



2 November 2006

Dear Shareholder

Please find enclosed the Company's Annual Report for the year ended 30 June 2006 and the Notice of Annual General Meeting.

I look forward to meeting you personally if you are able to attend the Company's Annual General Meeting.

Yours faithfully

 :

Siegfried Konig  
Executive Chairman

## **NOTICE OF ANNUAL GENERAL MEETING 2006**

Notice is hereby given that the Annual General Meeting of shareholders of King Equipment Limited will be held on Monday, 3 November 2006 at Level 8, 1 Eagle Street Brisbane, Queensland commencing at 9.30 am.

### **AGENDA**

Approval of the Annual Accounts

#### **Ordinary Resolutions**

Ratification of share issue.

To elect Mr Sean Craig Corbin as a director of the Company.

by Order of the Board

Sean Corbin  
Company Secretary  
2 November 2006

### **THIS IS AN IMPORTANT DOCUMENT**

If you are in any doubt regarding the information in this document, you should seek advice from your professional adviser.

If you are unable to attend the meeting, please complete the proxy form contained in this notice of meeting and return it to the Company to arrive before 9.30 am on 30 November 2006.

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## INTRODUCTION

This Notice of Meeting, the Agenda, and the Explanatory Memorandum, which is attached to and forms part of it, sets out the details of the 2 resolutions to be put to members.

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### Approval of Annual Accounts

To consider and adopt the Directors' report and Financial statements for the year ended 30 June 2006.

## RESOLUTIONS

### ORDINARY RESOLUTIONS

#### Resolution 1 – Ratification of Issue of Shares

“That in accordance with the provisions of the Official Listing Rules of the Newcastle Stock Exchange Limited, and for all other purposes, the issue of 297,738 ordinary shares in the share capital of the Company at an issue price of (\$0.021) per share be hereby ratified”.

**NB.** In accordance with the Listing Rules:

- a) 297,738 ordinary shares were issued, pursuant to the terms of an agreement between the Company and E & H Rack dated 2 June 2006.
- b) The 297,738 shares were issued at an issue price of 2.1 cents (\$0.021) per share
- c) The shares have the same rights and entitlements as all other fully paid ordinary shares in the capital of the Company.
- d) The shares were issued to E & H Rack.
- e) \$6,252.50 was raised by the issue. The funds were applied by the Company as working capital.

The Company will disregard any votes cast on the resolution by:

- E & H Rack; and
- Any person who for the purposes of Division 2 of Part 1.2 of the Corporations Act 2001 (Cwlth) would be regarded as an associate of E & H Rack.

However, the Company need not disregard a vote if:

- It is cast by a person as proxy of 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 a proxy for a person who is entitled in accordance with the directions on the proxy form, to vote as the proxy decides.

#### Resolution 2 – Election of Director

To elect as a Director Mr Sean Craig Corbin who retires in accordance with the Company's constitution and, being eligible, offers himself for re-election.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is provided to shareholders of King Equipment Limited ACN 109 947 051 (the “**Company**”) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at Level8, 1 Eagle Street, Brisbane Queensland, 4 October 2006 commencing at 9.30 am.

## **BACKGROUND NOTES ON RESOLUTIONS**

### **Approval of Accounts**

To receive, consider and discuss the finance report, directors’ report, remuneration report and auditors report for King Equipment for the year ended 30 June 2006.

## **ORDINARY RESOLUTIONS**

### **Resolution 1 – Ratification of Issue of Shares to E & H Rack**

This resolution seeks the ratification of the shares issued pursuant to a placement.

Pursuant to the terms of an agreement dated 2 June 2006, the Company issued 297,738 ordinary shares in the capital of the Company. The shares were issued at an issue price of 2.1 cents each (\$0.021) each. The shares were issued with the same rights and entitlements as all other existing fully paid ordinary shares in the Company. \$6,252.50 was raised by the issue of the shares and the funds were applied by the Company as working capital.

