

# Notice of General Meeting and Explanatory Notes

SeaLink Travel Group Limited

ACN 109 078 257

---

Date: Tuesday 17<sup>th</sup> March, 2015.

Time: 11.00a.m., Adelaide time.

Venue: The Adelaide Town Hall  
128 King William Street,  
Adelaide, South Australia

# Contents of this Notice

## Section

	Page
Notice of General Meeting	3
Explanatory Notes (which form part of the Notice of Meeting)	5
Proxies and Voting	7

## Documents accompanying this Notice

1. Proxy form for the Meeting
2. Reply paid Envelope

## Important Dates

Deadline for return of Proxy Forms: 11.00 am, Adelaide time on Friday 13th March, 2015

Voting Entitlement date: 6.30 pm, Adelaide time on Friday 13<sup>th</sup> March, 2015

Date and time of Meeting: 11.00 am Adelaide time on Tuesday 15<sup>th</sup> March, 2015

## Meeting Procedure

The Meeting will be conducted by the Chairperson, subject to the discretion of the Chairperson to adjourn or reconvene the meeting. Each resolution will be voted on separately.

## Share Registry Details

### **Boardroom Pty Limited**

Level 7, 207 Kent Street  
Sydney, NSW, 2000

### **Contact**

T: 1300 737 760

F: 1300 653 459

[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

# Notice of General Meeting

## Notice

Notice is hereby given that a general meeting of the Shareholders to which this Notice of Meeting relates for the SeaLink Travel Group Limited will be held at Adelaide Town Hall, 128 King William Street, Adelaide, South Australia on Tuesday, 17<sup>th</sup> March, 2015 at 11.00a.m Adelaide time. Attached to and forming part of this Notice of Meeting is an Explanatory Memorandum that provides shareholders with background information and further details in understanding the reasons for and the effect of the Resolutions if approved.

This information is presented in accordance with the regulatory requirements of the Corporations Act.

If you are unable to attend the meeting, you are requested to complete the form of proxy enclosed with this notice. The entitlement for members to vote at the meeting will be determined by reference to those persons on the register of members as at 6.30p.m. Adelaide time on Friday 13<sup>th</sup> March, 2015. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company, at least 48 hours before the time for holding the meeting (being no later than 11.00a.m. Adelaide time on Friday 13<sup>th</sup> November, 2015) at the Company's share registry, Boardroom Pty Ltd:

 **Online** [www.votingonline.com.au/sealinkagm2014](http://www.votingonline.com.au/sealinkagm2014)

 **By Fax** + 61 2 9290 9655

 **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

A number of defined terms are used in the Notice of Meeting. These terms are contained in the Explanatory Notes and the Proxy form.

## Ordinary Business of the Meeting - Agenda

### 1. APPROVAL TO PURCHASE TWO VESSELS FOR \$6,000,000

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

“That for the purposes of ASX Listing Rule 10.1, and for all other purposes, approval is given for the Company to purchase the vessels, “Palm Cat” and “Maggie Cat” for \$6,000,000 plus GST from Sunrop Pty Ltd, a Company associated with Mr Terry Dodd, a Director of Sealink Travel Group Ltd. on the terms and conditions set out in the accompanying Explanatory Notes.”

### Voting Exclusion Statement for Resolution 1

In accordance with ASX Listing Rule 7.3A.7, the Company will disregard any votes cast on the Resolution by Mr Terry Dodd or any associate of that person (each of whom will be a '**Prohibited Person**').

However, the Company will not disregard a vote if:

- (a) it is cast by a Prohibited Person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- (b) it is cast by a Prohibited Person who is 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.

The Explanatory Notes attached to this Notice form part of this Notice. A detailed explanation of the background and reasons for the proposed resolution is set out in the Explanatory Notes.

**By order of the Board.**

Trevor Waller  
**Company Secretary**  
17<sup>th</sup> February, 2015

# Explanatory Notes

---

The Explanatory Notes accompany the Notice of a General Meeting for SeaLink Travel Group Limited ACN 109 078 257 (**Company**) to be held on Tuesday, 17<sup>th</sup> March, 2015 at 11.00a.m., Adelaide time at Adelaide Town Hall, 128 King William Street, Adelaide, South Australia.

The Explanatory Notes have been prepared to assist Shareholders in determining how to vote on the Resolution set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

The Board engaged the Independent Expert to prepare a report in relation to the vessel acquisitions from Sunrop Pty Ltd. They have concluded that the purchase transaction is **Fair and Reasonable** for Shareholders. The Independent Expert report is attached to these Explanatory notes and Shareholders are encouraged to read it in full.

