

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

1.00PM ON 31 JULY 2018

Mykco Limited (Mykco) gives you notice that a special meeting of shareholders will be held at Raffles Room, Stamford Plaza Auckland, 22-26 Albert Street, Auckland, 1010 commencing at 1 pm on 31 July 2018.

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The Explanatory Notes which accompany this Notice of Meeting set out the details of the transactions which are the subject of the resolutions set out below (**Resolutions**) and the approvals required for the Resolutions by the shareholders of Mykco pursuant to the constitution of Mykco, the Companies Act 1993 (**Companies Act**), the NZAX Listing Rules, and the Takeovers Code Approval Order 2000 (**Takeovers Code or Code**).

All capitalised terms used in this Notice of Meeting are defined in the Glossary of definitions at the end of this Notice of Meeting.

The business of the meeting will be:

Chairman's introduction

Resolution 1: Acquisition of Corporate Holdings Limited, and Issue of Shares to the Vendors

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

That, subject to Resolutions 2 and 3 being passed, the shareholders approve the acquisition by Mykco Limited (Mykco) of all the shares in Corporate Holdings Limited (CHL), except for the 100,000 shares which Mykco already owns:

- (a) for a purchase price of \$6,132,436.80, being the 6,412,000 shares to be purchased, multiplied by 95.64 cents, which is the amount of the net assets per share of CHL derived from management accounts of CHL as at 31 January 2018;*
- (b) to be satisfied by Mykco issuing 104,323,240 fully paid ordinary shares in Mykco at an issue price of 5.88 cents per share, being the 6,412,000 shares to be purchased, multiplied by 16.27 (16.27 is the number of shares in Mykco to be issued for each share in CHL that is purchased, and is the net assets per share of CHL of 95.64 cents referred to above divided by 5.88 cents which is the net assets per share of Mykco as at 30 September 2017 based on unaudited accounts of Mykco as at that date).*

and otherwise on the terms described in the Explanatory Notes.

Brent Douglas King, Barter Investments Limited and Garth William Ward (collectively King Associates) are prohibited by NZAX Listing Rule 9.3.1 and Rule 17 of the Takeovers Code from voting any shares they hold on Resolution 1. Mykco shareholders not associated with Borneo Capital Limited (Borneo) – not a shareholder in Mykco Limited (Mykco) but a shareholder in Corporate Holdings Limited (CHL) – or the King Associates are referred to as Non-associated Shareholders. The Non-associated Shareholders are the shareholders permitted to vote on Resolution 1. Should the above transaction proceed it will result in Borneo controlling 26.25% of the voting rights in Mykco and the King Associates controlling 21.13% of the voting rights in Mykco.

Resolution 2: Management Agreement with Brent Douglas King

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

That, subject to Resolutions 1 and 3 being passed, Mykco Limited (Mykco) enter into a Management Agreement with Brent Douglas King, the current Managing Director of Corporate Holdings Limited (CHL), whereby Mr King is appointed Managing Director of Mykco and its subsidiaries, including CHL and its subsidiaries, as from completion of Mykco's purchase of CHL, such Agreement to extend to Mykco and its subsidiaries but otherwise to be on substantially the same terms as and in substitution for his existing Management Agreement with CHL, such terms being described in the Explanatory Notes.

The King Associates are prohibited by NZAX Listing Rule 9.3.1 from voting any shares they hold on Resolution 2.

Resolution 3: Directors' Remuneration Fee Pool

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

That, subject to Resolutions 1 and 2 being passed, the total Directors' remuneration fee pool is increased by \$150,000, from \$150,000 to \$300,000 per annum.

Directors of Mykco and their Associated Persons (as defined in the NZAX Listing Rules) (**Associated Persons**) are prohibited by NZAX Listing Rule 9.3.1 from voting any shares they hold on Resolution 3.

All Resolutions are interdependent. This means that unless all Resolutions are approved, none of them will be considered to have passed and Mykco will remain a listed shell. The Resolutions have been made interdependent because the directors of Mykco (**Directors**) consider they are a package. If Resolution 1 above (**Resolution 1**) was to be passed without also passing Resolution 2 above (**Resolution 2**) and Resolution 3 above (**Resolution 3**), Mykco would be acquiring a substantial business without having appointed a Managing Director or having provided for the Directors and the directors of Mykco's new subsidiaries to be remunerated appropriately. Directors will assume additional responsibilities as a result of Mykco acquiring CHL, which acquired General Finance Limited (**General Finance**) and Investment Research Group Limited (**IRG**) on 19 December 2017. Directors of Mykco's new subsidiaries need to continue to be remunerated appropriately, particularly the directors of General Finance, which is a non bank deposit taker, with substantial legal obligations. Equally, the Directors consider that Resolution 2 and Resolution 3 do not need to be passed if Resolution 1 is not passed.

Explanatory Notes on the Resolutions are set out below.

Timetable

The key dates relating to the Resolutions are:

- (a) A special meeting to approve the Resolutions: 1pm on 31 July 2018
- (b) Completion of the transaction whereby Mykco is to acquire all 6,512,000 shares in CHL except for the 100,000 shares already owned by Mykco (**Shares in CHL to be Acquired**) which under Resolution 1 shareholders are being asked to approve (**Transaction**), entry into the Management Agreement which under Resolution 2 shareholders are being asked to approve (**Management Agreement**), and the introduction of the increased Directors' remuneration fee pool which under Resolution 3 shareholders are also being asked to approve (**Directors' remuneration fee pool**): 3 August 2018*
- (c) Allotment of shares to the vendors of the shares to be acquired pursuant to the Transaction (**Vendors**) to be quoted on NZAX: 3 August 2018*

* The above dates are indicative only and may change.

Independent Adviser's Report

As the Transaction amounts to a backdoor listing, Mykco is required to obtain an independent adviser report (**Independent Adviser Report**) for the purposes of NZAX Listing Rules 6.1.1 and 7.1.3 and NZXR's Guidance Note "Backdoor and Reverse Listing Transactions".

The Takeovers Code also requires Mykco to obtain an independent adviser's report in relation to the Transaction, and for that report to be contained in or to accompany this Notice of Meeting. The purpose of that report is to assess the merits of the proposed allotment of shares under Resolution 1. Simmons Corporate Finance Limited (**Independent Adviser**) has prepared that report and a copy of their report accompanies this Notice of Meeting.

In its report, the Independent Adviser provides summaries of the key positive and negative aspects of the Transaction. In their report the Independent Adviser refers to Mykco as Mykco or the Company and to the Transaction as the CHL Transaction (including the CHL Allotment). The Independent Adviser's summary includes the following statements concerning the key positive aspects of the Transaction on pages 8 and 9:

- (a) The rationale for the Transaction is sound. It achieves Mykco's objective of backdoor listing one or more businesses through its listed shell. Mykco will be transformed into a listed

financial services company operating a finance company and a financial advisory services business.

- (b) The terms of the CHL Transaction are reasonable.
- (c) The CHL Transaction will have a significant positive impact on Mykco's financial performance and financial position.
- (d) The main implication of the CHL Transaction Resolution not being approved by Non-associated Shareholders is that the CHL Transaction cannot proceed. The Company will likely need to raise additional capital in a relatively short timeframe to fund its current operating costs and to enable it to continue to seek acquisition opportunities to effect a backdoor listing. If the Company cannot raise sufficient capital, this may lead to the need to wind up the Company, in which case the return to the Non-associated Shareholders may be minimal.

The Independent Adviser's summary of the key negative aspects of the Transaction contains the following statements on page 9:

- (a) The risk profile of Mykco will change significantly from the limited risks associated with a listed shell company to the wide range of risks associated with businesses operating in the financial services sector.
- (b) Borneo ... and the King Associates ... will both hold significant influence over the outcome of shareholding voting and exert a high degree of influence over the Company's board of directors and the Company's operations.
- (c) The dilutionary impact of the CHL Transaction on the Non-associated Shareholders will result in their proportionate shareholdings in the Company reducing by 84.2% following the CHL Allotment.
- (d) The attraction of Mykco as a takeover target may diminish.

In its report, the Independent Adviser also states on page 9: The CHL Transaction may have some impact on the liquidity of Mykco's ordinary shares if some of the CHL shareholders seek to trade their Consideration Shares (being the shares in Mykco issued to them as consideration for the Shares in CHL to be Acquired). However, the number of shares in Mykco held by the Non-associated Shareholders will not change. It is uncertain as to what price range the shares may trade at post the CHL Transaction.

In their report, the Independent Adviser reaches the following conclusions in relation to the Transaction on page 10 of the Independent Adviser Report:

"In our opinion, after having regard to all relevant factors, the positive aspects of the CHL Transaction (including the CHL Allotment) significantly outweigh the negative aspects from the perspective of the Non-associated Shareholders"

At page 24 of the Independent Adviser Report, the Independent Adviser states:

"In our opinion, after having regard to all relevant factors, the terms of the CHL Transaction are fair and reasonable to the Non-associated Shareholders and in the best interests of Mykco given the options reasonably available to the Company at the current time."

At page 7 of the Independent Adviser Report, the Independent Adviser issues the following caveat:

"Our opinion should be considered as a whole. Selecting portions of the evaluation without considering all the factors and analyses together could create a misleading view of the process underlying the opinion".

