VIRTUALPLUS HOLDINGS LIMITED

(TO BE RENAMED VPH LIMITED)

ABN 53 090 772 222

NOTICE OF GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

For the General Meeting to be held on
Thursday, 17 November 2005 at 2.30 pm (WST) at
The Celtic Club
48 Ord Street, West Perth
Western Australia

CONTENTS PAGE

This is an important document. Please read it carefully.

If you are unable to attend the General Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.

If you have any questions regarding the matters set out in this Document, please contact the Company Secretary, Mr Andrew Meloncelli on (08) 9214 2540, your stockbroker or other professional adviser.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The General Meeting of the shareholders of Virtualplus Holdings Limited will be held at:

The Celtic Club
48 Ord Street
West Perth, Western Australia

Commencing at
2.30 pm (WST)
on Thursday, 17 November 2005

How to Vote

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

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 2.30 pm (WST).

Voting by Proxy

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

- Send the proxy by facsimile to the Company on facsimile number (08) 9214 2511 (International: + 61 8 9214 2511) or to Computershare Investor Services Pty Ltd on facsimile number (08) 9323 2033 (International: + 61 8 9323 2033);
- Deliver the proxy to the registered office of the Company at 104 Colin Street, West Perth, Western Australia 6005 or Computershare Investor Services Pty Ltd at Level 2, 45 St George's Terrace, Perth, Western Australia 6000;
- Mail the proxy to the Company at PO Box 1617, West Perth, Western Australia 6872 or Computershare Investor Services Pty Ltd at GPO Box D182, Perth, Western Australia 6840 (reply paid envelope).

So that it is received not later than 2.30 pm (WST) on Tuesday, 15 November 2005 (48 hours prior to commencement of the meeting).

Your proxy form is enclosed.

VIRTUALPLUS HOLDINGS LIMITED

ABN 53 090 772 222

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of shareholders of Virtualplus Holdings Limited will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia at 2.30 pm (WST) on Thursday, 17 November 2005.

AGENDA

BUSINESS

Resolution 1 – Approval of Issue of Securities – Options
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution:**

"That, for the purposes of Rule 10.11 of the Listing Rules of the Australian Stock Exchange Limited and section 208 of the Corporations Act 2001 and for all other purposes, the shareholders of the Company hereby approve and authorise the Directors to issue (within 1 month to Gavin Argyle or nominee) of up to 550,000 unlisted options in accordance with the terms and conditions set out in Appendix A of this Notice."

Voting Exclusion Statement:
The Company will disregard any votes cast by Gavin Argyle and any person who is to receive securities in the Company if that resolution is passed and any associate of those persons.

However, the Company need not disregard a vote if it is cast by:

a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
b) a person chairing the meeting as proxy for a person whom is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Approval of Issue of Securities – Options
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution:**

"That, for the purposes of Rule 10.11 of the Listing Rules of the Australian Stock Exchange Limited and section 208 of the Corporations Act 2001 and for all other purposes, the shareholders of the Company hereby approve and authorise the Directors to issue (within 1 month to Robert Franco or nominee) of up to 300,000 unlisted options in accordance with the terms and conditions set out in Appendix A of this Notice."

Voting Exclusion Statement:
The Company will disregard any votes cast by Robert Franco and any person who is to receive securities in the Company if that resolution is passed and any associate of those persons.

However, the Company need not disregard a vote if it is cast by:

a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

b) a person chairing the meeting as proxy for a person whom is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 – Approval of Issue of Securities – Options

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

"That, for the purposes of Rule 10.11 of the Listing Rules of the Australian Stock Exchange Limited and section 208 of the Corporations Act 2001 and for all other purposes, the shareholders of the Company hereby approve and authorise the Directors to issue (within 1 month to Geoff Gander or nominee) of up to 300,000 unlisted options in accordance with the terms and conditions set out in Appendix A of this Notice."

Voting Exclusion Statement:

The Company will disregard any votes cast by Geoff Gander and any person who is to receive securities in the Company if that resolution is passed and any associate of those persons.

However, the Company need not disregard a vote if it is cast by:

a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

b) a person chairing the meeting as proxy for a person whom is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Approval of Issue of Securities – Options

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

"That, for the purposes of Rule 7.1 of the Listing Rules of the Australian Stock Exchange Limited, and for all other purposes, the shareholders of the Company hereby approve and authorise the Directors to issue Andrew Meloncelli (or nominee) of up to 50,000 unlisted options in accordance with the terms and conditions set out in Appendix A of this Notice."

