

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT a General Meeting of the shareholders of AUDIO PIXELS HOLDINGS LIMITED will be held at the following time and place:**

**Time:** 9:30am  
**Date:** Friday 10 May 2013  
**Place:** Barnet Room, The Westin Sydney, No. 1 Martin Place,  
Sydney, NSW, 2000 Australia

### ORDINARY BUSINESS

#### Resolution 1 - Consideration of Financial Statements

*"To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 31 December 2012."*

#### Resolution 2 - Re-election of Mrs Cheryl Bart as a Director

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

*"That Mrs Cheryl Bart, who retires by rotation in accordance with the provisions of the Constitution of the Company, and, being eligible, be re-elected as a Director of the Company."*

#### Resolution 3 - Remuneration Report

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

*"To approve the remuneration report for the financial period ended 31 December 2012."*

#### Resolution 4 - Ratification of Issue of Shares - Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary 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 1,117,022 fully paid ordinary shares in the capital of the Company, details of which are set out in Explanatory Memorandum accompanying this Notice."*

#### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue, or their associates. However, the Company 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 - Approval of Issue of Shares - Directors Placement

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

*"That for the purpose of ASX Listing Rules 10.11 and all other purposes, the Company approves the issue and allotment by the Company of 200,000 fully paid ordinary Shares in the Company to 4F Investments Pty Limited, a company controlled by Mr Fred Bart, a director of the Company, with such shares to be issued on the terms set out in the Explanatory Memorandum accompanying this Notice."*

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

- Fred Bart; and
- any associate of that person (or those persons).

However, the Company 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.

## Entitlement to Vote

Under Corporations Regulation 7.11.37 the Directors have determined that the members eligible to attend and vote at the meeting are those persons who are registered Shareholders of the Company at 9.30 am (Sydney time) on 8 May 2013. Accordingly, Share transfers registered after that time will be disregarded for determining entitlement to attend and vote at the Meeting.

## How to Vote

You **may** vote in person by attending the Meeting, or by proxy.

To vote in person, you must attend the Meeting at the Barnett Room, the Westin Hotel, No. 1 Martin Place, Sydney NSW 2000 at 9.30 am on Friday 10 May 2013.

To vote by proxy, a completed Proxy Form must be delivered to and received by the Company by 9.30 am (Sydney time) on 8 May 2013: Proxy Forms should be delivered to the Registered Office of Audio Pixels Holdings Limited at Suite 2, Level 12, 75 Elizabeth Street, Sydney, NSW 2000, or alternatively faxed to the Company on (02) 9232 3411.

## Proxies

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder entitled to vote at the Meeting has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company;
- (c) a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportional number is specified, each proxy may exercise half of the member's votes;
- (d) a Shareholder may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. If the way in which a proxy is to vote on a resolution is specified by a Shareholder, the proxy may not vote on that resolution except as specified by the Shareholder.

## Corporate Representatives

A body corporate, which is a Shareholder of the Company, may appoint an individual (be certificate executed in accordance with section 127 of the Corporations Act or in any other manner satisfactory to the Chairman of the Meeting) as a representative of that body corporate to exercise all or any of the powers the body corporate may exercise at the Meeting. The appointment may be standing.

## Further Information

Further Information on these resolutions is contained in the Explanatory Memorandum which accompanies this notice of general meeting.

DATED: 28 March 2013

By order of the Board



**I A Dennis**  
Company Secretary

## EXPLANATORY MEMORANDUM TO SHAREHOLDERS TO ACCOMPANY THE NOTICE OF ANNUAL GENERAL MEETING

This Memorandum has been prepared for the information of Shareholders of Audio Pixels Holdings Limited (referred to in this Memorandum as the “Company”) in connection with the business to be conducted at the Annual General Meeting of the Company to be held on Friday 10 May 2013.

### Resolution 1 - Financial Report

The Corporations Act 2001 (Cth) (“Corporations Act”) requires the financial report (which includes the financial statements and directors’ declaration), the directors’ report and the auditor’s report for the last financial year to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the financial report, the directors’ report or the auditor’s report. Shareholders will have reasonable opportunity at the meeting to ask questions and make comments on these reports and on the business and operations of the Company.

### Resolution 2 - Re-election of Mrs Cheryl Bart as a Director

Mrs Cheryl Bart was appointed a non-executive director on 26 November 2001. Cheryl Bart is a lawyer and company director. She is Chairman of the South Australian Film Corporation, FARE (Alcohol Education and Rehabilitation Foundation) and ANZ Trustees Limited. She is a non-executive director of SA Power Networks (formerly ETSA Utilities), Spark Infrastructure Limited, Australian Himalayan Foundation, 2015 Australian Asian Cup and the Australian Broadcasting Corporation. She is a fellow of the Australian Institute of Company Directors.

### Resolution 3 - Remuneration Report

The Annual Report for the financial period ended 31 December 2012 contains a Remuneration Report which sets out the remuneration policy of the Company and the remuneration arrangements in place with the Directors.

