

**FINEXIA FINANCIAL GROUP LIMITED**  
**ACN 106 760 418**

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**ENTITLEMENT ISSUE PROSPECTUS**

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For a pro-rata non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.30 per Share to raise up to approximately \$4,863,213 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

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## IMPORTANT NOTICE

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This Prospectus is dated 23 December 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares offered by this Prospectus should be considered as highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

### No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

### Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

### Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong, Singapore or Malaysia.

For further information on overseas Shareholders please refer to Section 2.9.

### Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

## **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.finexia.com.au](http://www.finexia.com.au). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be a resident of Australia, New Zealand, Singapore, Hong or Malaysia resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on 1300 886 103 during office hours or by emailing the Company at [info@finexia.com.au](mailto:info@finexia.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **Company Website**

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

## **Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## **Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

## **Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

## **Privacy statement**

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

## **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on 1300 886 103.

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## CORPORATE DIRECTORY

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### Directors

Mr Neil Sheather  
*Executive Chairman*

Mr Patrick Bell  
*Executive Director*

Mr Jean Marc Li Kam Tin  
*Non-Executive Director*

### Company Secretary

Mr Neil Sheather

### Registered Office

Level 18, Australia Square  
264 George Street Sydney  
NSW 2000  
Telephone: 1300 886 103  
Email: [info@finexia.com.au](mailto:info@finexia.com.au)  
Website: [www.finexia.com.au](http://www.finexia.com.au)

### Auditor

Mazars Assurance Pty Ltd  
Level 11, 307 Queens Street  
Brisbane QLD 4000

### Share Registry\*

Automic Group  
Level 5, 126 Phillip Street  
Sydney NSW 2000

Telephone: +61 2 8072 1400

Website: [www.investor.automic.com.au](http://www.investor.automic.com.au)

### Legal Advisers

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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## 1. KEY OFFER INFORMATION

### 1.1 Timetable

Announcement of Offer & Appendix 3B	Pre-market Friday, 23 December 2022
Lodgement of Prospectus with ASIC & ASX	Pre-market Friday, 23 December 2022
Ex date	Friday, 30 December 2022
Record Date for determining Entitlements	Tuesday, 3 January 2023
Prospectus despatched to Shareholders & Company announces despatch has been completed	Wednesday, 4 January 2023
Last day to extend Closing Date	Wednesday, 18 January 2023
Closing Date*	Monday, 23 January 2023
Shares quoted on a deferred settlement basis from market open	Tuesday, 24 January 2023
Announcement of results of issue	Tuesday, 24 January 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares (before noon Sydney time)	Tuesday, 31 January 2023

\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

### 1.2 Key statistics of the Offer

#### Shares

	<b>Full Subscription (\$4,863,224)<sup>1</sup></b>
Offer Price per Share	\$0.30
Entitlement Ratio (based on existing Shares)	1 for 2
Shares currently on issue	32,421,495
Shares to be issued under the Offer	16,210,748
Placement Shares to be issued under the Placement <sup>2</sup>	4,607,596
Gross proceeds of the issue of Shares	\$4,863,224
Convertible Notes proposed to be issued <sup>3</sup>	400
<b>Shares on issue post-Offer and Placement</b>	<b>53,239,839</b>

**Notes:**

1. Assuming the Full Subscription of approximately \$4,863,224 is achieved under the Offer.
2. As announced on 12 October 2022, the Company is proposing to undertake a placement of 4,607,596 Shares (**Placement Shares**), subject to Shareholder approval, to sophisticated and professional investors to raise up to \$1,151,899 (**Placement**). The Company obtained Shareholder approval to issue the Placement Shares at a Shareholder meeting on 18 November 2022. As at the date of this Prospectus, the Company has not issued the Placement Shares as the Company is currently in ongoing negotiations with several parties in relation to the Placement. It is the Company's intention to finalise negotiations with investors with regard to the Placement Shares in the first quarter of 2023. As such the Placement Shares will not be on issue at the Record Date. Refer to the ASX announcement released on the ASX on 12 October 2022 for further details in relation to the Placement.
3. As announced on 12 October 2022, the Company is proposing to raise \$10,000,000 through the issue of redeemable Convertible Notes offered to qualified wholesale and sophisticated investors (**Convertible Note Issue**). As at the date of this Prospectus the issue of the convertible notes has not occurred. Refer to the ASX announcement released on the ASX on 12 October 2022 for further details in relation to the Convertible Note Issue.
4. Refer to Section 4.1 for the terms of the Shares.