Voting Exclusion Statement:

The Company will disregard any votes cast by Andrew Meloncelli and any person who is to receive securities in the Company if that resolution is passed and any associate of those persons.

However, the Company need not disregard a vote if it is cast by:

a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

b) a person chairing the meeting as proxy for a person whom is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY STATEMENT

The Explanatory Statement, which accompanies and forms part of this Notice, describes the Business to be considered at the General Meeting. The Explanatory Statement is an important document and should be read carefully in full by all shareholders.

DEFINITIONS

Terms used in this Notice have the meanings set out in section 5 of the Explanatory Statement.

NOTES

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.

2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. The proposed Chairman of the meeting intends to vote undirected proxies in favour of the four resolutions.

4. For the determination of voting entitlements, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 2.30 pm (WST) on Tuesday, 15 November 2005 (48 hours prior to commencement of the meeting).

5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office or Computershare Investor Services Pty Ltd in accordance with the proxy instructions on that form.

By Order of the Board

A L Meloncelli
Company Secretary

Date: 12 October 2005

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact your stockbroker or other professional adviser.

GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of the Company in connection with the General Meeting of the Company to be held on Thursday, 17 November 2005 at 2.30 pm (WST).

The purpose of this Explanatory Statement is to provide shareholders with information that the Board believes to be material to shareholders in deciding whether or not to approve the resolution detailed in the Notice.

1. THE RESOLUTIONS

1.1 Resolution 1 – Approval of Issue of Securities – Options

Resolution 1 seeks the approval, pursuant to Listing Rule 10.11 and section 208 of the Corporations Act 2001 the issue within 1 month after the date of this meeting of up to 550,000 unlisted options in accordance with the terms and conditions set out in Appendix A of this Notice to Gavin Argyle (or nominee).

Legal and Regulatory Matters

Gavin Argyle is a related party of the Company within the definition of that term in Part 2E of the Corporations Act.

Listing Rule 10.11 prohibits the issue of options to a related party of the Company without Shareholder approval. Section 208 of the Corporations Act also prohibits, subject to specified exceptions, a Company giving a financial benefit to a related party of the Company without Shareholder approval. The proposed issue of options to Gavin Argyle (or nominee) may represent the giving of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

As the exemptions in Chapter 2E of the Corporations Act may not apply, approval of the possible issue of options Gavin Argyle (or nominee), is required from the Company's Shareholders pursuant to Listing Rule 10.11 and Section 208 of the Corporations Act.

As shareholder approval is being sought under Listing Rule 10.11, shareholder approval under Listing Rule 7.1 is not required.

The following information is provided in compliance with the related party provisions of Chapter 2E of the Corporations Act 2001 and Listing Rule 10.13:

(a) The maximum number of options that may be issued pursuant to Resolution 1 is 550,000;

(b) The options will be issued on a date within one month from the date of this meeting or at such a later date approved by the ASX;

(c) The optionholder is Gavin Argyle (or nominee);

(d) No funds are being raised for the proposed issue of options;

(e) The terms and conditions of the options are set out in Annexure A of this notice;

(f) A voting exclusion statement has been included in the notice;

(g) Gavin Argyle has an interest in the outcome of Resolution 1 and declines to make a recommendation to members with respect to Resolution 1. Each of the other directors who do not have an interest in Resolution 1 recommends Resolution 1;

(h) As Gavin Argyle was appointed as a director on 23 March 2005, $8,225 in directors remuneration was payable to Gavin Argyle for the year ended 30 June 2005. Gavin Argyle has been paid or is payable Directors Remuneration since 30 June 2005 to the date of this notice, totalling $7,500;

(i) The existing shareholding of Gavin Argyle and his associates in the Company is 0 (0.00% of issued capital) – see section 3 for issued capital;

(j) The trading history of the Shares is detailed in Appendix B;

(k) Assuming the options under Resolutions 2, 3 and Resolution 4 are exercised, this will dilute the shareholding of Gavin Argyle and his associates in the Company to 0.00%;

(l) The market price of shares would normally determine whether Gavin Argyle could exercise the options. If the options are exercised at a price lower than the price at which Shares are trading on the ASX, there may be a perceived cost to the Company;