### **Resolution 2 – Election of Sean Craig Corbin as a Director**

Sean Corbin has been a non-executive Director of the Company since incorporation. Under the Company’s constitution, one director must retire each year in rotation. Accordingly, Mr Corbin retires, and being eligible, offers himself for re-election. Sean is a postgraduate trained CPA Accountant with a 17 year background in operational and financial management. Sean has previously worked within Adelaide Brighton Ltd as Financial Controller and Practel International Ltd as Managing Director. Sean is currently Chairman and CEO of ASX Listed Future Corporation Australia Ltd.

## **INTERPRETATION**

“ASIC” means Australian Securities and Investments Commission;

“NSX” means Newcastle Stock Exchange Limited ACN 008 624 691;

“Board” means the directors of the Company from time to time;

“Business Day” has the meaning ascribed to it by the Listing Rules;

“Company” means King Equipment Limited ACN 109 947 051;

“Constitution” means the Constitution of the Company;

“Directors” means the directors of the Company;

“Meeting” means the meeting of shareholders convened by the Notice for 4 December 2006 and any adjournment thereof;

“Notice” means the Notice in respect of the Meeting;

“Official List” means the Official List of NSX;

## **ATTENDANCE AND VOTING AT THE MEETING**

The Directors of the Company have made a determination that all the shares of the Company are taken, for the purposes of determining the right of members to attend and vote at the meeting, to be held by persons who held them at 9.30 am on 30 November 2006. (being a time that is not more than 48 hours before the meeting).

## **PROXIES**

A proxy form accompanies this Notice and to be effective must be received at the registered office of the Company at not less than two (2) clear business days before the time of holding the meeting and if being received by facsimile should be sent to the Company at Facsimile (07) 3899 6755 or to the Company at PO Box 877 Bulimba QLD 4171.

## **NOTE ON PROXIES**

1. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies.
2. Where more than one (1) proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights and neither proxy shall be entitled to vote on a show of hands.
3. A proxy need not be a member of the Company.

DATED 2 November 2006

BY ORDER OF THE BOARD

Sean Corbin  
Company Secretary

## **PROXY FORM**

The Secretary,

I (the undersigned)

.....  
(FULL NAME)

of

.....  
(ADDRESS)

being a member of King Equipment Limited hereby appoint

.....  
(FULL NAME)

.....  
(ADDRESS)

or, failing him, the Chairman of the Meeting as my proxy to attend and exercise % of my votes on my behalf at the Annual General Meeting of the Company to be held on 4 December 2006 and at any adjournment thereof.

If you do not wish to direct your proxy how to vote, please place a mark in the box. [ ]

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest. In this regard, in relation to undirected proxies, the Chairman intends to vote in favour of each resolution. This proxy is to be used as follows in relation to the resolutions to be proposed to the meeting.

### **ORDINARY RESOLUTIONS**

FOR ABSTAIN AGAINST

**Resolution 1** - Ratification of Share Issue

[ ] [ ] [ ]

**Resolution 2** - Election of Director – Mr Sean Corbin

[ ] [ ] [ ]

If two proxies are being appointed, the proportion of voting rights this proxy is appointed to represent is.....%

If no specific direction to vote is given, the proxy holder may vote as he thinks fit or abstain from voting.

.....  
Dated

.....  
Signature of Member

### **PROXY INFORMATION**

The proxy form must be completed & received at the registered office of the Company not less than two (2) clear business days before the time appointed for holding of the Annual General Meeting and if being received by facsimile should be sent to the Company at Facsimile (07) 3899 6755 or mailed to the Company at PO Box 877 Bulimba QLD 4171.

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where only one proxy is to be appointed the form should be completed and the word “all” be inserted in the space before “of my votes” in each part. Where more than one proxy has been appointed neither proxy may vote on a show of hands.

If a member wishes to direct a proxy how to vote an “X” should be inserted in the appropriate space against each a resolution to be proposed at the meeting, otherwise the proxy may vote as he or she thinks fit or may abstain from voting. The form must be signed personally by the member or by his attorney, a copy of the relative constitution or Power of Attorney, if not previously exhibited to the Company, must be produced at the registered office of the Company not less than 48 hours before the time appointed for holding the Annual General Meeting.