Under the provisions of the Corporations Act 2001, the shareholder vote is advisory only and will not require the Company to alter any arrangements detailed in the Remuneration Report, should the resolution not be passed. Notwithstanding the legislative effect of this requirement, the Board has determined that it will take the outcome of the vote into consideration when considering the remuneration policy.

### Resolution 4 - Ratification of Issue of Shares - Placement

1.1 ASX Listing Rule 7.1 imposes a cap of 15% of the Company’s issued capital that a company may issue in a twelve (12) month period without Shareholder approval. The allotment of 1,117,022 fully paid ordinary shares is within this limit.

- 1.2 Under Listing Rule 7.4, the Company can seek Shareholder ratification of an issue made within the 15% limit, and, if given, the effect of the ratification is to deem that the shares issued were issued with Shareholder approval. This effectively restores the Company’s 15% placement capacity.
- 1.3 The Company seeks this ratification in order to restore the Company’s 15% placement capacity to provide the Company with flexibility in capital management.
- 1.4 The following information is provided to Shareholders for the purposes of Listing Rule 7.5:
- (i) The number of Shares allotted was 1,117,022;
  - (ii) The Shares were issued at \$5.00 each;
  - (iii) The Shares have been issued on the same terms as the Company’s existing Shares. The issued securities will rank equally in all respects with the shares already on issue;
  - (iv) The allottee of the Shares were:

Allottee	No. of Shares
Emichrome Pty Limited Superannuation Fund	120,000
Emichrome Pty Limited	100,000
Nutesen Pty Limited <K C Wong Family Trust>	120,000
Wong Kie Yik	200,000
Vikki Ho-Lin Wong	20,000
Pierre Ho Zhen Wong	20,000
Christopher Ho Tzer Wong	20,000
Link Traders (Australia) Pty Limited	170,000
Lotsa Nominees Pty Limited	10,000
Link Enterprises (International) Pty Limited	20,000
Kam Superannuation Fund Pty Limited	50,000
Dr Joshua Ehrlich	50,000
Jamber Investments Pty Limited	26,000
Eastech Electronics (Taiwan) Inc	191,022
<b>Total</b>	<b>1,117,022</b>

- (v) The funds raised by the issue are intended to be used to support the budgeted working capital requirements of the Company.
- (vi) None of the allottees of the placement of 1,117,022 shares are related to the Company.

### **Directors Recommendation**

The Board recommends that Shareholders vote in favour of this Resolution. The reasons the Board makes this recommendation are that:

- The placement was required by the Company for working capital.
- The passing of the Resolution enables the Company to have further placing power within the next 12 months should it so desire.

### **Resolution 5 - Approval of Issue of Shares - Director Placement**

- 2.1 The Company proposes to issue 200,000 Shares to 4F Investments Pty Limited, an entity associated with and controlled by Mr Fred Bart, a director of the Company. The total funds to be raised by this placement will be \$1,000,000. The Shares will be issued at \$5.00 being the same price as the placement to sophisticated and professional investors announced to the ASX on 20 December 2012 and the subject of ratification under Resolution 1.
- 2.2 The Company has not provided and will not provide any financial assistance in respect of this placement.
- 2.3 As at the date of this Notice, Mr Bart and his associates holds 5,291,250 Shares (representing approximately 20.74% of the issued capital of the Company). After giving effect to the placement, Mr Bart will hold 5,491,250 Shares (approximately 21.53% of the expanded issued capital of the Company).
- 2.4 Mrs Cheryl Bart, wife of Mr Bart and a director of the Company, separately holds 500,000 shares. When aggregated with Mr Bart's holding, the total holding represents 22.7% of the current issued capital of the Company, and 23.49% after completion of the issue.

2.5 Listing Rule 10.11 states that the approval of shareholders is required in order for the Company to issue shares to a related party. 4F Investments Pty Limited is a private company controlled by the Company's Chairman Fred Bart, and is therefore considered a related party of the Company. Accordingly, Listing Rule 10.11 requires Shareholders to approve the issue of Shares to 4F Investments Pty Limited. If approval is given under Listing Rule 10.11 for an issue to a related party, approval is not required under Listing Rule 7.1. This means that the issue of the Shares will not affect the Company's 15% placing capacity.

2.6 The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (i) The Shares will be issued to 4F Investments Pty Limited, a company controlled by the Company's Chairman Fred Bart, a director of the Company;
- (ii) The maximum number of securities to be issued is 200,000 Shares in the Company;
- (iii) The Company will issue the Shares within 1 month after the date of this meeting;
- (iv) 4F Investments Pty Ltd is an entity associated with Mr Fred Bart, a director of the Company;
- (v) The Shares will be issued at \$5.00 per share, being the same price as the Shares issued to sophisticated and professional investors announced to the ASX on 20 December 2012;
- (vi) The Shares will be fully paid ordinary Shares issued on the same terms as the Company's existing Shares. The Shares when issued will rank equally in all respects with the shares already on issue;
- (vii) A voting exclusion statement is included in the Notice of Meeting; and
- (viii) It is intended that the net proceeds of the placement will be utilised for working capital.