(m) The options will be issued free as consideration for performance of work, both previously done and to be done in the future, by the Related Parties for the Company and to secure the ongoing commitment of the Related Parties to the continued growth of the Company. The Board considers that the granting of the options to the Related Parties constitutes valid consideration for work performed for the Company. The total value of the options is $1,100 based on the valuation outlined in section 2 of this Explanatory Statement. The Company apportions 30% to past work and 70% to work due to be completed by the Related Parties into the future. The Company acknowledges that the grant of options to a Non-Executive Director is contrary to recommendation 9.3 of the ASX Good Corporate Governance and Best Practice Recommendations. However the Board considers the grant of the options to Gavin Argyle reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst conserving the Company's cash reserves;

(n) The amount of options to be issued to Gavin Argyle is considered fair and reasonable by the independent directors of the Company after consulting with various financial advisors, market participants and the comparison of remuneration packages to Directors of similar ASX listed companies with respect to industry and market capitalisation;

(o) Members should read all relevant sections of this Explanatory Statement in full and decide whether to vote in favour or otherwise for this resolution; and

(p) Other than the information provided above and otherwise set out in this Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass this Resolution.

1.2 Resolution 2 – Approval of Issue of Securities – Options

Resolution 2 seeks the approval, pursuant to Listing Rule 10.11 and section 208 of the Corporations Act 2001 the issue within 1 month after the date of this meeting of up to 300,000 unlisted options in accordance with the terms and conditions set out in Appendix A of this Notice to Robert Franco (or nominee).

Legal and Regulatory Matters

Robert Franco is a related party of the Company within the definition of that term in Part 2E of the Corporations Act.

Listing Rule 10.11 prohibits the issue of options to a related party of the Company without Shareholder approval. Section 208 of the Corporations Act also prohibits, subject to specified exceptions, a Company giving a financial benefit to a related party of the Company without Shareholder approval. The proposed issue of options to Robert Franco (or nominee) may represent the giving of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

As the exemptions in Chapter 2E of the Corporations Act may not apply, approval of the possible issue of options Robert Franco (or nominee), is required from the Company's Shareholders pursuant to Listing Rule 10.11 and Section 208 of the Corporations Act.

As shareholder approval is being sought under Listing Rule 10.11, shareholder approval under Listing Rule 7.1 is not required.

The following information is provided in compliance with the related party provisions of Chapter 2E of the Corporations Act 2001 and Listing Rule 10.13:

(a) The maximum number of options that may be issued pursuant to Resolution 2 is 300,000;

(b) The options will be issued on a date within one month from the date of this meeting or at such a later date approved by the ASX;

(c) The optionholder is Robert Franco (or nominee);

(d) No funds are being raised for the proposed issue of options;

(e) The terms and conditions of the options are set out in Annexure A of this notice;

(f) A voting exclusion statement has been included in the notice;

(g) Robert Franco has an interest in the outcome of Resolution 2 and declines to make a recommendation to members with respect to Resolution 2. Each of the other directors who do not have an interest in Resolution 2 recommends Resolution 2;

(h) As Robert Franco was reappointed as a director on 7 March 2005 and was previously a director from 20 November 2003 to 7 December 2004, $22,690 in directors remuneration was payable to Robert Franco for the year ended 30 June 2005 and $18,333 in directors remuneration was payable for the year ended 30 June 2004. Robert Franco has been paid or is payable Directors Remuneration since 30 June 2005 to the date of this notice, totalling $7,500;

(i) The existing shareholding of Robert Franco and his associates in the Company is 1,565,473 (9.19% of issued capital);

(j) The trading history of the Shares is detailed in Appendix B;

(k) Assuming the options under Resolutions 1, 3 and Resolution 4 are exercised, this will dilute the shareholding of Robert Franco and his associates in the Company to 8.13%;

(l) The market price of shares would normally determine whether Robert Franco could exercise the options. If the options are exercised at a price lower than the price at which Shares are trading on the ASX, there may be a perceived cost to the Company;

(m) The options will be issued free as consideration for performance of work, both previously done and to be done in the future, by the Related Parties for the Company and to secure the ongoing commitment of the Related Parties to the continued growth of the Company. The Board considers that the granting of the options to the Related Parties constitutes valid consideration for work performed for the Company. The total value of the options is $600 based on the valuation outlined in section 2 of this Explanatory Statement. The Company apportions 30% to past work and 70% to work due to be completed by the Related Parties into the future. The Company acknowledges that the grant of options to a Non-Executive Director is contrary to recommendation 9.3 of the ASX Good Corporate Governance and Best Practice Recommendations. However the Board considers the grant of the options to Robert Franco reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst conserving the Company's cash reserves;

(n) The amount of options to be issued to Robert Franco is considered fair and reasonable by the independent directors of the Company after consulting with various financial advisors, market participants and the comparison of remuneration packages to Directors of similar ASX listed companies with respect to industry and market capitalisation;

(o) Members should read all relevant sections of this Explanatory Statement in full and decide whether to vote in favour or otherwise for this resolution; and

(p) Other than the information provided above and otherwise set out in this Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass this Resolution.