Disclosure Document

A Disclosure Document under NZAX Listing Rules 6.1.1 and 7.1.3 accompanies this Notice of Meeting. It is to assist shareholders in their decision whether to approve the Transaction. The Disclosure Document discloses particulars of the assets and business of Mykco if the Resolutions are passed and the Transaction is completed. The Disclosure Document is forward-looking and assumes:

- (a) the Resolutions contained in this Notice of Meeting have been passed; and
- (b) the Transaction is completed on the basis set out in this Notice of Meeting.

Directors' Remuneration

Prior to listing on the NZAX, Mykco approved a maximum remuneration for the Directors of \$150,000 per annum. For the 9 months to 31 December 2017, Mykco paid Directors a total aggregate remuneration of \$33,700. In contemplation of the Transaction aggregate Directors' remuneration for the independent Directors (Huei Min (Lyn) Lim, Simon McArley and Graeme Brown) was increased for the period from 1 January 2018 to 31 March 2018, with the result that the total remuneration payable to Directors for that period is \$48,525. This means total Directors' remuneration for the year-ended 31 March 2018 was \$82,225. Assuming independent Directors are paid at 2017 rates after 31 March 2018, the total remuneration for Directors for the year-ended 31 March 2019 would be \$65,450.

Resolution 3 seeks approval to increase the Directors' remuneration fee pool by \$150,000 from \$150,000 to \$300,000. The Directors consider this appropriate to:

- provide flexibility for the Directors acting as a board (**Board**) to allow the interim increase in fees paid to non-executive Directors in contemplation of the purchase of CHL to be continued;
- to provide for payment of fees to an increased pool of directors as a result of CHL and its subsidiaries (**CHL Group**) becoming part of a Mykco group (**Mykco Group**), including in particular to enable the independent directors of General Finance (who were required to be appointed to comply with the requirements of the Non-bank Deposit Taker Act 2013) to continue to be remunerated;
- to ensure optimal membership of board committees of members of the Mykco Group with the appropriate skill set, bearing in mind that CHL's subsidiary, General Finance, has substantial regulatory responsibilities;
- to allow sufficient head room to cover any unforeseen costs that may arise from time to time; and
- to allow further increases in the fees paid to non-executive directors of the Mykco Group if the Board determines this to be appropriate.

Directors' Recommendation

Directors recommend that shareholders vote in favour of the Resolutions. The reasons for this recommendation are:

Resolution 1 – The Transaction

1. Mykco has considered a number of different investments and capital raising opportunities over the last 12 months.
2. While Mykco has received approaches from a number of parties, they all involved companies that required significant capital and/or had limited revenues.
3. CHL is the only opportunity that has arisen in the last 12 months that meets Mykco's base requirements for an acquisition: a business that is cash flow positive, at least breaks even profit-wise, does not require an immediate capital injection to survive, and has an established management team.

4. If the Resolutions are not passed the Transaction cannot proceed. Mykco will likely need to raise additional capital in a relatively short timeframe to fund its current operating costs and to enable it to continue to seek acquisition opportunities to affect a backdoor listing.
5. If Mykco cannot raise sufficient capital, this may lead to the need to wind up Mykco, in which case the return to the Non-associated Shareholders may be minimal.
6. The Transaction would:
 - (a) Introduce established business operations and growth prospects into the Mykco Group (comprising Mykco and the CHL Group) with a focus on the finance company sector (through General Finance) and the complementary corporate advisory and financial research sector (through IRG).
 - (b) Provide Mykco with new substantial shareholders who have business experience in the areas in which Mykco (through subsidiaries) operates following the Transaction.
 - (c) Potentially increase liquidity by increasing the number of shareholders.
 - (d) Provide Mykco with a platform to seek further capital and expand the operations of its subsidiaries.
7. The CHL shares have been priced at 95.64 cents per share for the purposes of the Transaction, being the net asset value per share of CHL based on unaudited consolidated management accounts of CHL as at 31 January 2018. Those accounts (and the asset values they adopt) were determined and prepared solely by CHL. The Directors have not commissioned or received an audit or other independent review or verification of those accounts (or the asset valuations underlying them). Mykco has limited resources and the Directors did not believe this would be an efficient or effective use of the remaining shareholders funds available. The Directors have accepted those accounts (and valuations) and have concluded that they are fair and reasonable to shareholders because:
 - (a) The main part of the CHL asset values are represented by the book value of the CHL Group's principal asset, being General Finance's loan book.
 - (b) General Finance has a well-secured loan book; ie. approximately 70% of General Finance's loan book represents loans secured by first mortgages over residential property which General Finance's loan policy requires not to exceed 70% of an independent valuation;
 - (c) General Finance is a public issuer governed by a Trust Deed and a statutory supervisor and is required to have its accounts audited annually and make filings with the Reserve Bank;
 - (d) CHL's unaudited accounts for the year ended 31 March 2018 and General Finance's audited financial statements for the year ended 31 March 2018 have subsequently adopted similar valuations.
 - (e) While the Independent Adviser's report did not independently review these valuations, it assessed a fair market value of the Shares in CHL to be Acquired is in the range of \$0.86 to \$0.97 per share. The purchase price payable by Mykco for the Shares in CHL to be Acquired is 95.64 cents per share which is inside the upper limit of the range assessed by the Independent Adviser.
8. The value placed on Mykco's shares for the purposes of the Transaction, is 5.88 cents per share. This represents the net asset value per share of Mykco based on its accounts as at 30 September

2017. Mykco is a publicly listed company and the value of 5.88 cents per share is a value taken from accounts of Mykco that are required to be made publicly available. While 5.88 cents per share represents a discount of 2% to Mykco's share price immediately prior to the announcement of the Transaction, it also represents a premium of 9% over the volume weighted average price of Mykco's shares in the 6 month period leading up to the announcement of the Transaction.

9. Since the pricing for the Transaction was determined, CHL has continued to make profits and Mykco has continued to incur costs that are not compensated for by equivalent revenue.
10. The Independent Adviser, has on page 10 of its Independent Adviser Report, expressed the following opinion on the Transaction, which it refers to as the CHL Transaction:

"In our opinion, after having regard to all relevant factors, the positive aspects of the CHL Transaction (including the CHL Allotment) significantly outweigh the negative aspects from the perspective of the Non-associated Shareholders"

11. At page 24 of the Independent Adviser Report, the Independent Adviser states:

"In our opinion, after having regard to all relevant factors, the terms of the CHL Transaction are fair and reasonable to the Non-associated Shareholders and in the best interests of Mykco given the options reasonably available to the Company at the current time."

Resolution 2 – The Management Agreement with Brent Douglas King

12. The Directors consider that the facts and circumstances described on pages 21 to 23 of this Notice of Meeting make it appropriate and in the best interests of Mykco to appoint Mr King as Managing Director of the Mykco Group as from Completion under a Management Agreement that is to extend to Mykco and its subsidiaries but otherwise is to be on substantially the same terms as, and replace, his current Management Agreement with CHL, as proposed by Resolution 2.

Resolution 3 – Directors' Remuneration Fee Pool

13. The Directors consider that for the reasons set out on page 23 of this Notice of Meeting it is appropriate to increase the total fee pool as proposed by Resolution 3.

Shareholders should note that these recommendations are based on the Directors' having accepted the net asset value of CHL (including the underlying asset values) as at 31 January 2018 based on unaudited management accounts prepared and determined solely by CHL. The Directors have not commissioned or received audit or other independent review or verification of those accounts (or the asset valuations underlying them). Mykco has limited resources and the Directors did not believe this was an efficient or effective use of the remaining shareholders funds available. The Directors have accepted those accounts (and valuations) and have concluded that they are fair and reasonable to shareholders for the reasons set out above. Valuation and pricing involves judgement, in respect of which views may differ. Therefore, shareholders should ensure they make their own independent decisions, after considering all information in this Notice of Meeting and the accompanying documents, and they should not be guided solely by the recommendations of the Directors.

See also section 1.8 of the Independent Adviser Report on page 6 where the Independent Adviser states that each shareholder's circumstances and objectives are unique and it is not possible to report on the merits of the issue of the Mykco shares to be issued to the Vendors and the fairness of the Transaction in relation to each shareholder.

Directors' interests in the Resolutions are summarised in the following table:

Brent Douglas King	<ol style="list-style-type: none"> 1. Brent is interested in Resolution 1 (approval of the Transaction) because: <ol style="list-style-type: none"> (a) He holds 1,280,000 shares in CHL (19.66%), and under the Transaction is to receive 20,825,600 (16.80%) of the expanded shares in Mykco which in addition to the 122,566 shares in Mykco he already owns would bring his total shareholding in Mykco to 20,948,166 shares (16.90%); (b) He is an associate of Barter Investments Limited and Garth William Ward, and collectively these persons hold 1,455,000 shares in CHL (22.34%), and under the Transaction these persons are to receive (collectively) 23,672,850 (19.10%) of the expanded shares in Mykco, which in addition to the 2,510,241 shares in Mykco they already collectively own would bring their collective shareholding to 26,183,091 shares in Mykco (21.13%). 2. Brent is also interested in Resolution 1 because he is also a director of CHL and GF and is the sole director of CHL's other subsidiary, IRG. 3. Brent is interested in Resolution 2 (approval of the Management Agreement) as the Management Agreement for which approval is sought under Resolution 2 is with him. 4. Brent is interested in Resolution 3 (approval of the Directors' remuneration fee pool) because he is a director of each of Mykco, CHL, GF and IRG.
Rewi Hamid Bugo	<ol style="list-style-type: none"> 1. Rewi is interested in Resolution 1 (approval of the Transaction) because his company, Borneo Capital Limited, holds 2,000,000 shares in CHL (30.71%) and under the Transaction is to receive 32,540,000 shares in Mykco (26.25%) in exchange for its shares in CHL. 2. Rewi is also interested in Resolution 1 because he is a director of CHL. 3. Rewi is interested in Resolution 3 (approval of the Directors' remuneration fee pool) because he is a director of Mykco.
Huei Min (Lyn) Lim, Simon John McArley and Graeme Iain Brown	<ol style="list-style-type: none"> 1. Lyn, Simon and Graeme are each interested in Resolution 3 (approval of the Directors remuneration fee pool) as they are all directors of Mykco.