### **Independent Directors Recommendation**

- 2.7 Mr Ian Dennis, having no interest in the outcome of the Resolution 5 recommends that Shareholders vote in favour of the Resolution as it is on the same terms and conditions as the Placement in Resolution 4.



# PROXY FORM

I/We \_\_\_\_\_  
(BLOCK LETTERS)

of \_\_\_\_\_

being the holder of \_\_\_\_\_ ordinary shares in Audio Pixels Holdings Limited hereby appoint:

**SECTION A:** Complete if you desire to appoint ONE proxy.\*

Name: \_\_\_\_\_  
of: \_\_\_\_\_

**SECTION B:** Complete if you desire to appoint TWO proxies.\*\*

Name: \_\_\_\_\_  
of: \_\_\_\_\_  
to exercise \_\_\_\_\_ % of my voting rights; and  
Name: \_\_\_\_\_  
of: \_\_\_\_\_  
to exercise \_\_\_\_\_ % of my voting rights.

+ or failing him or her, the Chairman of the meeting as my proxy to vote and act for me and on my behalf at the GENERAL MEETING of Audio Pixels Holdings Limited to be held on 10 May 2013 and any adjournment thereof. The Chairman intends to vote all undirected proxies in favour of all resolutions except where a voting restriction applies.

**Direction to proxy**

Mark one of the three boxes for each resolution if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies and wish them to vote differently this should be specified.

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, 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.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Ordinary Resolutions	In favour of the resolution	Against the resolution	Abstain
Resolution 2 - Re-election of Mrs Cheryl Bart as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Approval of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Ratification of Issue of Shares - Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - Approval of Issue of Shares - Director Placement (Mr Fred Bart)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

\_\_\_\_\_  
Signature of Shareholder(s)

## NOTES ON PROXY FORMS FOR THE ANNUAL GENERAL MEETING

### Notes on Completion of Proxy Forms

- \* Complete section A if you desire to appoint one proxy.
- \*\* Complete section B if you desire to appoint two proxies.
- + Delete if the Chairman is not to be a proxy.

### Signing of the proxy form

Each person registered as the holder of the above shares must sign the proxy form personally or by a duly appointed attorney or agent.

If a proxy is given by a corporation, a form of proxy must be executed under common seal of the corporation or under the hand of its attorney.

If a proxy is executed by an attorney of a member the attorney must declare that the attorney has no notice of revocation of the power of attorney and the relevant power of attorney if it has not already been noted by the company, must accompany the form of proxy.

### Entitlement to appoint proxies

A member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies who need not be members of the Company.

Where more than one proxy is appointed each proxy must be appointed to represent a specific proportion of the member's voting rights. A proxy need not be a member of the Company.

### Lodgement of Proxy Form

Forms to appoint proxies must be lodged with the Company not later than 9.30 am on 8 May 2013 at the Registered Office of Audio Pixels Holdings Limited at Suite 2, Level 12, 75 Elizabeth Street, Sydney, NSW 2000.

Proxies may also be faxed to the Registered Office of Audio Pixels Holdings Limited on (02) 9232 3411.

### Point at which Voting Rights are Determined

Regulation 7.11 of the Corporations Act permits the Company to specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of members will be taken for the purposes of determining member entitlements to vote at the meeting.

The Company's Directors have passed a resolution to the effect that all shares of the Company that are quoted on the ASX at 8 May 2013 at 9.30 am shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.

### Corporate Representative

In order to vote on behalf of a company that is a member of the Company, a valid Appointment of Corporate Representative form must be either lodged with the Company prior to the Annual General Meeting or be presented at the meeting before registering on the Attendee Register for the General Meeting. An Appointment of Corporate Representative form is enclosed if required.

## APPOINTMENT OF A CORPORATE REPRESENTATIVE

### Section 250D of the Corporations Act

This is to certify that by a resolution of the Directors of:

\_\_\_\_\_ (Company)  
Insert name of Shareholder

The Company has appointed:

\_\_\_\_\_ (Company)  
Insert name of Corporation Representative

In accordance with the provisions of section 250D of the Corporations Act, to act as the body corporate representative of that company at the meeting of Audio Pixels Holdings Limited to be held on 10 May 2013 and at any adjournments of that meeting.

### DATED

Executed by the Company (In accordance with its constituent documents)

_____ Signed by an authorised representative	_____ Signed by an authorised representative
_____ Name of authorised representative [print]	_____ Name of authorised representative [print]
_____ Position of authorised representative [print]	_____ Position of authorised representative [print]

### INSTRUCTIONS FOR COMPLETION

Under Australian law, an appointment of a body corporate representative will only be valid if the Certificate of Appointment is completed precisely and accurately.

Please follow the instructions below to complete the Certificate of Appointment:

1. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
2. Print the name and position (e.g. director) of each company officer who signs this Certificate on behalf of the company.
3. Insert the date of execution where indicated.

Send or deliver the certificate to the Registered Office of Audio Pixels Holdings Limited at Suite 2, Level 12, 75 Elizabeth Street Sydney, or faxed to the Registered Office on (02) 9232 3411.