1.3 Resolution 3 – Approval of Issue of Securities – Options

Resolution 3 seeks the approval, pursuant to Listing Rule 10.11 and section 208 of the Corporations Act 2001 the issue within 1 month after the date of this meeting of up to 300,000 unlisted options in accordance with the terms and conditions set out in Appendix A of this Notice to Geoff Gander (or nominee).

Legal and Regulatory Matters

Geoff Gander is a related party of the Company within the definition of that term in Part 2E of the Corporations Act.

Listing Rule 10.11 prohibits the issue of options to a related party of the Company without Shareholder approval. Section 208 of the Corporations Act also prohibits, subject to specified exceptions, a Company giving a financial benefit to a related party of the Company without Shareholder approval. The proposed issue of options to Geoff Gander (or nominee) may represent the giving of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

As the exemptions in Chapter 2E of the Corporations Act may not apply, approval of the possible issue of options Geoff Gander (or nominee), is required from the Company's Shareholders pursuant to Listing Rule 10.11 and Section 208 of the Corporations Act.

As shareholder approval is being sought under Listing Rule 10.11, shareholder approval under Listing Rule 7.1 is not required.

The following information is provided in compliance with the related party provisions of Chapter 2E of the Corporations Act 2001 and Listing Rule 10.13:

(a) The maximum number of options that may be issued pursuant to Resolution 3 is 300,000;

(b) The options will be issued on a date within one month from the date of this meeting or at such a later date approved by the ASX;

(c) The optionholder is Geoff Gander (or nominee);

(d) No funds are being raised for the proposed issue of options;

(e) The terms and conditions of the options are set out in Annexure A of this notice;

(f) A voting exclusion statement has been included in the notice;

(g) Geoff Gander has an interest in the outcome of Resolution 3 and declines to make a recommendation to members with respect to Resolution 3. Each of the other directors who do not have an interest in Resolution 3 recommends Resolution 3;

(h) As Geoff Gander was appointed as a director on 20 November 2003, $77,400 in directors remuneration was payable to Geoff Gander for the year ended 30 June 2005 and $27,546 in directors remuneration was payable for the year ended 30 June 2004. Geoff Gander has been paid or is payable Directors Remuneration since 30 June 2005 to the date of this notice, totalling $7,500;

(i) The existing shareholding of Geoff Gander and his associates in the Company is 250,000 (1.46% of issued capital);

(j) The trading history of the Shares is detailed in Appendix B;

(k) Assuming the options under Resolutions 1, 2 and Resolution 4 are exercised, this will dilute the shareholding of Geoff Gander and his associates in the Company to 1.39%;

(l) The market price of shares would normally determine whether Geoff Gander could exercise the options. If the options are exercised at a price lower than the price at which Shares are trading on the ASX, there may be a perceived cost to the Company;

(m) The options will be issued free as consideration for performance of work, both previously done and to be done in the future, by the Related Parties for the Company and to secure the ongoing commitment of the Related Parties to the continued growth of the Company. The Board considers that the granting of the options to the Related Parties constitutes valid consideration for work performed for the Company. The total value of the options is $600 based on the valuation outlined in section 2 of this Explanatory Statement. The Company apportions 30% to past work and 70% to work due to be completed by the Related Parties into the future. However the Board considers the grant of the options to Geoff Gander reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst conserving the Company's cash reserves;

(n) The amount of options to be issued to Geoff Gander is considered fair and reasonable by the independent directors of the Company after consulting with various financial advisors, market participants and the comparison of remuneration packages to Directors of similar ASX listed companies with respect to industry and market capitalisation;

(o) Members should read all relevant sections of this Explanatory Statement in full and decide whether to vote in favour or otherwise for this resolution; and

(p) Other than the information provided above and otherwise set out in this Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass this Resolution.

1.4 Resolution 4 – Approval of Issue of Securities – Options

Resolution 4 seeks the approval, pursuant to Listing Rule 7.1 to issue within 3 months after the date of this meeting of up to 50,000 unlisted options in accordance with the terms and conditions set out in Appendix A of this Notice to Andrew Meloncelli (or nominee).

