

11 October 2019

The Manager
Company Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY

Dear Sir/Madam

PROPOSAL TO SEEK VOLUNTARY REMOVAL FROM THE OFFICIAL LIST OF THE ASX) AND SHARE CONSOLIDATION (SUBJECT TO SHAREHOLDER APPROVAL)

First Growth Funds Limited (**ASX:FGF**), has today following a resolution of its Board, submitted a formal request to the Australian Securities Exchange (**ASX**) for the removal of FGF from the Official List of the ASX, pursuant to ASX Listing Rule 17.11 with an intention to list on the Canadian Stock Exchange (**CSE**).

Shareholders will appreciate that FGF has been in on-going discussions with ASX for many months, in an attempt to lift the suspension, which has been in place since 4 April 2019. The Board of FGF has determined that it is unlikely to reach a resolution with the ASX in the shorter term and, in order to reinstate liquidity for shareholders, the Board has resolved to seek FGF's removal from the Official List of the ASX and pursue listing on the CSE.

The FGF Board has further resolved to obtain shareholder approval for its removal from the Official List (**Delisting Resolution**) given that additional shareholder resolutions (in respect of amendments to the constitution and share consolidation (see below)) are required in order to meet CSE requirements. These resolutions will be presented at the annual general meeting of the shareholders to be held in November 2019. A notice of meeting will be forwarded to shareholders in due course.

It is a requirement of the Delisting Resolution that FGF issues a notice of meeting which:

- discloses the reasons for FGF seeking removal from the Official List, to the satisfaction of the ASX, and
- includes a statement, in the form and substance satisfactory to the ASX, setting out the consequences to the security holders in giving approval to the Delisting Resolution.

Given that FGF's shares have been suspended since 4 April 2019, ASX has agreed to waive the requirement that a company seeking delisting cannot delist within 30 days of a Delisting Resolution.

Reasons for delisting

As indicated above, the Board of FGF believes that it is unlikely to reach a resolution with ASX to lift the current suspension.

Details relating to the suspension and ASX's determinations in respect of Listing Rule 11 are set out in ASX Announcement dated 21 June 2019.

To resolve the impasse and reinstate liquidity for shareholders, the Board of FGF has determined that the best option for FGF and its shareholders is to delist from the Official List of the ASX and pursue listing with the CSE. The Board of FGF remains of the view that FGF is a suitable entity for listing and a formal application to list on the CSE will be lodged shortly after the Delisting Resolution is passed. FGF expects a short delay between its removal from the Official List and its relisting on the CSE. FGF has received indicative legal advice that FGF will be able to meet the CSE listing criteria but this is ultimately a decision for the CSE.

A key driver to seeking listing on the CSE is due to FGF having around 30% of its portfolio exposure in the North American market, two high profile New York based Directors on its advisory business and an appetite to pursue opportunities across multiple asset classes throughout North America. FGF will make further announcements on its North American strategy prior to listing on the CSE.

Consequences of failing to achieve listing on the CSE

Currently, shareholders have little share liquidity with no real prospects of re-instatement of liquidity in the near future. Should FGF not achieve listing on the CSE, shareholders will continue to have limited shareholder liquidity (restricted to off-market transfers).

Furthermore, upon delisting, the other protections otherwise afforded to shareholders by the ASX Listing Rules will also cease to apply for example:

1. restrictions on the dilution of shareholdings;
2. the prohibition on the issue of securities to related parties without shareholder approval;
3. restrictions on 'substantial asset' transactions with related parties;
4. restrictions on the disposal of a main undertaking without shareholders' approval; and
5. periodic and on-going disclosure requirements prescribed by the ASX Listing Rules.

Shareholder rights under the Corporations Act and where 'unacceptable circumstances' exist

Shareholders should be cognisant of their rights under section 233 the Corporations Act 2001 (**CA**) which permits shareholders to apply to the courts to seek relief where they are of the view that the conduct of FGF's affairs, an actual or proposed act or omission by or on behalf of FGF, or a **members resolution** (or proposed resolution) is oppressive to, unfairly prejudicial to, or unfairly discriminatory against the relevant shareholders. Potential relief include (but is not limited to), an order:

1. that FGF's constitution be modified or repealed;
2. regulating the conduct of FGF's affairs in the future;
3. for the purchase of any shares by any shareholder (or person to whom a share in FGF has been transmitted by will or by operation of law);
4. for the purchase of shares with an appropriate reduction of FGF's share capital;
5. for FGF to institute, prosecute, defend or discontinue specified proceedings; and
6. authorising a shareholder, or a person to whom a share in FGF has been transmitted by will or by operation of law, to institute, prosecute, defend or discontinue specified proceedings in the name and on behalf of the FGF.

A Shareholder may also apply to the Takeovers Panel (**Panel**) to make a declaration of 'unacceptable circumstances' in relation to a takeover bid for, or the control of, FGF under section 657A of the CA if the shareholder considers that their interests are affected by the removal of FGF from the Official List. A declaration of unacceptable circumstances will empower the Panel to make any order (including a remedial order) to protect the rights of the affected security holders.

Share consolidation

In preparation for listing on the CSE, FGF will undertake a share consolidation. The reason for the consolidation is to reduce FGF's overall share capital which will ensure it has a share capital that is consistent with other entities listed on the CSE.

Yours faithfully



Mark Pryn
Company Secretary
First Growth Funds Limited