**1.3 Key Risk Factors**

Prospective investors should be aware that subscribing for Shares involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

**1.4 Directors' Interests in Securities**

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Performance Rights	Share Entitlement	\$
Neil Sheather	1,260,278	Nil	Nil	630,139	189,042
Patrick Bell	1,092,696	Nil	Nil	546,348	163,904
Jean Marc Li	Nil	Nil	Nil	Nil	Nil

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

**1.5 Details of Substantial Holders**

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Mr Shin Yong Mark Chew	3,771,510	11.63
Ace Solution Investments Ltd	3,658,779	11.29
BNP Paribas Nominees Pty Ltd Barclays ATF DRP A/C	3,449,476	10.64
Edition Capital Management Ltd	3,037,466	9.37
Wavet Super Fund No 2	2,932,444	9.04

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

## 1.6 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.99% through applying for their Entitlements.

Further as set out in Section 2.6, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.99% of all the Shares on issue on completion of the Offer.

## 1.7 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.6, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	30.84%	5,000,000	10,000,000	20.56%
Shareholder 2	5,000,000	15.42%	2,500,000	5,000,000	10.28%
Shareholder 3	1,500,000	4.63%	750,000	1,500,000	3.08%
Shareholder 4	400,000	1.23%	200,000	400,000	0.82%
Shareholder 5	50,000	0.15%	25,000	50,000	0.10%

### Notes:

1. The above table is based on an entitlement for new shares on a pro rata basis of one new Share for every two Shares held.
2. This is based on a share capital of 32,421,495 Shares as at the date of the Prospectus and assumes no Options currently on issue.
3. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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## 2. DETAILS OF THE OFFER

### 2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by Shareholders registered at the Record Date at an issue price of \$0.30 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 16,210,748 Shares may be issued under the Offer to raise up to approximately \$4,863,224.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

### 2.2 What Eligible Shareholders may do

The Company intends to dispatch a letter to all eligible shareholders, describing how shareholders may access the prospectus and acceptance forms online

The number of Shares to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at [www.finexia.com.au](http://www.finexia.com.au). Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
<b>Take up all of your Entitlement</b>	<ul style="list-style-type: none"><li>Should you wish to accept all of your Entitlement, then your application for Shares under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at <a href="http://www.finexia.com.au">www.finexia.com.au</a>. Please read the instructions carefully.</li><li>Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</li></ul>	Section 2.3 and Section 2.4.
<b>Take up all of your Entitlement and also apply for Shortfall Shares</b>	<ul style="list-style-type: none"><li>Should you wish to accept all of your Entitlement and apply for Shortfall Shares, then your application for your Entitlement and additional Shortfall Shares under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at <a href="http://www.finexia.com.au">www.finexia.com.au</a>. Please read</li></ul>	Sections 2.3, 2.4 and 2.6.

Option	Key Considerations	For more information
	<p>the instructions carefully.</p> <ul style="list-style-type: none"> <li>• Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</li> <li>• If you apply for Shortfall Shares beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Shares is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Shares may be scaled-back.</li> <li>• The Company's decision on the number of Shortfall Shares to be allocated to you will be final.</li> </ul>	
<p><b>Take up a proportion of your Entitlement and allow the balance to lapse</b></p>	<ul style="list-style-type: none"> <li>• If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at <a href="http://www.finexia.com.au">www.finexia.com.au</a> for the number of Shares you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</li> </ul>	<p>Section 2.3 and Section 2.4</p>
<p><b>Allow all or part of your Entitlement to lapse</b></p>	<ul style="list-style-type: none"> <li>• If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse.</li> </ul>	<p>N/A</p>

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

## 2.3 Payment options

### (a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5.00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

#### **Guidance where you have more than one CRN (Shareholding of Shares)**

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

#### **(b) By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

## 2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

## 2.5 Minimum subscription

There is no minimum subscription.

## 2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Shares**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.30 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Shares in accordance with Sections 2.3.

The Board presently intends to allocate Shortfall Shares as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Shares to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Shares than applied for or no Shortfall Shares at all. However, the Directors do not intend to refuse an application for Shortfall Shares from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Shares applied for by Eligible Shareholders exceeds the total Shortfall,

the Shortfall Shares will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Shares will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Shares they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Shares under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

## **2.7 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

## **2.8 Issue of Shares**

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed as soon as practicable after the issue of Shares and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

## **2.9 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand, Malaysia, Singapore or Hong Kong.

### **New Zealand**

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of the Shares. The Shares under the Offer may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any Shares not taken up under the Offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

### **Singapore**

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Shares may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the SFA) or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's Shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures

Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice

***Nominees and custodians***

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Malaysia, Singapore or Hong Kong without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

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### 3. PURPOSE AND EFFECT OF THE OFFER

#### 3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$4,863,224 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Acquisition of Stayco and Picone Assets <sup>1,2</sup>	4,613,224	94.86
2.	Expenses of the Offer <sup>3</sup>	47,329	0.97
3.	Working Capital	202,671	4.17
	<b>Total</b>	<b>4,863,224</b>	<b>100</b>

