

SUNVEST CORPORATION LIMITED

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1 July 2022

Subject: Proposed Equal Access Buy-Back and De-Listing

ASX ANNOUNCEMENT

Sunvest Corporation Limited announces proposed voluntary delisting and off-market equal access share buy-back

Sunvest Corporation Limited (**Company**) announces its intention to delist from the Australian Securities Exchange (**ASX**) (**De-Listing**) and to undertake an off-market equal access buy-back (**Buy-Back**). The De-Listing and the Buy-Back will be put forward for shareholder approval at a general meeting to be held on 12 August 2022.

The De-Listing is considered by the Company's Board to be in the best interests of the Company for a number of reasons, including the low levels of trading liquidity of the Company's shares on ASX and other factors which have led the Board to conclude that the costs and administrative burden of remaining listed on ASX outweigh any benefits of a continued listing.

The Buy-Back will provide shareholders with the opportunity to realise their investment in the Company prior to De-Listing. The Buy-Back is conditional upon the De-Listing being approved by the Company's shareholders. Further, the De-Listing is conditional upon the Buy-Back being approved by shareholders.

Further details of these proposals and an indicative timetable are set out below. These proposals will be more fully detailed in a Notice of Meeting and Explanatory Memorandum (**Notice of Meeting**) which will be dispatched to shareholders shortly.

De-Listing

The Company has formally applied to the ASX requesting that the ASX remove the Company from the official list of ASX (**Official List**) pursuant to ASX Listing Rule 17.11.

This request follows the Company's letter dated 17 December 2021 to ASX Listing Compliance in which in-principle advice was sought on this matter and to the ASX in-principle advice received by the Company on 9 February 2022 in response to the Company's request.

The following additional information is provided.

The reasons for seeking removal from the ASX Official List are as follows:

- **Share price v net asset backing:** The Company's shares are trading at a significant discount to the net asset backing (the discount to net asset backing as at today's date is approximately 11%) and accordingly the ASX market price for the Company's shares does not reflect the net asset value of the Company;
- **Low Shareholder numbers:** The Company has only 282 shareholders of which 71 hold less than a marketable parcel and the directors do not consider these numbers to be sufficient to maintain a listing on ASX;

- **Highly concentrated shareholdings:** Directors and management hold approximately 86.8% of the Shares on issue and given these levels of concentration, an orderly and liquid market in the Company's shares is unlikely;
- **Low levels of trading liquidity:** There are low levels of trading which has resulted in limited trading opportunities for shareholders who wish to exit their holdings; and
- **Costs and administrative burden associated with being listed:** The fixed costs of running an ASX listed company are very high for a small company.

The ASX has provided in-principle confirmation that the Company can be removed from the Official List pursuant to Listing Rule 17.11, subject to compliance with the following conditions:

- (a) the request for removal of the Company from the Official List of ASX is approved by a special resolution of shareholders of the Company;
- (b) the notice of meeting seeking shareholder approval for the Company's removal from the Official List must include a statement setting out:
 - (i) the time and date at which the Company will be removed from ASX if approval is given; and
 - (ii) details of the processes that will exist after the Company is removed from the Official List to allow a shareholder to dispose of their holdings and how they can access those processes;
 - (iii) a statement to the effect that the removal will take place no earlier than one month after approval is granted; and
 - (iv) include, to ASX's satisfaction, information prescribed in section 2.11 of ASX Guidance Note 33; and
- (c) the Company releases the full terms of ASX's decision to the market upon making a formal application to ASX to remove the Company from the Official List (which the Company has done by making this announcement).

The consequences for the Company and its shareholders if the Company is removed from the Official List will be detailed in the Notice of Meeting and accompanying Explanatory Memorandum and include:

- (a) shareholders will no longer be able to trade their shares on ASX;
- (b) the Company's shares will only be capable of being traded by off-market, private transactions, which will require shareholders to identify and agree terms with potential purchasers of shares;
- (c) as an unlisted company, the Company will not have the ability to raise capital from the issue of securities by means of limited disclosure fundraising documents, therefore the main means for the Company (as an unlisted company) to raise equity funds will be by way of an offer of securities pursuant to a full form prospectus or by way of placement to sophisticated, professional and other investors who do not require a prospectus;
- (d) if, following De-Listing and the completion of the Buy-Back, the Company has 100 or more shareholders, it will be an "unlisted disclosing entity" under the *Corporations Act 2001* (Cth) (**Corporations Act**); and
- (e) if the Company is an unlisted disclosing entity, the Company will still be required to give continuous disclosure of material matters in accordance with the Corporations Act by filing notices with ASIC (or displaying them on its website) under section 675 of the Corporations Act and the Company will still be required to lodge annual audited

and half-yearly financial statements in accordance with the requirements of the Corporations Act, however if the Company ceases to be an unlisted disclosing entity there will be no ongoing requirement for the Company to give continuous disclosure of material matters under section 675 or lodge half-yearly financial statements reviewed by an auditor but as a public company it will continue to be required to lodge annual audited financial statements.

