



SVC Group Limited

ACN 009 161 522

Level 9, 5 Hunter Street
Sydney, NSW 2000

Company Announcements Supervision
Australian Securities Exchange
20 Bond Street
Sydney
NSW 2000

24th February 2012

Attention: Companies Officer

Regarding: **Notice of General Meeting**

As previously announced, in order to recapitalise the Company and obtain re-admission to the ASX boards, the Board of Directors have ordered the convening of a General Meeting of members to consider resolutions to enable the issue of shares to raise capital, consolidate the issued shares of the Company, and issue new post consolidation shares in the Company.

The Notice of Meeting being dispatched to members is attached to this cover letter. The meeting is to be held at Suite 8, Level 6, 55 Miller Street, Pyrmont at 10.00 am (Sydney time) on Friday 23rd March 2012.

Yours faithfully,

Richard Pritchard
Director and joint Company Secretary
SVC Group Limited

SVC GROUP LIMITED
ACN 009 161 522

NOTICE OF GENERAL MEETING
AND
EXPLANATORY MEMORANDUM

Date of Meeting: Friday 23rd March 2012
Time of Meeting: 10.00am (Sydney time)
Place of Meeting: Suite 8, Level 6, 55 Miller Street, Pyrmont, NSW 2009

SVC GROUP LIMITED ACN 009 161 522

NOTICE OF GENERAL MEETING

Notice is given that an Extraordinary General Meeting of shareholders of **SVC GROUP LIMITED ACN 009 161 522 ("Company")** will be held at Suite 8, Level 6, 55 Miller Street, Pyrmont at 10.00am (Sydney time) on Friday 23rd March 2012

AGENDA

General Nature of the Meeting's Business

The nature of this meeting of the members of the Company is for the purpose of consideration by members of resolutions to issue shares to raise capital, consolidate the issued shares of the Company, and issue new post consolidation shares in the Company.

ORDINARY BUSINESS

1. Resolution 1 – Issue of Shares to Raise Capital

To consider and, if thought fit, pass the following resolution:

“That, for the purpose of ASX listing Rule 7.1 and for all other purposes, the issue of up to 10,000,000 ordinary (pre consolidation) shares in the capital of the Company as set out in the Explanatory Memorandum is approved”.

2. Resolution 2 - Consolidation of Share Capital

To consider and, if thought fit, pass the following resolution:

“That, for the purpose of section 254H of the Corporations Act, ASX Listing Rule 7.20, ASX listing Rule 7.22 and for all other purposes, the issued capital of the Company be consolidated on a 1 for 7 basis such that the existing shareholding of 200,469,838 shares be consolidated to approximately 28,638,548 shares as set out in the Explanatory Memorandum is approved.”

3. Resolution 3 - Issue of Shares to Raise Capital

To consider and, if thought fit, pass the following resolution:

“That, for the purpose of ASX listing Rule 7.1 and for all other purposes, the issue of up to 85,000,000 ordinary (post consolidation) shares in the capital of the Company as set out in the Explanatory Memorandum is approved”.

4. Resolution 4- Issue of Shares to Alto Capital

To consider and, if thought fit, pass the following resolution:

“That, for the purposes of ASX Listing Rules 7.1 and for all other purposes, the issue of 24,000,000 fully paid ordinary (post consolidation) shares to Alto Capital (or nominee(s)) as set out in the Explanatory Memorandum is approved.”

BY ORDER OF THE BOARD

Richard Pritchard
Director and Joint Company Secretary
23rd February 2012

EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of **SVC GROUP LIMITED ACN 009 161 522 (Company)** to be considered at the Annual General Meeting to be held at Suite 8, Level 6, 55 Miller Street, Pyrmont at 10.00am (Sydney time) on Friday 23rd March 2012 at 10.00am (Sydney time).

The Explanatory Statement forms part of the accompanying Notice of Meeting. Details of the business to be considered at this Meeting are set out below.

1. **RESOLUTION 1 – issue of Shares to Raise Capital**

The Company intends to seek a placement of up to \$15,000, subject to shareholder approval, to meet its obligations to short term creditors, to provide ongoing funding for the Company including the production of a disclosure document. Approval is sought from the shareholders to issue up to 10,000,000 shares at 0.0015c per share to raise \$15,000. These shares will be subject to consolidation as per Resolution 2.

ASX Listing Rule 7.3 requires the notice of meeting to include the following information:

- a) Up to 10,000,000 ordinary fully paid ordinary shares.
- b) The shares will be issued and allotted within 3 months after the date of the meeting.
- c) The shares are to be issued at 0.0015c per share pre consolidation as per resolution 2.
- d) The allottees will be persons identified and sought out by the directors as sophisticated or professional investors pursuant to s708 of the Corporations Act. The allottees will not be related parties of the Company.
- e) The shares will be ordinary fully paid shares and are to be issued on the same terms and rank equally with other fully paid shares on issue.
- f) The use of the funds will be to part pay creditors, and part pay for the production of a disclosure document.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes on Resolution 14 cast by the proposed allottee, a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or any associates of the allottee or such persons. However the Company need not disregard a vote if it is cast by a person as proxy for 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 proxy for a person who is entitled to vote, in accordance with the directions on the proxy form and vote as the proxy decides.