NZX Accepts No Responsibility

This Notice of Meeting has been approved by NZX. However, NZX accepts no responsibility for any statement made in this Notice of Meeting.

Special Resolution

Resolution 1 is a special resolution. A special resolution means a resolution passed by a majority of 75% or more of the votes of those shareholders of the company entitled to vote and voting on the resolution in person or by proxy.

A special resolution is required to comply with Section 129 of the Companies Act (relating to Major Transactions) (for why Section 129 applies see the subheading **Section 129 of the Companies Act** under the heading **Requirement for Resolutions (Resolution 1)** on page 24).

Resolution 1 is also required to be passed as an ordinary resolution to comply with NZAX Listing Rules 7.3.1 (relating to the issue of equity securities), 7.5 (relating to the issue of securities affecting control), 9.1.1 (relating to changes in the essential nature of an issuer's business and also relating to Major Transactions), 9.2.1 (relating to transactions with Related Parties) and Rule 7(d) of the Takeovers Code. (for the reasons why this is the case, see the subheadings **NZAX Listing Rule 7.3.1, NZAX Listing Rule 7.5, NZAX Listing Rule 9.1.1, NZAX Listing Rule 9.2.1. and the Takeovers Code** under the heading **Requirement for Resolutions (Resolution 1)** on pages 24 to 30).

The passing of a special resolution means that the threshold for the passing of an ordinary resolution is also passed.

Ordinary Resolution

Resolution 2 is required to be passed as an ordinary resolution to comply with NZAX Listing Rule 9.2.1 (relating to transactions with Related Parties). For the reasons why this is the case, see **Requirement for Resolutions (Resolution 2)** on page 30.

Resolution 3 is required to be passed as an ordinary resolution to comply with NZAX Listing Rule 3.4 (relating to Directors' Remuneration). For the reasons why this is the case, see **Requirement for Resolutions (Resolution 3)** on pages 30 and 31.

An ordinary resolution means a resolution passed by a simple majority of the votes of those shareholders of the company entitled to vote and voting on the resolution in person or by proxy.

Minority Buy-out Rights

If Resolution 1 is passed any shareholder who has cast all of the votes attached to shares registered in that shareholder's name (and having the same beneficial owner) against Resolution 1, is entitled to require Mykco to purchase those shares in accordance with section 111 of the Companies Act. A shareholder must have cast all the votes attached to the shares registered in that shareholder's name and having the same beneficial owner against Resolution 1 to be entitled to require Mykco to purchase those shares. If shareholders wish to exercise that entitlement they must contact Mykco within 10 working days of the passing of Resolution 1. If a shareholder exercises that entitlement, Mykco must purchase that shareholder's shares unless the Court grants an exemption under section 114 of the Companies Act. Mykco would apply for an exemption if, as a consequence of shareholders exercising their rights, the Board formed the view that any of the grounds set out in section 114 existed.

Proxies and Representatives

Shareholders may exercise their right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in their place. A proxy need not be a shareholder of Mykco. Shareholders who are not entitled to vote may be appointed as proxies, but such shareholders and their associated persons are not entitled to vote if appointed as discretionary proxies (hence discretionary proxies cannot be conferred on Brent Douglas King, Barter Investments Limited or Garth William Ward). If you wish, you can appoint the Chair of the Meeting as your proxy, but not as a discretionary proxy. If the form is returned without a direction as to how the proxy shall act on a resolution, or the intention is unclear the proxy would abstain. A body corporate shareholder may appoint a representative to attend the meeting on its behalf. A proxy form is enclosed with this notice.

If you wish to vote by proxy you must complete the attached form and produce it to Mykco by delivering it to Mykco's Share Registrar, Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Auckland, New Zealand or by posting it to The Share Registrar, Mykco Limited, c/- Computershare Investor Services Limited, Private Bag 92119, Auckland 1142 New Zealand (in each

case, so as to be received no later than 48 hours before the meeting is due to begin (i.e before 1pm on 29 July 2018).

Postal voting is not available.

By order of the Board

A handwritten signature in black ink, appearing to read 'B. King', with a stylized flourish at the end.

Brent King
Chair

EXPLANATORY NOTES

INTRODUCTION

Mykco is presently a listed shell. Mykco had net assets of \$1,152,957 as at 30 September 2017 (30 September 2016: \$1,112,839) and cash reserves of \$346,388 at 30 September 2017 (30 September 2016: \$489,516).

Subsequent to the sale of Mykco's core business in September 2015, Mykco has considered a number of different investment and capital raising opportunities to utilise Mykco's NZAX listing and create value for shareholders.

Mykco has continued to operate as a listed company on a minimal operating budget over the past 12 months. However, the Directors consider that Mykco's current situation is not sustainable.

Moreover, Mykco is paying its own costs associated with the Transaction. These are a substantial amount for Mykco. It is unlikely that Mykco would have the cash resources to fund the costs of any further transaction should shareholders not pass the Resolutions.

Mykco's costs associated with the Transaction include legal fees (including legal fees associated with preparation of this Notice of Meeting and the Disclosure Document), independent adviser's fees, NZX fees, the costs of convening and holding the shareholders' meeting and Directors' fees.

It is envisaged that the quantum of Mykco's costs of the Transaction will be approximately \$150,000.

THE TRANSACTION

On 28 May 2018, Mykco entered into a Share Purchase Agreement (**Transaction Agreement**) with all the shareholders of CHL (other than itself) to acquire all the shares in CHL (except for the 100,000 shares it already owns).

As the Transaction involves the shareholders of CHL (other than Mykco) swapping their shares for shares in Mykco, Mykco does not need to raise any funds in order to complete the Transaction.

Dilution Effect

Resolution I will have the following dilutionary effect on shareholders if passed:

Shares on issue prior to the Transaction	19,616,874
Shares to be issued under the Transaction	104,323,240
Total shares on issue after the Transaction	123,940,114
Example shareholder: pre-Transaction percentage shareholding	5.10%
Example shareholder: post-Transaction percentage shareholding	0.81%

The dilutionary effect on particular groups of shareholders is set out below:

Mykco Shareholding Levels Post the Transaction					
	Current		CHL Allotment	Post Transaction	
	No. of Shares	%	No. of Shares	No. of Shares	%
Non-associated Shareholders	17,106,633	87.20%	-	17,106,633	13.80%
Borneo	-	-	32,540,000	32,540,000	26.25%
King Associates	2,510,241	12.80%	23,672,850	26,183,091	21.13%
Other CHL Shareholders	-	-	48,110,390	48,110,390	38.82%
Total	19,616,874	100.00%	104,323,240	123,940,114	100.00%

The Transaction will result in each shareholder's shareholding in Mykco being materially diluted.

The number of shares the holder has in Mykco following the Transaction will remain unchanged by the Transaction, but the percentage of shares that the shareholder holds in Mykco will be reduced because of the dilutionary effect.

The Transaction will result in 86.2% of the shares in Mykco being held by Borneo, the King Associates and other CHL shareholders, and 13.8% being held by Non-associated Shareholders.

Mykco's share price may also be volatile as Mykco's new business operations are assessed and priced by the market.

See also sections 2.7 to 2.9 of the Independent Adviser Report on pages 15 to 18.

Relationship to Market Price

As at 28 May 2018 (being the date the Transaction was announced publicly through the NZX market) the last reported sale price of a share in Mykco on the NZAX was 6 cents per share. The proposed share issues under Resolution 1 will be undertaken at a price of 5.88 cents per share. This represents a discount of 2% to the market share price on the date the Transaction was entered into and announced publicly through the NZX market (where the market share price is Mykco's Average Market Capitalisation (as defined in the NZAX Listing Rules) per share on that date). See also sections 4.8 and 7.2 of the Independent Adviser Report on page 29 and pages 43 to 45.

Shareholders should note that Mykco's share price for the purposes of the Transaction (5.88 cents per share) is a calculation of Mykco's net assets per share as at 30 September 2017, based on unaudited accounts of Mykco as at that date. Directors considered that a price based on the net assets of Mykco disclosed in its latest available accounts, was a more reliable guide to value than Mykco's share price, given that Mykco's shares tend to be traded irregularly and in limited volumes due to Mykco being a shell that does not carry on any business. While Directors consider that Mykco's share price is not necessarily a reliable guide to value, a current share price has nevertheless been disclosed to enable shareholders to have maximum available information when making their decision (see also the comments made in section 7.2 of the Independent Adviser Report on pages 43 to 45).

When determining a price for Mykco's shares for the purposes of the Transaction, Directors worked from the latest publicly available financial information for Mykco, being the interim unaudited accounts for the six months ended 30 September 2017. While Mykco's interim accounts to 30 September 2017 are unaudited, they are nevertheless all that was required of Mykco at the time Directors priced the Transaction.