Legal and Regulatory Matters

Listing Rule 7.1 provides that (subject to specified exceptions) a listed company must not issue or agree to issue equity securities where such an issue increases its ordinary capital by more than 15% over any 12 month period, without the approval of shareholders of ordinary shares.

Resolution 4 contemplates that the Company will issue shares that will increase the Company's ordinary capital by more than 15% over a twelve month period. Therefore, since none of the exceptions apply, shareholder approval of the Placement is required in order to comply with Listing Rule 7.1. It is also the wish of the Directors to ensure that the number of shares which they may issue in their discretion remains at the maximum 15%.

The following information is provided in accordance with Listing Rule 7.3:

- The maximum number of options that may be issued pursuant to Resolution 4 is 50,000;
- The options will be issued on a date within three months from the date of this meeting or at such a later date approved by the ASX;
- The allottee is Andrew Meloncelli (or nominee);
- No funds are being raised for the proposed issue of options;
- The terms and conditions of the options are set out in Annexure A of this notice; and
- A voting exclusion statement has been included in the notice.

2. Valuation of the options

The options have been valued by RSM Bird Cameron Corporate Pty Ltd using the Black and Scholes Pricing Model and based upon the following assumptions:

(a) the options expire on 31 December 2010 and are exercisable at $0.20 each;

(b) a common volatility factor of 50% (based on the volatility factors of comparable companies due to the Company not having traded for a sufficient period to determine an appropriate volatility factor);

(c) an interest rate of 5.28% (being the risk free interest rate on government bonds with a similar maturity as the options);

(d) the valuations ascribed to the options may not necessarily represent the market price of the options at the date of the valuation; and

(e) the valuation date for the options is 1 October 2005.

Based on the above, the options have been valued at $0.002 each.

3. Issued Capital of the Company

a) As at the date of this Explanatory Memorandum the issued capital of the Company comprises:

i. 17,025,363 fully paid ordinary shares
ii. 70,000 unlisted 31 cent Options – expiry date 31 December 2005

b) Immediately after the issue of options (pursuant to Resolutions 1, 2, 3 and 4), the issued capital of the Company comprises:

j. 17,025,363 fully paid ordinary shares
ii. 70,000 unlisted 31 cent Options – expiry date 31 December 2005
iii. 1,200,000 unlisted 20 cent Options – expiry date 31 December 2010

4. Directors Recommendations

The Directors of the Company believe that all Resolutions are in the best interests of the Company and the Directors unanimously recommend all of the proposed resolutions (except where a Director has an interest in the Resolution).

5. Glossary

ASIC means Australian Securities and Investment Commission.

ASX means Australian Stock Exchange Limited.

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

Board means the board of directors of the Company.

Constitution means the Company's constitution (as amended).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current Directors of the Company.

Explanatory Statement means the Explanatory Statement to the Notice.

General Meeting or **Meeting** means the general meeting convened by the Notice.

Notice means the notice of general meeting accompanying this Explanatory Statement.

Secretary means the current Company Secretary of the Company.

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

VPH or **Company** means Virtualplus Holdings Limited (ABN 53 090 772 222).

WST means Western Standard Time.

Appendix A

Terms and Conditions of Unlisted Options (pursuant to Resolutions 1, 2, 3 and 4):

a) Each Option entitles the holder to one (1) fully paid ordinary share in the capital of the Company.

b) Options are exercisable before 5.00pm (WST) on 31 December 2010 (Expiry Date).

c) The Option exercise price is 20 cents each.

d) All the Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Options will be unlisted. No quotation will be sought from the ASX for the Options.

e) Subject to the Corporations Act, the Constitution and the ASX Listing Rules, the Options are fully transferable. The Options do not expire upon the officer ceasing office with the Company.

f) The Options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the Option holder to exercise a specified number of Options, accompanied by an Option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the Options held does not affect the holder's right to exercise the balance of any Options remaining.

g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of Options to Shareholders during the currency of the Options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, that the Option holder will be notified of the proposed issue at least seven (7) Business Days before the books closing date. This will give Option holders the opportunity to exercise the Options prior to the date for determining entitlements to participate in any such issue.

h) In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the Options, all rights of the Option holder will be varied in accordance with the ASX Listing Rules (if applicable).

i) In the event of the Company makes a pro rata issue of securities, the exercise price of the Options will change in accordance with the formula set out in ASX Listing Rule 6.22.2 (if applicable).

j) In the event of the Company makes a bonus issue of securities, the number of Options will change in accordance with ASX Listing Rule 6.22.3 (if applicable).