2. **RESOLUTION 2 - Consolidation of Share Capital**

Background

Section 254H of the Corporations Act provides that a company may, by resolution passed in general meeting, convert all or any of its shares into a larger or smaller number. ASX listing Rule 7.20 provides that if any entity proposes to reorganise its capital, it must advise shareholders of certain matters. These matters are set out below.

As at today's date the Company has approximately **200,469,838** shares on issue. This large number of shares imposes a number of disadvantages on the Company, including:

- Administrative cost and inconvenience.
- Negative perception associated with a potentially low share price, precluding investment from institutional investors who may be limited by their charters or mandates;

The Directors believe that a consolidation of the shares would assist in eliminating or mitigating these disadvantages and would create a more efficient capital structure and enable a more appropriate share price for a listed entity of the Company's size.

If approved the consolidation will reduce the shareholding from approximately **200,469,838** shares on issue to approximately **28,638,548** shares on issue. As the consolidation applies equally to all Shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company's shares (subject only to rounding of fractions). It follows that the consolidation will have no material effect on the percentage interest of each individual Shareholder in the Company.

Indicative Timetable

Event	Date
Snapshot date for eligibility to vote at the Extraordinary General Meeting.	10:00 am (EST) 21 March 2012
Approval of Consolidation at Extraordinary General Meeting.	23 March 2012
Last day for trading in pre-Consolidation Shares.	26 March 2012
Trading in post-Consolidation Shares on a deferred settlement basis begins (under ASX code: SVCDA).	27 March 2012
Record date. Last day for registration of transfer of shares on a pre-Consolidation basis.	2 April 2012
First day for: <ul style="list-style-type: none"> • Company to send notice to each shareholder informing them of the number of shares held before and after Consolidation. • Company to register shares on a post-Consolidation basis. • Despatch of holding statements to shareholders. 	3 April 2012
Despatch date (last day to despatch holding statements) (by noon). Deferred settlement ends (under ASX code: SVCDA). Last day for Company to send notice to each of its shareholders.	11 April 2012
Normal (T+3) trading commences (under ASX code: SVC).	12 April 2012

Settlement of trades conducted on a T+3 basis and the first settlement of on-market trades conducted on a deferred settlement basis.	17 April 2012
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Rounding

Where any shareholders have a holding which is not a multiple of seven and would otherwise result in a fractional entitlement post consolidation, the Company proposes to round up that number to the next whole number.

3. RESOLUTION 3 – Issue of Shares to Raise Capital

On 22nd January 2012 the Company withdrew its prospectus. The Company has since sought the advice of its Corporate Advisor, Alto Capital as to the best and fairest pricing structure to enable the necessary capital raising for the Company to obtain re-admission to the main board of the ASX. As the Directors believe the Company has a suitable investment strategy in the Hunter Valley Joint Venture, they have considered that an issue of up to 85,000,000 post consolidation ordinary shares pursuant to listing rule 7.1 at \$0.02 per share to raise up to \$1,700,000 to be a proposition which is likely to engage market participants in the raising of enough capital to obtain re-admission.

ASX Listing Rule 7.3 requires the notice of meeting to include the following information:

- a) Up to 85,000,000 ordinary fully paid shares.
- b) The shares will be issued and allotted within 3 months after the date of the meeting.
- c) The shares are to be issued at \$0.02 (2.0c) per share.
- d) The directors intend to issue a disclosure document to issue these securities. The allottees will be the general public who apply pursuant to the disclosure document.
- e) The shares will be ordinary fully paid shares and are to be issued on the same terms and rank equally with other fully paid shares on issue.
- f) The funds will primarily be used to continue the development of the Hunter Valley Joint Venture. SVC has entered into a joint venture with Coast and Country Developments Pty Limited (CCD) to develop a property known as Lot 99, Carrs Road, Neath, Hunter Valley, into 70 manufactured homes. The property is adjacent to an existing manufactured village owned by CCD. Under the terms of the JV Agreement, SVC will lodge a development application to locate approximately 70 pre-manufactured homes on the site. If successful, SVC will facilitate the purchase of manufactured homes by each home purchaser from the home manufacturer, and manage siting of the homes and connection of services. The joint venture will charge fees for sourcing of the homes and connection of the homes to all infrastructure services. In exchange for its services, SVC will look to recoup its costs from the sale of the cabins and receive 80% of any remaining profits from the sale of the cabins. Some of the funds will also be used for working capital and to seek out other opportunities.
- g) Details of Agreement with Alto Capital. The Directors of SVC Group Limited have executed a Corporate Advisory Mandate with Alto Capital of Subiaco, Perth to act as exclusive corporate advisor in relation to a proposed Capital Raising of \$1,300,000 to \$1,700,000. Under this agreement Alto Capital has agreed to provide the following commercial advisory services;
 - assist with the identification and introduction (subject to obtaining the consent of the Shareholders) of investors to complete the proposed capital Raising of \$1,300,000 to \$1,700,000;
 - advise on an ongoing basis as part of Altos role as Corporate advisor post re-quotation, assistance will include identification and reviewing of potential acquisitions;