When determining a price to be offered for the Shares in CHL to be Acquired, Directors considered CHL's latest available management accounts as at 31 January 2018. CHL's main asset is General Finance, which is a public issuer with a statutory supervisor. The majority of its loan book is secured by first mortgages (see item 7 of the Directors' reasons for their recommendation on page 6). The Directors have not commissioned or received audit or other independent review or verification of the CHL management accounts (or the asset valuations underlying them). Mykco has limited resources and the Directors did not believe this was an efficient or effective use of the remaining shareholders' funds available.

Minimum Holding

The minimum holding of shares that any shareholder can hold in Mykco (*Minimum Holding*) is 2,000 shares as at the date of this Notice of Meeting.

Under Mykco's constitution the Board may at any time give notice to a shareholder holding less than a Minimum Holding of shares of any class that if at the expiration of 3 months after the date the Notice is given, the shareholder still holds less than a Minimum Holding of shares of that class the Board may sell those shares. Where that power of sale arises, Mykco must account to the shareholder for the net proceeds of the sale (after the deduction of reasonable sale expenses).

Mykco Group

In the event the Transaction proceeds, Mykco would own CHL. CHL already wholly owns General Finance and IRG. CHL, General Finance and IRG are referred to collectively as **the CHL Group**. CHL acquired both General Finance and IRG on 19 December 2017.

The payment in addition to the net assets of General Finance and IRG paid by CHL for General Finance and IRG can be tested by comparing the net asset value of CHL used for the purpose of the Transaction of \$6,228,370, which values intangible assets including goodwill at book value, with a value for CHL using another commonly applied methodology. In its Independent Adviser Report, the Independent Adviser assesses the fair market value of the Shares in CHL to be Acquired based on a capitalisation of earnings methodology at between \$0.86 and \$0.97 per share. (see page 42 of the Independent Adviser Report). This value is comparable to the net asset value of CHL used for the purpose of the Transaction, of \$6,228,370, which includes intangible assets and goodwill.

Evaluation of the Transaction

The key positive and negative aspects of the Transaction are outlined in the Independent Adviser Report in section 2.2 on pages 8 to 10. See also the remainder of section 2 which is on pages 7 to 22 of the Independent Adviser Report.

For the Directors' recommendation relating to the Transaction, the reasons for their recommendation, and their interests in the Transaction see pages 5 to 8.

Shareholders should appreciate that they need not approve the Resolutions, even if there are considered to be few negatives. See also sections 2.17 to 2.19 of the Independent Adviser Report on pages 21 and 22 for further detail on shareholder options and how shareholders may choose to vote on the Resolutions.

Summary of the Independent Adviser Report

In assessing the merits of the Transaction, shareholders should consider the summary of the positives and negatives of the Transaction set out in the Independent Adviser Report and referred to on pages 8 to 10. Shareholders should also consider section 2 of the Independent Adviser Report on pages 7 to 22, including in particular the summary of the evaluation of the merits of the Transaction in section 2.2 on pages 8 to 10 and an evaluation of the fairness of the Transaction in section 3 on pages 23 and 24. The impact on the control position of Mykco as a result of the Transaction is discussed in sections 2.7 and 2.8 of the Independent Adviser Report on pages 15 to 17. The implications of the Transaction not being approved are set out in section 2.17 of the Independent Adviser Report on pages 21 and 22.

When considering the Independent Adviser Report, shareholders should also consider the Directors' recommendation on page 5 and the comments made by Directors relating to valuation under the heading Directors' Recommendation on page 5 to 7.

The Independent Adviser's opinion is to be considered as a whole. Selecting portions of the analyses or factors considered by it, without considering all the factors and analyses together, would create a misleading view of the process underlying the opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary. For the avoidance of doubt, shareholders are encouraged to read the Independent Adviser Report in full.

The issue price of the Mykco shares to be issued to the Vendors under the Transaction does not necessarily reflect what the shares will trade at on the NZAX following completion of the Transaction (**Completion**).

Material Terms of the Transaction

Mykco entered into the Transaction Agreement on 28 May 2018 to purchase all the 6,512,000 shares in CHL except for the 100,000 shares Mykco already owns.

The Transaction Agreement supersedes the potential transaction announced to the market on 31 March 2017 (with an update on 20 December 2017).

CHL owns:

- (a) General Finance, a non-bank deposit taker, which operates as a finance company; and
- (b) IRG, a corporate advisory and financial research company, which is an NZX Sponsor and NXT Adviser and the publisher of the Investment Yearbook.

The following is a summary of the material commercial terms of the Transaction Agreement. See also section 2.1 of the Independent Adviser Report on page 7 where the Independent Adviser lists factors which in its view an assessment of the merits of the Transaction should focus on, and section 2.2 of the Independent Adviser Report on pages 8 to 10 where the Independent Adviser provides a summary of the evaluation of the merits of the Transaction. See also the conclusion of the Independent Adviser in section 2.3 of the Independent Adviser Report on page 12 where the Independent Adviser states that it considers the rationale of the Transaction to be sound, and section 3 of the Independent Adviser Report where the Independent Adviser concludes on page 24 that the Transaction is fair and reasonable to the Non-associated Shareholders and in the best interests of Mykco given the options reasonably available to Mykco at the current time.

Purchase Price

The purchase price for the Shares in CHL to be Acquired under the Transaction Agreement is \$6,132,436.80 (**Purchase Price**).

The Purchase Price represents 95.64 cents per CHL share, being the net assets per share for CHL derived from management accounts of CHL prepared as at 31 January 2018.

Consideration

The Purchase Price is to be satisfied by the issue of 104,323,240 fully paid ordinary shares in Mykco (**Mykco Shares to be issued to the Vendors**).

The consideration to satisfy the Purchase Price represents 16.27 shares in Mykco in exchange for each Share in CHL to be Acquired.

The multiplier represents:

- (a) 95.64 cents (see the heading Purchase Price above); divided by
- (b) 5.88 cents, being the net assets per share of Mykco as at 30 September 2017 based on unaudited interim accounts of Mykco as at that date.

95.64 cents represents total assets of \$16,382,186, minus total liabilities of \$10,153,816, i.e. \$6,228,370 (being net assets), divided by 6,512,000 shares on issue. The accounts of CHL used to price the CHL shares for the purposes of the Transaction include goodwill of \$2,673,066 paid on the acquisitions of General Finance and IRG.

5.88 cents represents total assets of \$1,168,964 minus total liabilities of \$16,007, i.e. \$1,152,957 (being net assets), divided by 19,616,874 shares on issue.

See also section 2.4 of the Independent Adviser Report on pages 12 to 14 where the Independent Adviser states that it considers the issue price of 5.88 cents per share to be fair to the Non-associated Shareholders.

See the heading Relationship to Market Price on page 12 for further details relating to the pricing of the Transaction.

Conditions

The Transaction is conditional upon the following conditions (**Conditions**):

- (a) *Consent of Supervisor:* CHL and Mykco approaching and obtaining the written consent of Covenant Trustee Services Limited (*Supervisor*) as supervisor of General Finance under a Trust Deed dated 2 November 2004 (as amended), to the Transaction and to continue in their role as supervisor of General Finance after Completion on terms that are acceptable to CHL and Mykco (acting reasonably).
- (b) *Reserve Bank Consent:* CHL and Mykco approaching and obtaining the written consent of the Reserve Bank under section 43 of the Non-Bank Deposit Takers Act 2013 to the Transaction on terms that are acceptable to CHL and Mykco (acting reasonably).
- (c) *Approvals:* Mykco obtaining all shareholder and other approvals required to implement the Transaction and the transactions to be entered into pursuant to the Transaction or contemplated by the Transaction in compliance with the Companies Act 1993, NZAX Listing Rules, the Takeovers Code and any other applicable laws and any contracts binding on Mykco on a basis that is acceptable to CHL and Mykco (acting reasonably).

The date for satisfaction of the Conditions is 31 July 2018 or such later date as may be agreed between the parties. If the Conditions are not satisfied by this date, then any party to the Transaction Agreement may cancel it by written notice to the other party.

The Independent Adviser states in section 2.4 of the Independent Adviser Report on page 13 that it is of the view that the Conditions are in line with market practice for transactions of this nature and are not unreasonable.

Completion

Completion of the Transaction (**Completion**) is to take place on or before 3 Business Days after satisfaction of the Conditions. Completion is conditional upon:

- (a) Mykco remaining listed on the NZAX on Completion;
- (b) General Finance's Non-bank Deposit Taker licence remaining in full force and effect on Completion (subject only to any amendments required by the Reserve Bank as a condition of providing its consent, and which have been agreed by CHL and Mykco (acting reasonably));
- (c) General Finance continuing to offer term deposits up to Completion under a Product Disclosure Statement that complies with all applicable laws.

The Independent Adviser states in section 2.4 of the Independent Adviser Report on page 13 that it does not consider any of these matters represents a major impediment to the Completion of the Transaction.

Post Completion

Mykco does not intend to make any immediate changes to its Board following Completion, or to the boards of CHL or any other member of the CHL Group.

Mykco intends following Completion to change its name to General Capital Limited .

Warranties

Under the Transaction Agreement, each of the Vendors warrants to Mykco that it owns its shares in CHL, that they are fully paid, and that on Completion they will pass to Mykco free of encumbrances and rights of pre-emption.

Brent King, but not the other Vendors, provides additional limited warranties to Mykco, with the main ones being a warranty as to the accuracy of the information provided prior to entering into the Transaction Agreement and a warranty that he is not aware of any material circumstance not disclosed to Mykco in writing that might be material to a purchaser of shares in CHL.