Appendix B

Trading History of Virtualplus Holdings Limited (ASX Code: VPH):

Date	Open	High	Low	Close	Volume
12-Oct-2005	0.1200	0.1200	0.1200	0.1200	24,179
11-Oct-2005	0.1200	0.1200	0.1200	0.1200	0
10-Oct-2005	0.1200	0.1200	0.1200	0.1200	0
07-Oct-2005	0.1200	0.1200	0.1200	0.1200	0
06-Oct-2005	0.1200	0.1200	0.1200	0.1200	67,332
05-Oct-2005	0.1200	0.1200	0.1200	0.1200	0
04-Oct-2005	0.1200	0.1200	0.1100	0.1200	290,100
03-Oct-2005	0.1200	0.1200	0.1200	0.1200	0
30-Sep-2005	0.1100	0.1200	0.1100	0.1200	74,500
29-Sep-2005	0.1100	0.1100	0.1100	0.1100	0
28-Sep-2005	0.1100	0.1100	0.1100	0.1100	0
27-Sep-2005	0.1100	0.1100	0.1100	0.1100	1,000
26-Sep-2005	0.1100	0.1100	0.1100	0.1100	38,845
23-Sep-2005	0.1150	0.1150	0.1150	0.1150	0
22-Sep-2005	0.1150	0.1150	0.1150	0.1150	2,155
21-Sep-2005	0.1150	0.1150	0.1150	0.1150	0
20-Sep-2005	0.1150	0.1150	0.1150	0.1150	0
19-Sep-2005	0.1150	0.1150	0.1150	0.1150	12,500
16-Sep-2005	0.1150	0.1150	0.1150	0.1150	1,845
15-Sep-2005	0.1150	0.1150	0.1150	0.1150	14,000
14-Sep-2005	0.1150	0.1150	0.1150	0.1150	2,000
13-Sep-2005	0.1150	0.1150	0.1150	0.1150	0
12-Sep-2005	0.1150	0.1150	0.1150	0.1150	0
09-Sep-2005	0.1150	0.1150	0.1150	0.1150	0
08-Sep-2005	0.1150	0.1150	0.1150	0.1150	0
07-Sep-2005	0.1150	0.1150	0.1150	0.1150	0
06-Sep-2005	0.1150	0.1150	0.1150	0.1150	0
05-Sep-2005	0.1150	0.1150	0.1150	0.1150	0
02-Sep-2005	0.1200	0.1200	0.1150	0.1150	52,500
01-Sep-2005	0.1200	0.1200	0.1200	0.1200	255,000
31-Aug-2005	0.1250	0.1250	0.1250	0.1250	0
30-Aug-2005	0.1250	0.1250	0.1250	0.1250	0
29-Aug-2005	0.1250	0.1250	0.1250	0.1250	0
26-Aug-2005	0.1250	0.1250	0.1250	0.1250	0
25-Aug-2005	0.1250	0.1250	0.1250	0.1250	0
24-Aug-2005	0.1250	0.1250	0.1250	0.1250	0
23-Aug-2005	0.1250	0.1250	0.1250	0.1250	20,000
22-Aug-2005	0.1200	0.1250	0.1200	0.1250	156,719