## **RESOLUTION 1. APPROVAL FOR THE PURCHASE OF TWO VESSELS FOR \$6,000,000 FROM SUNROP PTY LTD.**

### *Background*

Shareholder approval is required under ASX Listing Rules 10.1, by ordinary resolution, for the acquisition of a 'substantial asset' from a related party. A 'related party' includes any Sealink director and any entity controlled by such a director. Sunrop Pty Ltd is owned 85% by Mr Terry Dodd, a Sealink director.

An asset is 'substantial' if its value, or the value of the consideration for it is 5% or more of the 'equity interests' of Sealink as set out in the latest accounts given to ASX under the listing rules.

'Equity interests' is defined as the sum of paid up capital, reserves, and accumulated profits or losses, disregarding redeemable preference share capital and outside equity interests, as shown in the consolidated financial statements. Sealink's 2014 annual report states that Sealink's total equity as at 30 June 2014 was \$53,943,442. 5% of this is \$2,697,1721.

Accordingly, a transaction with a related party with consideration of \$6.0m exceeds the threshold therefore requires shareholder approval pursuant to Listing Rule 10.1.

### *Independent Expert Report*

In accordance with Listing Rule 10.10, the Company must include with the Notice of Meeting an Independent Experts Report in the acquisition of a substantial asset from a related party. The Independent Expert Report for the transaction has been prepared by Grant Thornton Corporate Finance Pty Ltd and is attached in full as Annexure A.

The Independent Expert report has concluded that the vessel acquisitions are **Fair and Reasonable** for Shareholders.

The Independent Expert has based its conclusion on the vessels market values including reference to an independent valuation of vessels obtained through DMS Davlan. They noted that for 'Existing Use', the market value for both vessels would be estimated to be in the order of \$5,885,000 inclusive of GST. In addition, the vendor (Sunrop Pty Ltd) organised a separate valuation from Australian Independent Shipbrokers which appraised the approximate value on a "willing buyer willing seller" basis to be \$6,250,000 (excluding GST).

In addition, the Independent Expert also took into account availability of alternate suitable vessels in the market, past vessel valuations of similar vessels and business plans underpinning future vessel use.

The reasoning behind the Independent Expert's opinion is set out more fully in Annexure A. Shareholders should read the Independent Expert report in its entirety.

### *Transaction Documents*

The transaction document is a *Vessels Sale Agreement* and material terms are described as follows-

The Vessels Sale Agreement sets out the obligations of the parties and the terms and conditions of the sale of the vessels, the Maggie Cat and the Palm Cat.

The parties to the Agreement are Sunrop Pty and Australian Inbound Pty Ltd, a 100% subsidiary of Sealink Travel Group Limited.

The purchase consideration is payable to Sunrop Pty Ltd as follows-

- \$600,000 deposit on execution of the Agreement; and
- \$5,400,000 (plus GST) on completion date being 1<sup>st</sup> April, 2015.

The condition precedent for the completion of the sale, is Company Shareholder approval, on the terms set out in Resolution 1 of the Notice of Meeting.

The vendor must replace the Palm Cat port engine with a reconditioned 'Caterpillar 3412E' engine.

Should the State of New South Wales require the current operator, Global Traders Marine Pty Ltd, to continue to provide high speed passenger ferry services between Manly and Circular Quay, then Sealink will enter into a commercial lease arrangement for no more than a three month period. Global Traders Marine Pty Ltd is a company associated with Mr Terry Dodd and currently trades under the business name. "Sydney Fast Ferries".

#### *Rationale for Vessel Purchase*

The Directors have reviewed future uses for the vessels and concluded that the acquisitions will provide a positive return on Asset Values.

The vessels offer SeaLink a number of options to maximise their utilisation and profit including:

- HCF charter work,
- Whale Watching,
- A new service from Manly to King Street Wharf (which in the future Barangaroo).
- Cruise ship transfers,
- Special events,
- Backup for Rocket Fleet for maintenance and servicing,
- Provide additional capacity to expand routes, including the current Hop-On Hop-Off product, and
- Corporate charters.

As a back-up strategy, Sealink also has the option to place one of the vessels in Townsville to replace one of the older vessels (Pacific Cat). This would create savings in fuel use and maintenance. However, this would be a fall back strategy if we could not fully utilise both vessels to provide a commercial return.