Mykco, in its capacity as the purchaser, and because it is issuing shares to the Vendors in exchange for the Shares in CHL to be Acquired, also provides limited warranties to each Vendor, with the main ones being a warranty as to the accuracy of the information provided prior to entering into the Transaction Agreement and a warranty that it is not aware of any material circumstance not disclosed in writing to CHL which might be material to a person to be issued shares in Mykco.

Any warranty claim must be brought within 18 months of Completion.

The maximum liability of each Vendor (except Brent King) for warranty claims is an amount equal to the purchase price for its Shares in CHL to be Acquired.

Brent King is liable in the same way as other Vendors (with the same cap), but in relation to the additional warranties that he (but not the other Vendors) provides, Mr King has an additional separate maximum liability for claims which is also equal to the amount of the purchase price of his Shares in CHL to be Acquired under the Transaction.

Hence, the maximum liability of Mr King for warranty claims is two times the amount of the purchase price for his Shares in CHL to be Acquired.

The maximum liability of Mykco under its warranties is the amount of the purchase price it must pay for the Shares in CHL to be Acquired.

The Independent Adviser states in section 2.4 of the Independent Adviser Report on page 14 that it is of the view that the warranties provided under the Transaction Agreement are in line with market practice for transactions of this nature and are not unreasonable.

Pre and Post-Transaction Shareholders

Shareholder	Pre-Transaction Number of Shares	Pre-Transaction Percentage	Post-Transaction Number of Shares	Post-Transaction Percentage
Borneo Capital Limited			32,540,000	26.25%
Brent Douglas King	122,566	0.62%	20,948,166	16.90%
Barter Investments Limited	2,342,220	11.94%	3,562,470	2.87%
Garth William Ward	45,455	0.23%	1,672,455	1.35%
CFS NBDT Interest Limited as General Partner of the CFS Interest Limited Partnership			16,270,000	13.13%
Industrie Properties Limited			5,808,390	4.69%
Baker Investment Trust			4,067,500	3.28%
Sinclair Investment Trust			4,067,500	3.28%
Harrigens Trustees Limited			4,067,500	3.28%
Bruce Gregory Speers			4,067,500	3.28%
John Tomson			4,067,500	3.28%
Owen Daji			4,067,500	3.28%
Sumner Family Trust			1,627,000	1.31%
CHL Shareholders prior to the Transaction (including Mykco shares already owned)			106,833,481	86.19%
Belian Holdings Limited	3,269,479	16.67%	3,269,479	2.64%
ZhenHua Qian	3,030,303	15.45%	3,030,303	2.44%
Sii Yih Ting	1,480,000	7.54%	1,480,000	1.19%
Koon Weng Lee	1,291,325	6.58%	1,291,325	1.04%
Chu Kian Then	1,008,300	5.14%	1,008,300	0.81%
Climb Securities (Singapore) Pte Limited	579,711	2.96%	579,711	0.47%
Yada Holdings No 1 Limited	570,000	2.91%	570,000	0.46%
Liew Chin Tan	480,000	2.45%	480,000	0.39%
Lik Sean Chang	445,960	2.27%	445,960	0.36%
Lick Chien Chang	408,345	2.08%	408,345	0.33%
JP Morgan Chase Bank Na NZ Branch	381,108	1.94%	381,108	0.31%
Awatea Investments Limited	324,136	1.65%	324,136	0.26%
Kok Seng Kung	223,850	1.14%	223,850	0.18%
Prakash Pandey	200,000	1.02%	200,000	0.16%
Kar Hoe Mah	187,578	1.00%	187,578	0.15%
Robert Peter Nicolson	180,073	0.92%	180,073	0.15%
Tiong Heng Teh	164,693	0.84%	164,693	0.13%
Hooi Lee Teoh	160,000	0.82%	160,000	0.13%
Geoffrey David Thomas	150,000	0.76%	150,000	0.12%
Other Mykco shareholders	2,571,772	13.11%	2,571,772	2.07%
Total	19,616,874	100.00%	123,940,114	100.00%

The major shareholders of Mykco on completion of the Transaction will be:

- (a) Borneo Capital Limited: 26.25%;

- (b) Brent Douglas King 16.90%;
- (c) CFS NBDT Interest Limited as General Partner of the CFS Interest Limited Partnership: 13.13%;

Note 1: The collective shareholding of Brent Douglas King, Barter Investments Limited and Garth William Ward will be 21.13%.

Note 2: The collective shareholding of CFS NBDT Interest Limited and its sole shareholder and director Marvin Yee will be 13.14%.

Change in Essential Nature of Business of Mykco

If the Transaction is approved by shareholders, Mykco's business will change from an investment company to a company which (through subsidiaries) operates as a finance company (General Finance) and provides corporate advisory and financial research services (IRG).

CHL is an intermediate holding company.

General Finance is a non-bank deposit taker that operates as a finance company.

IRG is a corporate advisory and financial research company which is an NZX Sponsor and NXT Adviser, and the publisher of the Investment Yearbook.

For further information on the businesses of General Finance and IRG, and the proposals for those businesses, please refer to the Disclosure Document accompanying this Notice of Meeting.

Liquidity Risk

As a result of the Transaction the majority of the shares on issue in Mykco will not be widely held and there may be limited liquidity in Mykco's shares.

No Embargo

None of the shares to be issued to the Vendors will be subject to any embargo on sale. One or more of these shareholders may wish to sell some or all of their shareholding. Should this happen then, depending on the level of demand for shares in Mykco, the sale could significantly depress Mykco's share price.

Major Shareholders Influence

The major shareholders of Mykco on Completion will be Borneo Capital Limited (26.25%), Brent Douglas King (16.90%) and together with his associates Barter Investments Limited and Garth William Ward (21.13%), and CFS NBDT Interest Limited, as General Partner of the CFS Interest Limited Partnership (13.13%, and together with its sole shareholder and director Marvin Yee 13.14%). These shareholders will collectively have a major influence over matters that require the passing of ordinary and special resolutions by shareholders unless they are required to abstain from voting by law and/or the NZAX Listing Rules.

While Borneo and the King Associates will have significant control over Mykco, they cannot act in an oppressive manner against minority shareholders. The Companies Act provides a level of protection to minority shareholders. Furthermore, any transactions between Mykco and any shareholder holding 10% or more of Mykco's shares will need to satisfy the requirements of the NZAX Listing Rules with respect to transactions with related parties.

MANAGEMENT AGREEMENT WITH BRENT DOUGLAS KING

The Board proposes that on Completion (of the Transaction) Mykco employ Mr King as its Managing Director under an employment Management Agreement with Mr King which would extend to Mykco and its subsidiaries but otherwise be on substantially the same terms as and replace his existing Management Agreement with CHL.

The proposed Management Agreement would nevertheless be structured differently to the existing Management Agreement. Under the proposed Management Agreement (unlike the existing Management Agreement) General Finance would also be an employer and be responsible for Mr King's remuneration, although it would be compensated by Mykco for a portion of that remuneration. These changes, ie. also making General Finance an employer and making it responsible for Mr King's remuneration, will ensure that Mr King's remuneration is paid by Mykco's principal operating subsidiary, General Finance, whilst also ensuring that Mykco as the parent company nevertheless compensates General Finance for an amount that properly reflects what Mr King does for companies in the Mykco group other than General Finance.

As the proposed Management Agreement would be a related party transaction and require Mykco to pay an amount that exceeds 1.5% of its Average Market Capitalisation for the purposes of Listing Rule 9.2.2(e), Listing Rule 9.2.1 prohibits Mykco entering into the proposed Management Agreement unless it has been approved by an ordinary resolution of Mykco's shareholders.

Mr King's existing Management Agreement with CHL was entered into at the time CHL acquired General Finance and IRG to form the CHL Group; those acquisitions having been made by CHL as an unlisted company.

The structure of the existing Management Agreement is in line with market practice, being a combination of:

- (a) Salary (plus contributions to expenses); and
- (b) A performance fee; and
- (c) A profit share.

Salary and Expenses

The existing Management Agreement provides for a salary of \$120,000 per annum, a vehicle allowance of \$12,000 per annum, the cost of a covered carpark, and reimbursement of petrol charges for use of a motor vehicle. The annual salary is reviewable every 12 months, with the first review to be undertaken in March 2019.

Performance Fee

The existing Management Agreement also provides for Mr King to be paid an amount equal to 10% of any fees earned by CHL or any of its subsidiaries (except fees earned by General Finance from its lending business).

Profit Share

The existing Management Agreement also provides for Mr King to be paid a profit share equal to 8% of any amount by which the CHL Group's net profit after tax exceeds the Benchmark for that year or part year. That Benchmark is the shareholders' funds of the CHL Group at the commencement of the relevant year or part year, multiplied by the OCR (expressed as a percentage) plus 10% per annum, where OCR is the average official cash rate set by the Reserve Bank for the relevant year or part year. Such fee has to be paid quarterly based on estimates calculated by the CHL Group's Chief Financial

Officer, with any adjustment to be made at the time of the final quarterly payment for the relevant year or part year.

Potential Remuneration

Potential Performance Fees for the financial years ended 31 March 2019 and 2020:

Fees on which the performance fee is calculated are expected to be earned by IRG. Mykco has forecast advisory fees for IRG for the financial years ended 31 March 2019 and 2020 of \$265,000 and \$325,000 respectively. Should these forecasts be achieved, Mr King would receive performance fees for the years ended 31 March 2019 and 2020 of \$26,500 and \$32,500 respectively.