19-Aug-2005	0.1200	0.1200	0.1200	0.1200	93,281
18-Aug-2005	0.1100	0.1100	0.1100	0.1100	45,000
17-Aug-2005	0.1150	0.1150	0.1100	0.1100	108,223
16-Aug-2005	0.1050	0.1050	0.1050	0.1050	0
15-Aug-2005	0.1100	0.1100	0.1050	0.1050	125,000
12-Aug-2005	0.1000	0.1000	0.1000	0.1000	3,000
11-Aug-2005	0.1000	0.1000	0.1000	0.1000	0
10-Aug-2005	0.1000	0.1000	0.1000	0.1000	0
09-Aug-2005	0.1000	0.1000	0.1000	0.1000	0
08-Aug-2005	0.1000	0.1000	0.1000	0.1000	2,750
05-Aug-2005	0.1100	0.1100	0.1000	0.1000	137,500
04-Aug-2005	0.1100	0.1100	0.1100	0.1100	0
03-Aug-2005	0.1100	0.1100	0.1100	0.1100	10,000
02-Aug-2005	0.1050	0.1050	0.1050	0.1050	0
01-Aug-2005	0.1050	0.1050	0.1050	0.1050	0
29-Jul-2005	0.1050	0.1050	0.1050	0.1050	0
28-Jul-2005	0.1050	0.1050	0.1050	0.1050	0
27-Jul-2005	0.1100	0.1100	0.1050	0.1050	25,000
26-Jul-2005	0.1100	0.1100	0.1100	0.1100	0
25-Jul-2005	0.1100	0.1100	0.1100	0.1100	1,250
22-Jul-2005	0.1100	0.1100	0.1100	0.1100	2,500
21-Jul-2005	0.1100	0.1100	0.1100	0.1100	2,000
20-Jul-2005	0.1100	0.1100	0.1100	0.1100	0
19-Jul-2005	0.1100	0.1100	0.1100	0.1100	0
18-Jul-2005	0.1100	0.1100	0.1100	0.1100	56,233
15-Jul-2005	0.1100	0.1100	0.1100	0.1100	0
14-Jul-2005	0.1100	0.1100	0.1100	0.1100	0
13-Jul-2005	0.1100	0.1100	0.1100	0.1100	3,500
12-Jul-2005	0.1100	0.1100	0.1100	0.1100	0
11-Jul-2005	0.1100	0.1100	0.1100	0.1100	5,180
08-Jul-2005	0.1000	0.1000	0.1000	0.1000	0
07-Jul-2005	0.1000	0.1000	0.1000	0.1000	48,500
06-Jul-2005	0.1000	0.1000	0.1000	0.1000	0
05-Jul-2005	0.1000	0.1000	0.1000	0.1000	75,000
04-Jul-2005	0.1000	0.1000	0.1000	0.1000	0
01-Jul-2005	0.1000	0.1000	0.1000	0.1000	0
30-Jun-2005	0.1000	0.1000	0.1000	0.1000	10,300
29-Jun-2005	0.1000	0.1000	0.1000	0.1000	26,250
28-Jun-2005	0.1000	0.1000	0.1000	0.1000	1,250
27-Jun-2005	0.1000	0.1000	0.1000	0.1000	4,250
24-Jun-2005	0.1050	0.1050	0.1050	0.1050	6,000
23-Jun-2005	0.1050	0.1050	0.1050	0.1050	3,125

22-Jun-2005	0.1050	0.1050	0.1050	0.1050	88,500
21-Jun-2005	0.1050	0.1050	0.1050	0.1050	2,500
20-Jun-2005	0.1050	0.1050	0.1050	0.1050	600
17-Jun-2005	0.1100	0.1100	0.1050	0.1050	83,566
16-Jun-2005	0.1100	0.1100	0.1100	0.1100	3,750
15-Jun-2005	0.1150	0.1150	0.1150	0.1150	0
14-Jun-2005	0.1150	0.1150	0.1150	0.1150	1,750
10-Jun-2005	0.1150	0.1150	0.1150	0.1150	0
09-Jun-2005	0.1150	0.1150	0.1150	0.1150	5,750
08-Jun-2005	0.1100	0.1100	0.1100	0.1100	0
07-Jun-2005	0.1100	0.1100	0.1100	0.1100	4,000
06-Jun-2005	0.1100	0.1200	0.1100	0.1100	26,717
03-Jun-2005	0.1100	0.1100	0.1100	0.1100	10,641
02-Jun-2005	0.1100	0.1100	0.1100	0.1100	10,000
01-Jun-2005	0.1100	0.1100	0.1100	0.1100	3,642
31-May-2005	0.1050	0.1050	0.1050	0.1050	0
30-May-2005	0.1050	0.1050	0.1050	0.1050	0
27-May-2005	0.1050	0.1050	0.1050	0.1050	27,500
26-May-2005	0.1200	0.1200	0.1200	0.1200	0
25-May-2005	0.1200	0.1200	0.1200	0.1200	50,000
24-May-2005	0.1200	0.1200	0.1200	0.1200	5,000
23-May-2005	0.1000	0.1000	0.1000	0.1000	67,500
20-May-2005	0.0950	0.0950	0.0950	0.0950	17,500
19-May-2005	0.0860	0.0860	0.0860	0.0860	0
18-May-2005	0.0870	0.0870	0.0860	0.0860	22,874
17-May-2005	0.0870	0.0870	0.0870	0.0870	2,250
16-May-2005	0.0870	0.0870	0.0870	0.0870	1,250
13-May-2005	0.0870	0.0870	0.0870	0.0870	12,500
12-May-2005	0.0870	0.0870	0.0870	0.0870	0
11-May-2005	0.0870	0.0870	0.0870	0.0870	0
10-May-2005	0.0870	0.0870	0.0870	0.0870	5,000
09-May-2005	0.0870	0.0870	0.0870	0.0870	10,338
06-May-2005	0.1000	0.1000	0.1000	0.1000	0
05-May-2005	0.1000	0.1000	0.1000	0.1000	70,000
04-May-2005	0.1000	0.1000	0.1000	0.1000	0
03-May-2005	0.0780	0.1000	0.0770	0.1000	172,445
02-May-2005	0.1000	0.1000	0.1000	0.1000	0
29-Apr-2005	0.1000	0.1000	0.1000	0.1000	0
28-Apr-2005	0.1000	0.1000	0.1000	0.1000	0
27-Apr-2005	0.1000	0.1000	0.1000	0.1000	0
26-Apr-2005	0.1000	0.1000	0.1000	0.1000	13,825
22-Apr-2005	0.1000	0.1000	0.1000	0.1000	66,175