- provide the Board of Directors of the Company with commercial advice on the merit, or otherwise, of proceeding with any proposed transaction;
- consider and advise on structuring alternatives;
- assist with the due diligence (as required);
- assist with the scoping of the roles and cost management of other advisors/experts participating in the Transaction and the management of these parties to ensure timely completion of major milestones and budget commitments;

As a Corporate Fee for this service, and upon successful re-capitalisation and re-admission Alto Capital are to be paid:

- 6% of funds raised directly by them in the capital raising;
- 3% of all other funds raised in the capital raising;
- 24,000,000 ordinary fully paid shares at a nil cost.

Shareholders intending to subscribe under the offer should not vote on this resolution.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes on Resolution 2 cast by the following:

- a) Alto Capital or any person associated with Alto Capital;and
- b) A person who may participate in the proposed issue and a person who might obtain a benefit, solely in the capacity of a holder of ordinary securities, if the resolution is passed or any associates of such person...

However the Company need not disregard a vote if it is cast by a person as proxy for 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 proxy for a person who is entitled to vote, in accordance with the directions on the proxy form and vote as the proxy decides.

4. RESOLUTION 4 – Issue of Shares to Alto Capital

On 8th February 2012 the Company engaged Alto Capital of Subiaco, Perth, Australian Financial Services License 279099 to assist and provide advice in the obtaining re-capitalisation and re-admission of the Company to the ASX main board. The primary function of this role is to identify and introduce to the Company new investors who will provide investment capital to fulfil a capital raise as per Resolution 2.

As a Corporate Fee for this service, and upon successful re-capitalisation and re-admission Alto Capital are to be paid:

- 6% of funds raised directly by them in the capital raising;
- 3% of all other funds raised in the capital raising;
- 24,000,000 post consolidation (as per resolution 1.) ordinary fully paid shares at a nil cost.

The 24,000,000 post consolidation shares to be issued to Alto capital as part of the payment structure outlined above requires the approval of shareholders for the purpose of ASX listing rule 7.1

ASX Listing Rule 7.3 requires the notice of meeting to include the following information:

- a) Up to 24,000,000 ordinary fully paid shares.
- b) The shares will be issued and allotted within 3 months after the date of the meeting.

- c) The shares are to be issued at a post consolidation nominal price of \$0.001(0.01c) per post consolidation share.
- d) The allottees will be Alto Capital or their nominees
- e) The shares will be ordinary fully paid shares and are to be issued on the same terms and rank equally with other fully paid shares on issue.
- f) The use of the funds will be to pay Alto Capital's Corporate Advisory Fee.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes on Resolution 3 cast by Alto Capital or any person associated with Alto Capital. However the Company need not disregard a vote if it is cast by a person as proxy for 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 proxy for a person who is entitled to vote, in accordance with the directions on the proxy form and vote as the proxy decides.

PROXY, REPRESENTATIVE AND VOTING ENTITLEMENT INSTRUCTIONS

PROXIES AND REPRESENTATIVES

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001 (Cwlth)*.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Address: SVC Group Limited, PO Box 1154, Rozelle, NSW 2039

Fax: 02 95718200

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 10.00am 21st March 2012.

Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

SIGNING INSTRUCTIONS

You must sign the proxy form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

PROXY FORM

I/WE

of

being shareholder(s) of SVC GROUP LIMITED ("Company")

hereby appoint

of:

of failing him/her

of:

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held at Suite 8, Level 6, 55 Miller Street, Pyrmont, on Friday 23rd March 2012 at 10.00am and at any adjournment thereof in respect of all of my/our shares in the Company unless otherwise specified below.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

If the Chairman is appointed as your proxy, or may be appointed by default, and if you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box:

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he/she has an interest in the outcome of the resolution and votes cast by him/her other than as proxy holder will be disregarded because of that interest. The Chairman advises that it is his/her intention to vote in favour of all resolutions in respect of any undirected proxies which may be granted in favour of the Chairman

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (An additional proxy form will be supplied by the Company on request.)

If you wish to appoint the proxy to exercise voting power over only some of your shares, the number of shares in respect of which this proxy is to operate is shares (Note: proxy will be over all shares if left blank)

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/she has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest.

RESOLUTION	For	Against	Abstain
1. Approval of Issue Shares to raise capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of consolidation of Share capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of Issue Shares to raise capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Issue Shares to Alto Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Individual or Security holder 1

Sole Director and
Sole Company Secretary
(If appointed)

Security holder 2

Director

Security holder 3

Director/Company Secretary

_____ Contact Name

_____ Contact Daytime Telephone

_____ Date