As noted above, following the De-Listing, the Company's shares will no longer be able to be traded on ASX and it will be more difficult for a shareholder to dispose of their shares. The Buy-Back, outlined below, will give all shareholders the potential opportunity to realise some or all of their investment in the Company. In addition, shareholders will be able to trade their shares on ASX until the Suspension Date noted in the indicative timetable below. After the Suspension Date, shareholders wishing to trade their shares will be entitled to transfer their shares off-market to a willing third party purchaser in accordance with the Company's constitution.

If a shareholder of the Company considers the De-Listing to be contrary to the interests of the shareholders of the Company as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a shareholder or shareholders, it may apply to the court for an order under Part 2F.1 of the Corporations Act. If a shareholder of the Company considers that the De-Listing involves "unacceptable circumstances", it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act.

The De-Listing is subject to shareholder approval (as a special resolution at the general meeting proposed to be held on 12 August 2022). Further details relating to the De-Listing, including potential advantages and disadvantages for shareholders, will be included in the Notice of Meeting which will be dispatched to shareholders shortly. All shareholders will be entitled to vote on the resolution. The De-Listing will be subject to the Buy-Back also being approved by Shareholders.

Off-market Equal Access Share Buy-Back

Subject to the De-Listing being approved by shareholders, the Company will also seek shareholder approval to proceed with an off-market equal access share buy-back of up to 12,159,024 fully paid ordinary shares in the capital of the Company (**Shares**). The Buy-Back is intended to provide shareholders with the opportunity to potentially exit some or all of their investment prior to the De-Listing.

The proposed key features of the Buy-Back are:

- **Size of offer:** up to a maximum of 12,159,024 Shares being 100% of the issued capital, equating to \$7,173,824. While the Company is offering to acquire 100% of the issued capital, the Company has been advised by the Chairman that, if all other Shareholders accept the Buy-Back Offer in full, he does not intend to accept the Buy-Back Offer in respect of 10,000 Shares held by him, meaning that the Company will have some shares remaining on issue upon completion of the Buy-Back.
- **Buy-Back Price:** \$0.59 per Share. The last sale price of the Company's Shares, was 54.5 cents on 17 January 2022. There have been no other trades in the Company's shares since that date. The Buy-Back price is a premium of approximately 8% to that price.

As the Buy-Back is for more than 10% of the Company's Shares, shareholder approval is required.

It is intended the Buy-Back will commence on 22 August 2022 subject to obtaining shareholder approval for the Buy-Back and the De-Listing on 12 August 2022.

The major shareholder in the Company – Mrs. Carole Rowan (a director of the Company) who holds approximately 83.9% of the issued Shares has advised she intends to fully participate in the proposed Buy-Back.

Further details of the Buy-Back, including potential advantages and disadvantages for shareholders, will be included in the Notice of Meeting which will be made available to shareholders shortly. All shareholders will be entitled to vote on the resolution.

Indicative timetable

The indicative timetable for the proposed De-Listing and Buy-Back is set out below. Subject to the Company’s Constitution, the Corporations Act and ASX Listing Rules, the Company reserves the right to amend the indicative timetable without prior notice to shareholders.

Indicative date	Event
1 July 2022	De-Listing announcement
7 July 2022	Anticipated dispatch date of Notice of Meeting
12 August 2022	General Meeting held to approve the De-Listing and Buy-Back
18 August 2022	Ex-Entitlement Date for the Buy-Back (Shares acquired on or after this date will not confer an entitlement to participate in the Buy-Back)
19 August 2022	Buy-Back Record Date (Date for determining entitlement to participate in the Buy-Back)
22 August 2022	Despatch of the Buy-Back Offer Document and personalised Application Forms to eligible Shareholders and Open Date of the Buy-Back
10 October 2022	Buy-Back Closing Date
11 October 2022	Announcement of the outcome of the Buy-Back Commence payment of cash consideration under the buyback
18 October 2022	Transfer to the Company of Shares bought back under the Buy-Back and cancellation of those Shares
18 October 2022	Finalise payment of cash consideration under the Buy-Back
19 October 2022	Suspension Date prior to the De-Listing Date (date on which Shares are suspended from trading on ASX)
20 October 2022	De-Listing Date (date on which the De-Listing is expected to take effect)

Authorised by the Board of Sunvest Corporation Limited

Bruce David Burrell Chairman and Chief Investment Officer

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