# MONTEC INTERNATIONAL LIMITED

ABN 62 104 600 544

# NOTICE OF ANNUAL GENERAL MEETING

to be held at 10.00am on
Friday 18 November 2005 at
the offices of Deacons
Level 8
1 Alfred Street
Circular Quay
Sydney NSW 2000

Registered Office:
**Level 5**
**255 George Street**
**GPO Box 4231**
**SYDNEY NSW 2001**
**Telephone (02) 9252 1933**
**Facsimile (02) 9252 2487**

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# MONTEC INTERNATIONAL LIMITED

ABN 62 104 600 544

## NOTICE OF MEETING

The Annual General Meeting ("the Meeting") of Montec International Limited ("the Company") will be held at the offices of Deacons, Level 8, 1 Alfred Street, Circular Quay, Sydney, NSW, 2000 on Friday 18 November 2005 at 10.00am.

### ORDINARY BUSINESS

**Consideration of Financial Report**

To consider the Financial Report and the reports of the Directors and Auditors for the year ended 30 June 2005.
No resolution is required to be considered by members under the Corporations Act or the Company's Constitution.

**Re-Election of Directors**

Resolution 1 To consider, and if thought fit, pass the following ordinary resolution:

"That Dr Xueqin Du, who retires in accordance with Clause 5.1 of the Constitution and being eligible offers herself for re-election, be re-elected as a Director of the Company."

Resolution 2 To consider, and if thought fit, pass the following ordinary resolution:

"That Mr Lin Yuansheng, who was appointed a Director during the year, retires in accordance with Clause 8.2 of the Company's Constitution and being eligible, offers himself for re-election".

**Adoption of the Remuneration Report for the year ended 30 June 2005**

Resolution 3 To consider and put to a non-binding vote the following resolution:

"That the Remuneration Report required by section 300A of the Corporations Act, as contained in the Director's Report of the Company, for the year ended 30 June 2005 be adopted."

**Special Business**

Resolution 4 Ratification of issue of ordinary shares pursuant to ASX Listing Rule 7.4

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

"That, in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 3,846,154 fully paid ordinary shares in the capital of the Company, details of which are set out in the explanatory notes to resolution 3 in the notice of meeting."

Resolution 5 Ratification of issue of unlisted options pursuant to ASX Listing Rule 7.4

"That, in accordance with ASX Listing Rule 7.4, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 100,000 unlisted options over fully paid ordinary shares in the capital of the Company, details of which are set out in the explanatory notes to resolution 4 in the notice of meeting."

Dated 5 October 2005

**BY ORDER OF THE BOARD**

N J V Geddes
Company Secretary

# VOTING EXCLUSIONS:

**Resolution 4**

The company will disregard any votes cast on Resolution 4 by:

- BAIC Australia Pty Limited, and any associate of that person (within the meaning of the Corporations Act 2001).

However, the entity need not disregard a vote if:

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

**Resolution 5**

The company will disregard any votes cast on Resolution 5 by:

- Smartlink Solutions Pty Limited, and any associate of that person (within the meaning of the Corporations Act 2001).

However, the entity need not disregard a vote if:

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

# EXPLANATORY NOTES:

**Resolution 3 - Adoption of the Remuneration Report**

Consistent with section 250R of the Corporations Act, the Company submits to shareholders for consideration and adoption by way of a non-binding resolution its Remuneration Report for the year ended 30 June 2005. At the meeting there will be a reasonable opportunity for discussion of the report.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and executives (which include senior managers) of the Company. The Remuneration Report can be located in the Company's Annual Report on pages 14 to 18.

**Resolution 4 - Ratification of share issues for purposes of ASX Listing Rules**

On 2 December 2004 and 9 February 2005 as a result of working capital requirements the placement of 3,846,154 ordinary shares at $0.52 per share. The Company issued 3,846,154 fully paid ordinary shares to BAIC Australia Pty Ltd since its last Annual General Meeting, held on 19 November 2004.

ASX Listing rule 7.1 imposes a cap on the number of securities that a company may issue within a 12 month period without Shareholder approval. The cap is 15% of the Company's issued capital at the beginning of the 12 month period. ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1.

The issue of the aforementioned shares did not breach any Listing Rules.

In order to restore the Company's 15% placement capacity, it is proposed that the Shareholders ratify the aforementioned issue of ordinary shares. Ratification provides the Company with flexibility in capital management and allows the Company to make further share issues.

Whilst it is not their current intention to do so, the Directors believe that it is in the interests of Montec to be able to issue further shares.

**Resolution 5- Ratification of issue of unlisted options pursuant to ASX Listing Rule 7.4**

The Company issued 100,000 unlisted options exercisable at $0.55 each and expiring 30 June 2006 to Smartlink Solutions Pty Ltd as consideration for a 10% part purchase of Chongqing Montec, since its last Annual General Meeting, held on 19 November 2004.

ASX Listing rule 7.1 imposes a cap on the number of securities that a company may issue within a 12 month period without Shareholder approval. The cap is 15% of the Company's issued capital at the beginning of the 12 month period. ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach Listing Rule 7.1.

The issue of the aforementioned shares did not breach any Listing Rules.

In order to restore the Company's 15% placement capacity, it is proposed that the Shareholders ratify the aforementioned issue of ordinary shares. Ratification provides the Company with flexibility in capital management and allows the Company to make further share issues.

# MONTEC INTERNATIONAL LIMITED

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## NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on the member's behalf. If the member is entitled to cast two or more votes at the meeting, the member may appoint not more than two proxies to attend and vote on the member's behalf.

