



Financial Solutions Limited

ASX RELEASE

3 May 2018

Addendum to the Notice of General Meeting dated 29 March 2018

PLC Financial Solutions Limited (ASX: PLC) (the **Company**) provides notice to the shareholders that, in relation to the Notice of General Meeting dated 29 March 2018 in respect of the General Meeting to be held on Monday, 7 May 2018, the Directors have determined to supplement the information contained in the Notice of General Meeting in relation to Resolution 3 being the proposal to raise funds by this addendum to the Notice of General Meeting.

The additional information is detailed below.

Defined terms on the Notice of General Meeting have the same meaning in this addendum to the Notice of General Meeting.

This Addendum to the Notice of General Meeting is supplemental to the original Notice and should be read in conjunction with the original Notice of General Meeting. Save for the changes set out below, all other Resolutions proposed in the original Notice of General Meeting remain unchanged.

AGENDA

1. Approval for a Future Share Placement

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be given for the Directors to issue up to that number of Shares which, when multiplied by the issue price, will raise up to \$2,000,000 on the terms and conditions as described in the Explanatory Notes.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of those persons who are expected to participate in or who will obtain a material benefit as a result of, the proposed issue or an associate of those persons. However, the Company need not disregard a vote if it is cast (a) by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or (b) It is cast by the chair 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

EXPLANATORY NOTES

Resolution 3

Approval for Future Share Placement

The Company wishes to provide the following additional information as to why the Board has now settled on a raise of up to \$2,000,000 when seemingly the Company's past four (4) quarter cashflow reports demonstrates little activity.

Resolution 3 of the Notice of General Meeting was included to seek approval for the Company to be able to issue additional Shares for a period up to three (3) months post the 7 May 2018 General Meeting to raise funds.

The original Notice of General Meeting advised that the Company intended to use the funds raised to undertake due diligence as required and to potentially fund the acquisition of new assets that may be

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considered complimentary in nature to those assets currently held by the Company and general working capital requirements of the Company.

The Board have reviewed a number of proposals and investments - several have already been considered and rejected and there is always ongoing review of new and potential investment opportunities, however, as at current date these potential investments have not reached a stage which requires disclosure under ASX Listing Rule 3.1.

As announced on 2 May 2018, the Company has been issued a letter from the ASX in accordance with ASX Listing Rule 12.1.

The provisions of ASX Listing Rule 12.1 require that the level of an entity's operations must, in the ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and therefore its continued listing.

The ASX will afford the Company a period of six (6) months to the close of business on 30 October 2018 to demonstrate compliance with Listing Rule 12.1.

The Board have reassessed a potential change in use of funds from the capital raising, this Addendum supplements the Notice of General Meeting in order to give effect to the changes in the Company's circumstances.

Given a six (6) month time frame, the Board have determined that it would be appropriate for them to focus the Company's energy on developing and growing the existing Malaysia money lending business.

PLC Financial Solutions Limited has diversified their gold trading business into a money lending business to provide micro-financing to qualified individuals and businesses in Malaysia. Such business diversification has been in response to the decline in global gold prices that has affected the performance of the Company.

The money lending business has taken off in late 2014 under a highly regulated environment in Malaysia. This provides the Company with a great opportunity to expand the micro-financing segment which facilitates consumers and business that lack access to financial institutions.

Moving forward now, the Company intends to use \$1,500,00 of the total funds raised under Resolution 3 to be the "spring board" for the business of providing micro-financing to property developers thereby facilitating consumers so that they can own their own house.

PLC Financial Solutions Limited through its subsidiary company GVest in Malaysia, has ventured into moneylending business and reported consistent interest income with a small loan portfolio to various consumers and small businesses. These results have encouraged the Board to stimulate more business opportunities by leveraging GVest's Moneylending Licence.

The current Board have been working on a thorough due diligence and evaluation of GVest and the Board would like to expand the finance business into the SME businesses and enterprises.