Virtualplus Holdings Limited (VPH) was previously known as mBox.com Limited (ASX Code: MBX) the code of the company changed on 17 December 2004 from MBX to VPH.

On 14 December 2004, in VPH there was a capital consolidation (1:4) and entitlement to in specie distribution to shares in Novacoat Holdings Limited. Therefore, any trading history prior to 7 December 2004 would not be considered appropriate due to changes in circumstances.

VPH was suspended from the ASX from 7 December 2004 to 21 April 2005, hence why no market price information is available.

CORPORATE DIRECTORY

Directors and Officers

Gavin Argyle - **Non-Executive Chairman**
Geoff Gander - **Executive Director**
Robert Franco - **Non-Executive Director**
Andrew Meloncelli - **Company Secretary/Financial Controller**

Principal and Registered Office

104 Colin Street	PO Box 1617
West Perth	West Perth
Western Australia 6005	Western Australia 6872

Telephone +61 8 9214 2540
Facsimile +61 8 9214 2511
Email info@mbox.com.au
Website www.mbox.com.au

Auditors

RSM Bird Cameron Partners
8 St George's Terrace
Perth
Western Australia 6000

Bankers

Bank of Western Australia Limited
108 St George's Terrace
Perth
Western Australia 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
Perth
Western Australia 6000

Telephone +61 8 1300 557 010
Facsimile +61 8 9323 2033
Website www.computershare.com

Solicitors

Steinepreis Paganin
Level 4, 16 Milligan Street
Perth
Western Australia 6000

ASX Code

Ordinary Shares listed on the Australian Stock Exchange under code VPH.

Virtualplus Holdings Limited

ABN 53 090 772 222

Proxy Form

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
Facsimile 61 8 9323 2033
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

000001
000
VPH
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)

I 1234567890 IND

Appointment of Proxy

I/We being a member/s of Virtualplus Holdings Limited and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

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, as the proxy sees fit) at the General Meeting of Virtualplus Holdings Limited to be held at The Celtic Club, 48 Ord Street, West Perth on Thursday, 17 November 2005 at 2.30 pm (WST) and at any adjournment of that meeting.

IMPORTANT: FOR ITEMS 1 to 4 BELOW

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Items 1 to 4 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of those items and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 1 to 4 and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of each of these items.

Voting directions to your proxy - please mark X to indicate your directions

		For	Against	Abstain*
1	Approval of Issue of Securities - Options			
2	Approval of Issue of Securities - Options			
3	Approval of Issue of Securities - Options			
4	Approval of Issue of Securities - Options			

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.
* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy

I/We wish to appoint a second proxy

Mark with an 'X' if you wish to appoint a second proxy. **AND** % **OR**

State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Individual/Sole Director and Sole Company Secretary	Director	Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name | Contact Daytime Telephone | Date / /

VPH 5PR

How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

(a) indicate that you wish to appoint a second proxy by marking the box.

(b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(c) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney:	to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at **www.computershare.com**.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 2.30 pm (WST) on Thursday, 17 November 2005. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

IN PERSON	Registered Office - 104 Colin Street, WEST PERTH WA 6005 AUSTRALIA Share Registry - Computershare Investor Services Pty Limited, Level 2, Reserve Bank Building, 45 St Georges Terrace, Perth WA 6000 Australia
BY MAIL	Registered Office - 104 Colin Street, WEST PERTH WA 6005 AUSTRALIA Share Registry - Computershare Investor Services Pty Limited, GPO Box D182, Perth WA 6840 Australia
BY FAX	61 8 9323 2033