Potential Profit Share for the financial years ended 31 March 2019 and 2020:

Mykco has forecast a net profit after tax for the financial years ended 31 March 2019 and 2020 of \$38,641 and \$1,313,112 respectively. Should these forecasts be achieved, Mr King's profit share for these years would be \$0 and \$10,623 respectively; ie. for the financial year ended 31 March 2020, based on forecast shareholders' funds at the commencement of that financial year of \$9,079,374 and assuming an OCR of 3%, the profit share would be 8% of A-B where:

A= \$1,313,112; and

B= \$9,079,374x (3%+10%).

Redundancy

In the event Mr King's position becomes surplus to Mykco's needs, and his contract is terminated for this reason, Mr King will be entitled to redundancy compensation equal to six weeks pay for the first year of service and two weeks for each subsequent year of service.

Termination

The existing Management Agreement has no finite term, but is terminable by either party on three months' written notice, and no monies are payable to Mr King on termination apart from:

- (a) Any unpaid remuneration accrued up to the termination date. (including, without limitation, salary, allowances, commission and reimbursement of expenditure); and
- (b) The agreed redundancy payment described above.

Since the Management Agreement is an employment agreement, Mykco could only give notice terminating the Management Agreement if it has substantive grounds to do so, ie. if there has been misconduct or poor performance warranting termination, or redundancy, and in exercising its right of termination Mykco would need to proceed in a manner that is procedurally fair to Mr King.

Assessment

The remuneration provided for in the existing Management Agreement was set having regard to remuneration levels for Managing Directors of comparable financial groups to the CHL Group.

The performance fee does not apply to fees earned by General Finance from its lending business, and is likely to apply for the most part to other fees earned by CHL and its subsidiaries from an equity or debt raising or a business combination, or a transaction of a similar nature.

The profit share is only payable from profits that **exceed** the Benchmark. Mr King's share is 8% of that **excess**.

At the time CHL made its acquisitions of General Finance and IRG, it was contemplated that CHL would list, and this will be achieved should the Resolutions be passed and the Transaction proceed to Completion, as this will result in Mykco (a listed company) becoming the owner of the CHL Group.

The Board had regard to the following matters in its assessment of the proposed Management Agreement between Mykco and Mr King:

- (a) What was contemplated when CHL acquired General Finance and IRG;
- (b) Mr King's experience in acting as a Managing Director of a listed financial services group for many years;
- (c) The efficiencies that are obtained by having a single Managing Director for the Mykco Group formed by the Transaction.

The Board considered that in light of the above circumstances it was appropriate and in the best interests of Mykco to appoint Mr King as Managing Director of the Mykco Group as from Completion under a Management Agreement that extends to Mykco and its subsidiaries but otherwise is on the same terms as, and which would replace, his current Management Agreement with CHL.

DIRECTORS' REMUNERATION FEE POOL

The total amount of fees available for payment to Directors was last increased prior to Mykco listing on the NZAX on 10 January 2012.

It is proposed that the total amount of the fee pool be increased from \$150,000 to \$300,000 per annum, which represents an increase of \$150,000 per annum (or 100%) since the last increase on 1 December 2011. The aggregate amount of fees may be divided amongst the directors as they deem appropriate, and may be paid either in part or in whole by way of an issue of equity securities, provided that issue occurs in compliance with NZAX Listing Rule 7.3.7.

The Board has determined that the increase in the total fee pool is appropriate to provide flexibility for the Board to allow the interim increase in fees paid to non-executive Directors in contemplation of the purchase of CHL to be continued, to provide for payment of fees to an increased pool of directors as a result of CHL and its subsidiaries becoming part of the Mykco Group, including in particular to enable the independent directors of General Finance (who were required to be appointed to comply with the requirements of the Non-bank Deposit Taker Act 2013) to continue to be remunerated, to ensure optimal membership of board committees of members of the Mykco Group following the acquisition of CHL, bearing in mind that CHL's subsidiary, General Finance, has substantial regulatory responsibilities, to allow sufficient head room to cover any unforeseen costs that may arise from time to time, and to allow further increases in the fees paid to non-executive directors of the Mykco Group if the Board determines this to be appropriate.

EFFECT OF RESOLUTIONS

Effect of Resolutions Passing

If the Resolutions are passed then on Completion:

- (a) Mykco will complete the Transaction. The essential nature of Mykco's business will change from an investment business to a company specialising (through General Finance) as a finance company and (through IRG) as a corporate advisory and financial research company. Mykco's existing shareholders will continue to have an interest (note the Dilution Effect table on page 11 of this Notice of Meeting) in Mykco and its business plan.
- (b) the name of Mykco will change to General Capital Limited.

This Notice of Meeting should be read in conjunction with:

- (a) The Disclosure Document which discloses particulars of the assets and business plan of Mykco if the Resolutions are passed; and
- (b) The Independent Adviser Report which assesses the merits of the Transaction.

Effect of the Resolutions Not Passing

If the Resolutions are not passed the Transaction cannot proceed. Mykco will likely need to raise additional capital in a relatively short timeframe to fund its current operating costs and to enable it to continue to seek acquisition opportunities to affect a backdoor listing. If Mykco cannot raise sufficient capital, this may lead to the need to wind up Mykco, in which case the return to the Non-associated Shareholders may be minimal.

The Independent Adviser Report also sets out the implications if the Resolutions are not passed at section 2.17 on pages 21 and 22.

DILUTION EFFECT

The dilution effect of the Transaction on existing shareholdings in Mykco is explained under the heading Dilution Effect on pages 11 and 12.

REQUIREMENT FOR RESOLUTIONS

Resolution 1 – Acquisition of Corporate Holdings Limited, and Issue of Shares to the Vendors

Resolution 1 is required to comply with the provisions of section 129 of the Companies Act (relating to Major Transactions), Listing Rule 7.3.1 (relating to the issue of equity securities), Listing Rule 7.5 (relating to the issue of securities affecting control), Listing Rule 9.1.1 (also relating to Major Transactions and changes in the essential nature of an issuer's business), Listing Rule 9.2.1 (relating to transactions with Related Parties) and Rule 7(d) of the Takeovers Code.

These requirements are described below.

Section 129 of the Companies Act

Section 129 of the Companies Act provides that a company must not enter into a Major Transaction unless the transaction is approved by, or is contingent on approval by, a special resolution of shareholders. A Major Transaction includes a transaction that has, or is likely to have, the effect of the company acquiring rights or interests or incurring obligations or liabilities the value of which is more than half of the value of the company's assets before the transaction.

The consideration for the CHL Shares to be Acquired and the Mykco Shares to be Issued to the Vendors to satisfy that consideration, are in excess of the relevant threshold under section 129 of the Companies Act, and therefore the Transaction is a Major Transaction under the Companies Act.

NZAX Listing Rule 7.3.1

NZAX Listing Rule 7.3.1 permits Mykco to issue new shares if the precise terms and conditions of the specific proposal to issue those shares have been approved by ordinary resolution of its shareholders.

NZAX Listing Rule 7.5

NZAX Listing Rule 7.5 prohibits Mykco from issuing shares if:

- (a) there is a significant likelihood that the acquisition will result in any person or group of Associated Persons materially increasing their ability to exercise, or direct the exercise of (either then or at any future time) effective control of Mykco; and
- (b) that person or group of Associated Persons is entitled before the acquisition to exercise, or direct the exercise of, not less than 1% of the total votes attaching to Mykco's shares;

unless the precise terms and conditions of the issue have been approved by ordinary resolution of Mykco.

As the Transaction will result in Brent Douglas King and his Associated Persons, Barter Investments Limited and Garth William Ward, increasing their percentage shareholding in Mykco from an aggregate 12.80% to an aggregate 21.13% this will result in these persons materially increasing their ability to exercise effective control of Mykco, and therefore the Transaction is one to which NZAX Listing Rule 7.5 applies.

NZAX Listing Rule 9.1.1

NZAX Listing Rule 9.1.1 prohibits Mykco from entering into a transaction that would change the essential nature of its business without approval by an ordinary resolution of shareholders. The Transaction would involve Mykco changing the essential nature of its business from an investment company to a company which (through subsidiaries) operates as a finance company (General Finance) and provides corporate advisory and financial research services (IRG). Therefore, the Transaction is one that involves Mykco changing the essential nature of its business for the purposes of NZAX Listing Rule 9.1.1.

NZAX Listing Rule 9.1.1 also prohibits Mykco from entering into a Major Transaction without approval by an ordinary resolution of shareholders (for the purposes of the NZAX Listing Rules a Major Transaction means a transaction which has a gross value in excess of 50% of Mykco's Average Market Capitalisation). The amount of the purchase price for the CHL Shares to be Acquired, and the consideration for that purchase price which is the Mykco Shares to be issued to the Vendors to satisfy that consideration, are in excess of the relevant threshold under NZAX Listing Rule 9.1.1. Therefore the Transaction is a Major Transaction in terms of NZAX Listing Rule 9.1.1.