Currently, many young Malaysians aspire to maintain their standard of living by purchasing houses and vehicles. However, in view of stringent credit approvals by commercial banks many borrowers are not able to achieve the amount of borrowings that they need thus creating an opportunity for moneylenders to bridge the shortfall. The target group for GVest and therefore the Company is young Malaysians between the ages of 24 to 44 years of age.

With the growing desire for home ownership among young Malaysian consumers, GVest has secured a business collaboration with a property development group on two (2) development projects with the exclusive right to provide financing shortfall to the purchasers and bridging finance to the developer if necessary.

The business model aims to finance the shortfall in mortgage loan to consumers to achieve 100% home financing solutions. The proposed raise will comprise the initial mortgage loans that will be made available to consumers.

The business collaboration with the property development group is to provide an exclusive financing package to property buyers. There are few property developers in Malaysia with a financing arm and hopefully, will provide an edge over other developers in the property finance space.

Advertisement and promotional expenses are minimised as they are met by the developer.

If Resolution 3 is approved and the Company is able to raise the \$2,000,000 then the GVest business will be able to grant short-to-medium term financing solutions for young Malaysian property buyers as described as above.

GVest has the ability to secure two (2) development projects (Sungai Long and Labu). Sungai Long is a high-rise apartment with 518 units. Labu is also a high-rise apartment with 268 units.

Personal loans provided by GVest will have 18% interest rate per annum with 5 years to maturity and payments to be made monthly.

GVest believes it has the capacity to provide a total of 156 loans over the course of 2018 and 2019. This equates to 13 personal loans per month at an average loan amount of AUD\$165,460

Below is a pro-forma Balance Sheet reflecting the impact of a \$2,000,000 capital raising and has been prepared adopting the following assumptions:

Funds Analysis

Capital raisings cost	\$ 150,000
Funds for Malaysian Loan book	\$1,500,000
Working capital/corporate purposes	\$ 350,000

- The Company will continue to carry on its business activities as a going concern;
- There will be no changes to the existing key personnel and management of the Company that will adversely affect the marketing capability and level of activities of the Company;
- The demand for the financing services will be sustained;
- There will be no exceptional occurrence of bad and doubtful debts that will adversely affect the financial position of the Company;
- There will be no significant changes in the prevailing Malaysia and World economic conditions;
- There will be no material fluctuation in the exchange rate;
- There will be no material changes in the present government regulations and legislations; and
- The effective tax rate for the 2019 financial year onwards is 27.5%.

Proxy Forms annexed to the original Notice of General Meeting, whether duly completed or not, WILL be accepted by the Company or counted in relation to Resolution 3.

Shareholders are requested to contact the Company Secretary if they have any queries in respect of the matters set out in this Addendum.

Pro Forma Balance Sheet
PLC FINANCIAL SOLUTIONS LIMITED
As at 31 December 2017

	31 Dec 2017	Journals	31-Dec-17
Current Assets			
Cash and cash equivalents	520,565	350,000	870,56
Trade and other receivables	39,173		39,173
Other current assets	44,094		44,094
Held for Loan investments	5,300	1,500,000	1,505,300
Total Current Assets	609,132		<u>2,459,132</u>
Non-current Assets			
Property Plant and Equipment	112,144		112,144
Total Non-current Assets	112,144		<u>112,144</u>
Total Assets	721,276	1,850,000	<u>2,571,276</u>
Liabilities			
Current Liabilities			
Trade and other payables	177,563		177,563
Total Current Liabilities	177,563		177,563
Non-Current Liabilities			
Deferred tax liability	0		0
Total Non-Current Liabilities	0		<u>0</u>
Total Liabilities	177,563		<u>177,563</u>
Net Assets	543,713	1,850,000	<u>2,393,713</u>
Equity			
Issued Capital	29,336,276	2,000,000	31,336,276
Reserves	-1,256,332		-1,256,332
Accumulated Losses	-27,536,231	-150,000	-27,686,231
Total Equity	543,713	1,850,000	<u>2,3393,713</u>