2. If a member appoints two proxies, each proxy should be appointed to represent a specified proportion or number of the member's votes. In the absence of such a specification, each proxy will be entitled to exercise half the votes.

3. A proxy need not be a member of the Company.

4. To appoint a proxy (or two proxies), a proxy form must be signed by the member or the member's attorney duly authorised in writing. If the member is a corporation, the proxy form must be signed either under the corporation's common seal (if any) or under the hand of its attorney or officer duly authorised.

5. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the Meeting. Proxy forms and authorities may be sent to the Company by post, personal delivery or fax:

   Montec International Limited
   C/- Australian Company Secretaries Pty Ltd
   **Street address**: Level 5, 255 George Street , Sydney NSW 2000
   **Mailing address**: GPO Box 4231, Sydney NSW 2001

   Fax: (02) 9252 2487

   provided that members who forward their proxy forms by fax are required to make available the original executed form of the proxy for production, if called upon at the meeting to do so.

6. A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

7. For the purposes of the Annual General Meeting, persons on the register of members as at 10.00am on Wednesday 16 November 2005 will be treated as members. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to vote in respect of that share.

# PROXY FORM

## MONTEC INTERNATIONAL LIMITED

ABN 62 104 600 544

I/We.......................................................................................................................

(PLEASE PRINT NAME)

Of..........................................................................................................................

(ADDRESS)

being a member/members of Montec International Limited

### A *Appoint* ...........................................................................................

(PLEASE PRINT NAME)

or failing the person so named (or if no person is named) the **Chairman of the Meeting** ***[if appointing the Chairman see B below]*** as proxy to vote in accordance with the following directions (or if no directions have been given as the proxy or the Chairman sees fit) at the Annual General Meeting of members of Montec International Limited to be held on Friday 18 November 2005 commencing at 10.00am and at any adjournment.

### B *Exercise of Proxy by Chairman*

For undirected proxies, the Chairman intends to vote in favour of each resolution. If you do not wish to direct your proxy how to vote, please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. ☐

### C *Business*

| | For | Against | Abstain |
|---|---|---|---|
| **Resolution 1 – Re-election of Dr Xueqin Du** | | | |
| **Resolution 2 – Re-election of Mr Lin Yuansheng** | | | |
| **Resolution 3 – Adoption of the Remuneration Report** | | | |
| **Resolution 4 – Refresh Capital Raising Ability** | | | |
| **Resolution 5 – Refresh Capital Raising Ability** | | | |

### D *If Appointing a Second Proxy*

State here the percentage of your voting rights | %

Or

the number of shares applicable to this Form | **Number**

### E *Insert your daytime telephone number* | (S T D )

### F *Signature(s)*

Signatures if Corporate Shareholder (See Note F)

**Executed in accordance with section 127 of the Corporations Act**

**Director/Sole Director sign and print name**

**Director/Secretary sign and print name**

**Note: For your proxy to be entitled to vote your shares at the Meeting, the completed Proxy Form must be received by the Company not later than 48 hours prior to the Meeting.**

# MONTEC INTERNATIONAL LIMITED

ABN 62 104 600 544

# INSTRUCTION FOR COMPLETION OF PROXY FORM

Your vote is important. Please direct your proxy how to vote. For your proxy to be entitled to vote your shares at the Meeting, the Company must receive the completed Proxy Form not later than 48 hours prior to the Meeting. Any proxy received after this deadline will be treated as invalid.

**A. Appoint**

Insert here the name of the person you wish to appoint as proxy. Members cannot appoint themselves. If you submit a Proxy Form which does not name a person to act as your proxy, the Chairman of the Meeting will act as your proxy. You can vote your shares by proxy even if you plan to attend the Meeting.

**B. Exercise of Proxy by Chairman**

For undirected proxies, Chairman intends to vote in favour of each resolution. If you do not wish to direct your proxy how to vote, please place a mark in the box. By marking the box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

**C. Business**

If you wish to direct your proxy how to vote on any item, place a mark in the appropriate box. If a mark is placed in a box, your total shareholding will be voted in that manner. You may, if you wish, split your voting direction by inserting the number of shares you wish to vote in the appropriate box. The vote will be invalid if a mark is made against more than one box for a particular item or if the total shareholding shown in "For", "Against" and "Abstain" boxes is more than your total shareholding on the share register.

**D. If Appointing a Second Proxy**

A member is entitled to appoint up to two persons (whether members or not) to attend the Meeting as proxies and vote. If you wish to appoint two proxies please photocopy your proxy form or obtain another proxy form by calling the Company Secretary on (02) 9252 1933. Both Forms should be completed with the nominated percentage of your voting rights or number of shares on each Form. If you do not specify the nominated percentage of your voting rights or number of shares, each of the proxies may exercise half of the votes. Please return these Proxy Forms together.

**E. Insert your daytime telephone number**

This is required in case we need to contact you.

**F. Signature(s)**

This Form must be signed by the member. If the member is an Australian corporation, the Form must be executed in accordance with section 127 of the Corporations Act or by an attorney. If a person who is not the registered shareholder signs this Form then the relevant authority must either have been exhibited previously to the Company or be enclosed with this Form.

**Further Important Information**

**Please return your completed Proxy Form to the Company Secretary c/- Australian Company Secretaries Pty Ltd, at Level 5, 255 George Street, Sydney, NSW, 2000 (GPO Box 4231, Sydney, NSW, 2001). Alternatively, your Form can be faxed to the Company on (02) 9252 2487.** To be effective, the Form must be received by the Company at the above address not later than 48 hours prior to the Meeting. **If you require further information on how to complete the Proxy Form, telephone the Company Secretary on (02) 9252 1933.**