Securities and Stantons International Audit and Consulting Pty Ltd do not hold any securities in RGP. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities has consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

QUALIFICATIONS

We advise Stantons International Securities is the holder of an Australian Financial Services Licence (No 448697) under the Corporations Act relating to advice and reporting on mergers, takeovers and acquisitions involving securities. A number of the directors of Stantons International Audit and Consulting Pty Ltd are the directors and authorised representatives of Stantons International Securities. Stantons International Securities and Stantons International Audit and Consulting Pty Ltd (trading as Stantons International) have extensive experience in providing advice pertaining to mergers, acquisitions and strategic and financial planning for both listed and unlisted companies and businesses.

Mr John Van Dieren – FCA and Martin Michalik - ACA the persons responsible for the preparation of this report, have extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuations and financial aspects thereof, including the fairness and reasonableness of the consideration offered. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

DECLARATION

This report has been prepared at the request of a director of the Company in order to assist the shareholders of RGP to assess the merits of the proposal (Resolution 1) to which this report relates. This report has been prepared for the benefit of the RGP shareholders and those persons only who are entitled to receive a copy for the purposes of Section 611 (Item 7) of the Corporations Act 2001 and does not provide a general expression of Stantons International Securities opinion as to the longer term value of RGP and its future business activities. Stantons International Securities does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of RGP. Neither the whole, nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

DUE CARE AND DILIGENCE

This report has been prepared by Stantons International Securities with due care and diligence. The report is to assist shareholders in determining the fairness and reasonableness of the proposals set out in Resolution 1 to the Notice and each individual shareholder may make up their own opinion as to whether to vote for or against Resolution 1.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by the directors, its officers and other parties (save whether it would not be reasonable to rely on the information regard having regard to Stantons International Securities experience and qualifications), the directors (on behalf of RGP) has agreed:

- (a) to make no claim by it or its officers against Stantons International Securities (and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which RGP may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by the directors; and
- (b) to indemnify Stantons International Securities (and Stantons International Audit and Consulting Pty Ltd) against any claim arising (wholly or in part) from the directors officers and RGP providing Stantons International Securities any false or misleading information or in the failure of the directors, RGP and their officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A draft of this report was presented to the Directors of RGP for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

**FINANCIAL SERVICES GUIDE
FOR STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)
Dated 5 November 2018**

1. Stantons International Securities Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("SIS" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 448697;
- remuneration that we and/or our staff and any associated entities receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. All Stantons International Audit and Consulting Pty Ltd employees receive a salary. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. From time to time, SIS and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities Pty Ltd
Level 2
1 Walker Avenue
WEST PERTH WA 6005

Telephone: 08 9481 3188
Facsimile: 09 9321 1204

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOSL"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 8007

Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

Lodge your vote:



By Mail:

Refresh Group Limited
17 Denninup Way,
Malaga, Western Australia 6090

Alternatively you can fax your form to
(within Australia) 08 9248 7233
(outside Australia) +61 8 9248 7233

For all enquiries call:

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

RGP

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

Proxy Form

XX

For your vote to be effective it must be received by 10.00am (WST) on Sunday, 6 January 2019

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions

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

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

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

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



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

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

☐

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



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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

☐

the Chairman
of the Meeting **OR**



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Refresh Group Limited to be held at 17 Denninup Way, Malaga, Western Australia on Tuesday, 8 January 2019 at 10:00am (WST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business



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

	For	Against	Abstain
Resolution 1 Approval of the Eneco Transaction	☐	☐	☐
Resolution 2 Ratification of Issue of Tranche 1 Shares	☐	☐	☐

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

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

RGP

999999A

Computershare +