NZAX Listing Rule 9.2.1

NZAX Listing Rule 9.2.1 prohibits Mykco from entering into a Material Transaction with a Related Party unless that Material Transaction is approved by an ordinary resolution of shareholders. A Material Transaction includes any transaction where Mykco acquires assets having an Aggregate Net Value in excess of 10% of the Average Market Capitalisation of Mykco. Borneo Capital Limited and Brent Douglas King are each Related Parties of Mykco and the Aggregate Net Value of the shares to be acquired from each of these persons under the Transaction is in excess of this threshold. Therefore, Mykco must not complete the Transaction unless it has first been approved by an ordinary resolution of shareholders. A Material Transaction also includes a transaction whereby Mykco issues shares in Mykco having a market value in excess of 10% of Mykco's Average Market Capitalisation. Therefore Mykco must not complete the issue of shares to Borneo Capital Limited and Brent Douglas King that forms part of the Transaction unless the Transaction has been approved by an ordinary resolution of shareholders.

As Barter Investments Limited and Garth William Ward are Associated Persons of Brent Douglas King, Mykco must also not complete the acquisition of the Shares in CHL to be Acquired from those persons under the Transaction or the issue of shares to them that forms part of the Transaction unless the Transaction has been approved by an ordinary resolution of shareholders,

NZAX Listing Rule 9.2.5 requires this Notice of Meeting to be accompanied by a certificate from the Directors (other than any Director who is interested in the Transaction Agreement) certifying that the terms of the Transaction Agreement are fair and reasonable to the shareholders and in the best interest

of Mykco, and this certificate forms part of the Reasons for Directors' Recommendation on page 32 of this Notice of Meeting.

Takeovers Code

Mykco is a "Code Company" under the Takeovers Code. The Takeovers Code restricts persons and their associates acquiring voting rights (or the control of voting rights) above a 20% threshold in Mykco. The Takeovers Code permits Mykco's non-associated shareholders to approve an acquisition of voting rights above the threshold by ordinary resolution. Resolution I seeks such approval.

The issue of the Mykco Shares to be issued to the Vendors will result in certain Vendors together with their associates becoming the holder or holders of more than 20% of the voting rights in Mykco and therefore the issue of the shares to those persons must be approved by an ordinary resolution of Mykco in order to comply with the requirements of the Takeovers Code,

These persons are Borneo Capital Limited, Brent Douglas King, Barter Investments Limited and Garth William Ward.

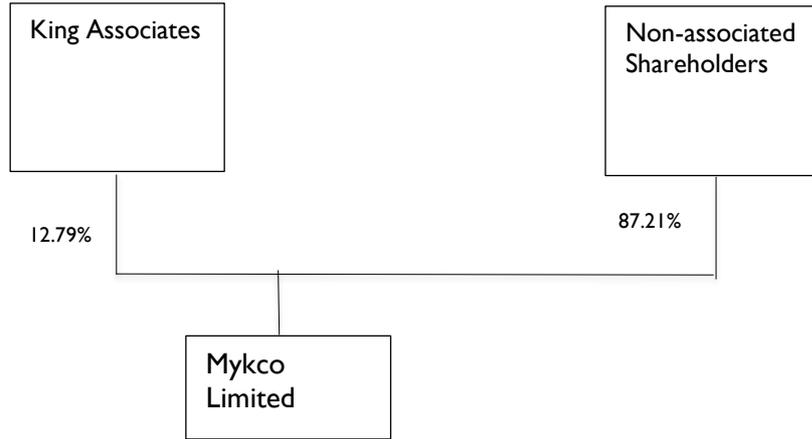
Hence shareholder approval by ordinary resolution is required for the shares in Mykco to be issued to these persons under the Transaction.

These persons are not permitted to vote on Resolution I that seeks the approval. The prohibition on voting extends to associates of these persons.

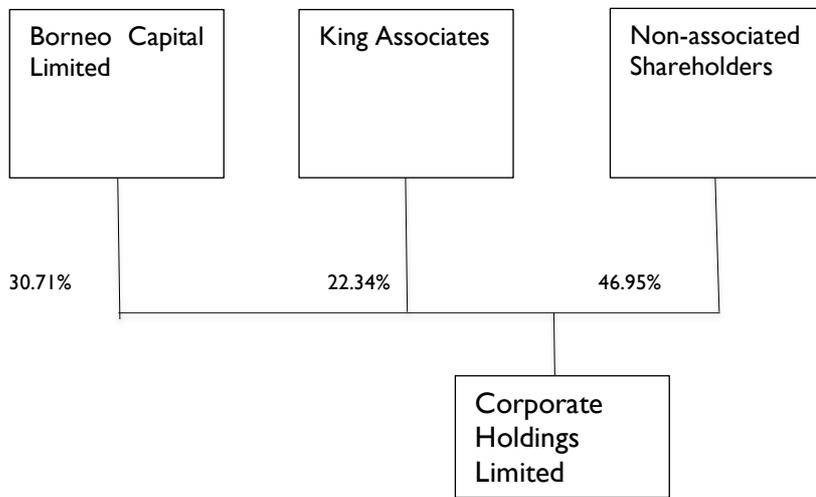
Each of Brent King, Barter Investments Limited and Garth Ward consider themselves as associates of each other for the purposes of the Code.

Under the Takeovers Code, "associates" are in summary, where persons are or through a third person, acting jointly or in concert, where one person acts or is accustomed to act in accordance with the wishes of the other person, where the persons are related companies or where the persons have a business relationship, personal relationship, or an ownership relationship such that they should, under the circumstances, be regarded as associates. Under the Listing Rules "Associated Persons" (referred to above) has a similar definition.

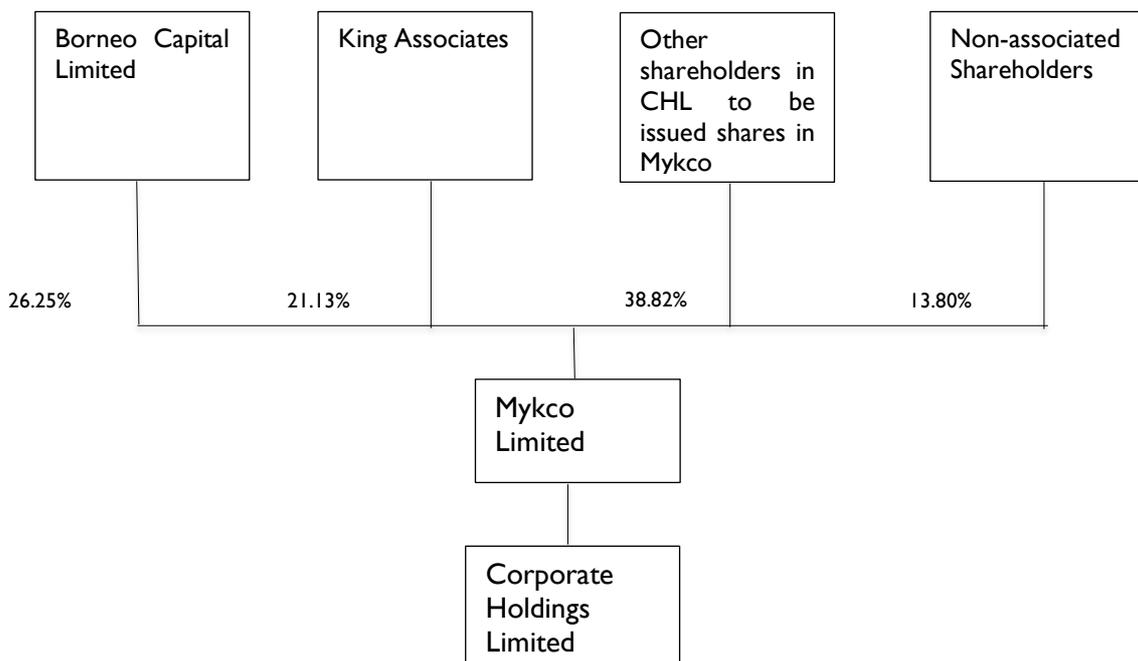
The current shareholders of Mykco are



The current shareholders of CHL are:



The application of the Takeovers Code to the issue of the Mykco Shares to be issued to the Vendors is demonstrated in the following diagram, which summarises the shareholdings in Mykco that would result from this issue:



The Transaction will result in Borneo holding 26.25% and the King Associates holding 21.13% of the shares in Mykco without having to make a formal offer to all shareholders in accordance with Rules 7(a) and 7(b) of the Takeovers Code. This is the reason why the Takeovers Code requires the Non-associated Shareholders to have the opportunity to vote for or against Resolution 1. No approval is required for the 38.82% of shares in Mykco to be issued to other CHL shareholders because none of these shareholders individually or with associates holds 20% or more of the voting rights in Mykco.

Borneo and the King Associates are not considered to be associates for the purposes of the Takeovers Code. While Garth William Ward, one of Borneo's two directors, is also a King Associate, his appointment to the Board of Borneo was to enable Borneo to comply with the requirement under the Companies Act 1993 for Borneo to have at least one New Zealand resident director. Mr Rewi Bugo, the other director of Borneo, and its sole shareholder, is the person who is considered to have control of Borneo and his decisions in relation to Borneo, at both shareholder and Board level, are not considered to be subject to any influence by Mr Ward.

While Borneo and the King Associates are not considered to be associates for the purposes of the Takeovers Code, and are therefore expected to act independently when voting, shareholders should nevertheless note that their aggregate percentage shareholdings in Mykco upon completion of the Transaction will be 47.38%. Should they vote the same way on any resolution, their combined votes would normally be sufficient to determine the outcome of any ordinary resolution (which requires a simple majority of votes of those entitled to vote and voting), and their combined votes may also be sufficient to determine the outcome of a special resolution, depending on the number of shareholders who vote (a special resolution means a resolution passed by a majority of 75% or more of the votes of shareholders entitled to vote and voting).