#### *Advantages of the Vessel Acquisitions*

- The vessels have a reputation for reliability and offer an immediate sales and marketing footprint in Manly, for our HOHO service and operations to Darling Harbour.
- The vessels add further reliability to the existing contractual commitments given Sealink currently has very little spare capacity for "ferry charters". Violet McKenzie has been on full-time contract to HCF since early December, 2014.
- The vessels provide an obvious footprint to build our presence on Sydney Harbour as an operator of scale to Sydney commuters.
- Darling Harbour is becoming a key CBD locale, especially with the development of Barangaroo. Westpac will be establishing a second major local presence at Barangaroo upon completion of the first stage. Major entities such as CBA, Price Waterhouse Coopers, Rabo Bank, Macquarie Bank and KPMG are already located close to the ferry terminal.
- Spring board to accrue more business with a larger fleet, such as business with HCF, cruise ship operators, charters, and additional transfer opportunities out of White Bay.
- Potential for one of the peak hour services to also service Rose Bay, one of the Harbour's busiest wharves.

#### *Disadvantages of the Vessel Acquisitions*

- Lack of guaranteed slots to operate peak hour services from Manly to Darling Harbour from April onwards. We are liaising with NSW Transport, however, Sealink has yet to see availability.
- There will be competition from Bass and Flinders in terms of the threat that another service to Darling Harbour poses to its existing Darling Harbour service and its Manly service from April 2015 onwards.
- Potential to lose SFF berthing in April and we need to ascertain lease arrangements from April onwards.

However, on balance, the Board believes the advantages outweigh the disadvantages.

*Board Recommendation*

This is a business growth opportunity with a number of ferry expansion opportunities. It will also strengthen SeaLink as the major private operator on Sydney Harbour. The Directors unanimously recommend that Shareholders approve Resolution 1 to acquire the two additional vessels. The Chairman of the General Meeting will be casting undirected proxies in favour of this Resolution.

## Proxies and Voting

---

### Determination of Shareholders' Right to Vote

For the purposes of this meeting, shares will be taken to be held by persons who are registered as members as at 6.30p.m Adelaide time. on Friday 13<sup>th</sup> November, 2015. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the meeting.

Direct voting and the appointment of a proxy by a Member are **alternatives**, a Member cannot lodge a direct vote and appoint a proxy for the same voting rights.

### Voting in Person

If you are proposing to attend the Meeting and vote, there is no need for you to take any further action at this time.

### Voting in Corporate Representative

Body corporate members should complete an "Appointment of Corporate Representative Form" to enable a person to attend the meeting on their behalf. This form can be obtained from the Boardroom's website at <http://www.boardroomlimited.com.au/Forms.html>

### Appointment of a proxy

A Member entitled to vote at the General Meeting ("GM") may appoint not more than two proxies to attend and vote at the GM on that shareholder's behalf. A proxy need not be a Member of the Company.

A Member who is entitled to cast two or more votes may appoint not more than two proxies to attend and vote at the GM. If you appoint two proxies, you may specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion is specified, each proxy can exercise half of the shareholder's voting rights.

If the appointment of a proxy directs the proxy to vote on an item of business in a particular way, the proxy may only vote on that item as directed. Any undirected proxies on a given resolution may be voted on by the appointed proxy as they choose, subject to voting exclusions as described previously.

In the case of shares jointly held by two or more persons, any joint holder may appoint a proxy but if more than one is present at the meeting (either in person or by proxy or attorney or representative) the joint holder whose name appears first in the Company's share register shall alone be entitled to vote in respect of those shares.

Members who wish to appoint a proxy may do so by returning a completed proxy form in addition to the power of attorney or other authority (if any) under which it is signed (or a certified copy) to the Company's registered office.

### Lodging a proxy form

To be effective, the completed Voting Form, together with any relevant power of attorney, must be received at the Company's share registry - Boardroom Pty Limited not less than 48 hours before the time for holding the meeting, which is 11.00 a.m Adelaide time on Friday 13<sup>th</sup> March, 2015. Members can also submit their proxy voting instructions on-line at <http://www.votingonline.com.au/sealinkgm2015>

The proxy can be returned either by:

- |  |  |
|--|--|
|  <b>Online</b>    | <a href="http://www.votingonline.com.au/sealinkgm2014">www.votingonline.com.au/sealinkgm2014</a> |
|  <b>By Fax</b>    | + 61 2 9290 9655   |
|  <b>By Mail</b>   | Boardroom Pty Limited<br>GPO Box 3993,<br>Sydney NSW 2001 Australia                              |
|  <b>In Person</b> | Level 7, 207 Kent Street,<br>Sydney NSW 2000 Australia   |

A proxy form with a reply-paid envelope accompanies this Notice of General Meeting