The following information is provided in order to comply with the requirements of Rule 16 of the Takeovers Code (**Code**) (the paragraph numbering below corresponds with the paragraphs of Rule 16):

- (a) The allottees under the allotments for which disclosure is required by Rule 16 of the Code are Borneo Capital Limited, Brent Douglas King, Barter Investments Limited and Garth William Ward.

- (b) The following information is included as required by Rule 16(b)(i) of, and Schedule 4 to, the Code. Paragraphs (a) to (d) in the table provide the information required by paragraphs (a) to (d) of Schedule 4.

(a)	The number of voting securities being allotted:	
	(i) Borneo Capital Limited.	32,540,000
	(ii) Brent Douglas King.	20,825,600
	(iii) Barter Investments Limited.	1,220,250
(iv) Garth William Ward	1,627,000	
(b)	The percentage of the aggregate of all existing voting securities and all voting securities being allotted that that number represents:	
	(i) Borneo Capital Limited.	26.25%
	(ii) Brent Douglas King.	16.80%
	(iii) Barter Investments Limited.	0.98%
(iv) Garth William Ward	1.31%	
(c)	The percentage of all voting securities that will be held or controlled by the allottee and the allottee's associates after completion of the allotment:	
	(i) Borneo Capital Limited.	26.25%
	(ii) Brent Douglas King.	21.13%
	(iii) Barter Investments Limited.	21.13%
(iv) Garth William Ward	21.13%	

- (c) Not applicable (as the voting securities to be allotted are not securities of a body corporate other than a Code company).
- (d) The issue price of the voting securities being allotted is 5.88 cents per share. Subject to the Conditions having been satisfied, the issue price is to be satisfied on or before seven Business Days after satisfaction of the Conditions, or such other date agreed in writing by Mykco and the Vendors. The Conditions must be satisfied on or before 10 June 2018 or such later date as may be agreed between the parties.
- (e) The proposed allotment of Mykco Shares to be issued to the Vendors arises from a commitment made by Mykco under the Transaction Agreement and Mykco's reasons for

entering into the Transaction Agreement are set out under Directors' Recommendation on pages 5 to 7 above.

- (f) The allotment of the Mykco Shares to be issued to the Vendors under the Transaction Agreement, if approved, will be permitted under Rule 7(d) of the Code as an exception to Rule 6 of the Code.
- (g) Mykco understands that, except for the Transaction Agreement, no agreements or arrangements have been, or are intended to be, entered into between the Vendors and any other person relating to:
 - (i) The allotment, holding or control of the Mykco Shares to be issued to the Vendors; or
 - (ii) The exercise of voting rights in Mykco.
- (h) This Notice of Meeting is accompanied by an independent adviser report from Simmons Corporate Finance Limited on the merits of the proposed allotment of voting securities to the Vendors. The report, having given due regard to all relevant factors, states on page 10:

“In our opinion, after having regard to all relevant factors, the positive aspects of the CHL Transaction (including the CHL Allotment) significantly outweigh the negative aspects from the perspective of the Non-associated Shareholders”
- (i) The Directors have issued a statement recommending approval of the proposed allotment of voting securities to the Vendors and the reasons for and the grounds for that recommendation on pages 5 to 7.

The voting restrictions relating to Resolution 1 are set out on page 2.

Resolution 2 – Management Agreement with Brent Douglas King

Resolution 2 is required to comply with Listing Rule 9.2.1 (relating to transactions with Related Parties).

NZAX Listing Rule 9.2.1. prohibits Mykco from entering into a Material Transaction with a Related Party unless that Material Transaction is approved by an ordinary resolution of shareholders. By virtue of Rule 9.2.2(e), a Material Transaction includes any transaction where Mykco obtains any services in respect of which the actual gross cost to Mykco in any financial year is likely to exceed an amount equal to 1.5% of the Average Market Capitalisation of Mykco. The remuneration payable to Mr King under the proposed Management Agreement would exceed this threshold. Therefore Mykco must not enter into the proposed Management Agreement with Mr King unless entry into that Management Agreement has been approved by an ordinary resolution of Mykco's shareholders.

NZAX Listing Rule 9.2.5 requires this Notice of Meeting to be accompanied by a certificate from the Directors (other than any Director who is interested in the Management Agreement) certifying that the terms of the Management Agreement are fair and reasonable to the shareholders and in the best interest of Mykco, and this certificate forms part of the Reasons for Directors' Remuneration on page 32 of this Notice of Meeting.

Mr King and his Associated Persons are prohibited from voting any shares they hold on Resolution 2.

Resolution 3: Directors' Remuneration Fee Pool

Resolution 3 is required to comply with NZAX Listing Rule 3.4 (relating to Directors Remuneration).

NZAX Listing Rule 3.4 requires that a proposed increase in directors' remuneration be authorised by an ordinary resolution of Mykco's shareholders.

Directors of Mykco and their Associated Persons are prohibited from voting any shares they hold on Resolution 3.

Reasons for Directors' Recommendation – including for the purposes of Rule 19 of the Takeovers Code plus Listing Rule 9.2.5(b) Certificate.

Part A

1. All Directors recommend that shareholders vote in favour of Resolution 1, Resolution 2 and Resolution 3.
2. Without limiting paragraph 1 above, all Directors recommend that shareholders vote in favour of Resolution 1 for the purposes of the Takeovers Code.
3. The Directors of Mykco that are not interested in Resolution 1, being Huei Min Lim, Simon John McArley and Graeme Iain Brown certify that, in their opinion, the terms of the Transaction are fair and reasonable to shareholders of Mykco and are in the best interests of Mykco for the purposes of Listing Rule 9.2.5(b).
4. The Directors of Mykco that are not interested in Resolution 2, being Huei Min Lim, Simon John McArley, Graeme Iain Brown and Rewi Hamid Bugo certify that, in their opinion, the terms of the proposed Management Agreement with Brent Douglas King are fair and reasonable to shareholders of Mykco and are in the best interests of Mykco for the purposes of Listing Rule 9.2.5(b).

Part B

The reasons for and grounds supporting the above recommendations and certificates are set out on pages 5 to 7.



Brent Douglas King



Rewi Hamid Bugo



Huei Min Lim



Simon John McArley



Graeme Iain Brown

GLOSSARY

Aggregate Net Value has the same value as in the NZAX Listing Rules.

Associated Persons has the same meaning as in the NZAX Listing Rules.

Average Market Capitalisation has the same meaning as in the NZAX Listing Rules.

Board means the Directors, acting as a board.

Borneo means Borneo Capital Limited.

CHL means Corporate Holdings Limited.

CHL Group means CHL, General Finance and IRG.

Code means the Takeovers Code in force pursuant to the Takeovers Code Approval Order 2000.

Companies Act means the Companies Act 1993.

Completion means completion under the Transaction Agreement.

Completion Date means the date for Completion, being on or before 3 Business Days after satisfaction of the Conditions.

Conditions means the conditions described on page 17.

Constitution means the Constitution of Mykco.

Directors means the directors of Mykco.

General Finance means General Finance Limited.

Independent Adviser means Simmons Corporate Finance Limited.

Independent Adviser Report means the report of the Independent Adviser commissioned by Mykco to appraise the Transaction and assess the merits of the issue of shares to be made to the Vendors pursuant to the Transaction Agreement.

IRG means Investment Research Group Limited.

King Associates means Brent Douglas King, Barter Investments Limited and Garth William Ward.

Major Transaction:

- (a) For the purposes of the Companies Act has the same meaning as in the Companies Act;
- (a) For the purposes of the NZAX Listing Rules has the meaning set out in Rule 9.1.1(b) of the NZAX Listing Rules.

Material Transaction has the same meaning as in the NZAX Listing Rules.

Mykco Shares to be issued to the Vendors means the shares to be issued to the Vendors under the Transaction Agreement.

Mykco means Mykco Limited.

Mykco Group means Mykco and its subsidiaries from time to time.

Non-associated Shareholders means the current Mykco shareholders not associated with Borneo or the King Associates.

NZAX means the alternative market operated by NZX.

NZAX Listing Rules means NZAX's listing rules.

NZX means NZX Limited.

Purchase Price means 6,132,436.80.

Related Party has the same meaning as in the NZAX Listing Rules.

Resolutions means the resolutions set out under the Chairman's introduction at the commencement of this Notice of Meeting and Resolution has a corresponding meaning.

Resolution 1 means the first Resolution.

Resolution 2 means the second Resolution.

Resolution 3 means the third Resolution.

shareholders means the shareholders of Mykco.

shares means ordinary shares in Mykco.

Shares in CHL to be Acquired means all 6,512,000 shares in CHL, except for the 100,000 shares already owned by Mykco.

Takeovers Code means the Takeovers Code in force pursuant to the Takeovers Code Approval Order 2000.

Trading Day means any day on which ordinary shares in Mykco are traded on NZAX.

Transaction means the transaction whereby Mykco:

- (a) Acquires all the 6,412,000 Shares in CHL to be Acquired for the Purchase Price; and
- (b) Satisfies the Purchase Price by issuing the 104,323,240 Mykco Shares to the issued to the Vendors.

Transaction Agreement means a conditional agreement for Mykco:

- (a) To purchase the CHL Shares to be Acquired; and
- (b) To issue the Mykco Shares to be issued to the Vendors;

being an agreement made, inter alia, between Mykco as purchaser and the Vendors as vendors.

Vendors means the shareholders of CHL, except for Mykco.