#### Notes:

1. As announced on 12 October 2022, the Company will utilise these funds to acquire that part of the Finexia Direct Accommodation Income Fund (**Stayco**) which it does not already have an investment in, from the existing Stayco investors (**Stayco Acquisition**). Please refer to the ASX announcement released on 12 October 2022 for further details.
2. As announced on 12 October 2022, the Company will utilise these funds to acquire a portfolio of high-quality accommodation assets located in the tourist hotspots of Broadbeach and Surfers Paradise in South-East Queensland's Gold Coast (**Picone Assets**) from the vendor, Mr Paul Picone (**Picone Acquisition**). Please refer to the ASX announcement released on 12 October 2022 for further details.
3. Refer to Section 6.7 for further details relating to the estimated expenses of the Offer.

If the Full Subscription is not raised under the Offer, then the expenses of the Offer will change to reflect the lower amount raised. The Company may need to reduce the amount of funds allocated to the Stayco Acquisition and the Picone Acquisition by the amount of the difference between the amount raised and the Full Subscription.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

#### 3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted, and no Shares are issued prior to the Record Date, will be to:

- (a) increase the cash reserves by approximately \$4,815,895 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and

- (b) increase the number of Shares on issue from 32,421,495 as at the date of this Prospectus to 48,632,243 Shares.

### 3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted is set out below.

#### Shares

	Number
Shares currently on issue <sup>1,3</sup>	32,421,495
Shares offered pursuant to the Offer <sup>2,3</sup>	16,210,748
<b>Total Shares on issue after completion of the Offer and the Placement<sup>1</sup></b>	<b>48,632,243</b>

#### Notes:

1. This does not include the Placement Shares which the Company proposes to issue.
2. Assuming the Full Subscription of \$4,863,224 is achieved under the Offer.
3. Refer to Section 4.1 for the terms of the Shares.

#### Convertible Notes

	Number
Convertible Notes currently on issue <sup>1</sup>	Nil
<b>Total Convertible Notes on issue after completion of the Offer</b>	<b>Nil</b>

#### Notes:

1. This does not include the Convertible Notes which the Company proposes to issue.

### 3.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2022 and the unaudited pro-forma balance sheet adjustments in the period 1 July 2022 to 30 November 2022 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 30 June 2022	UNAUDITED PROFORMA 30 November 2022	PROFORMA Full Subscription
	\$		\$
<b>CURRENT ASSETS</b>			
Cash	2,721,187	19,913,957	24,777,181
Other current assets	47,222,639	46,924,915	46,924,915
<b>TOTAL CURRENT ASSETS</b>	<b>49,943,826</b>	<b>66,838,872</b>	<b>71,702,096</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	1,254,292	1,254,292	1,254,292
Intangibles	1,882,039	1,882,039	1,882,039
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,136,331</b>	<b>3,136,331</b>	<b>3,136,331</b>
<b>TOTAL ASSETS</b>	<b>53,080,157</b>	<b>69,975,203</b>	<b>74,838,427</b>
<b>CURRENT LIABILITIES</b>			
Creditors and borrowings	33,426,289	49,498,298	49,498,298
<b>TOTAL CURRENT LIABILITIES</b>	<b>33,426,289</b>	<b>49,498,298</b>	<b>49,498,298</b>
<b>NON-CURRENT LIABILITIES</b>			
Creditors and borrowings	10,818,081	12,181,100	12,181,100
<b>TOTAL LIABILITIES</b>	<b>44,244,370</b>	<b>61,679,398</b>	<b>61,679,398</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>8,835,787</b>	<b>8,295,805</b>	<b>13,159,029</b>
<b>EQUITY</b>			
Share capital	9,973,368	9,973,368	14,836,592
Options Reserve	0	0	0
Retained loss	(1,137,581)	(1,677,564)	(1,677,564)
<b>TOTAL EQUITY</b>	<b>8,835,787</b>	<b>8,295,804</b>	<b>13,159,028</b>

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## **4. RIGHTS AND LIABILITIES ATTACHING TO SHARES**

### **4.1 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## 5. RISK FACTORS

### 5.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

### 5.2 Company specific

Risk Category	Risk
<b>Potential dilution for</b>	<p>In addition to potential control impacts set out in Section 1.6, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.33 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>
<b>Control risk</b>	<p>The Company currently has five substantial holders as set out in Section 1.5 (<b>Substantial Holders</b>). Assuming each Substantial Holder takes up their full Entitlement and no other Shareholders accept their entitlements, each Substantial Holder's voting power in the Company could</p>

Risk Category	Risk
	<p>each be as high as:</p> <ul style="list-style-type: none"> <li>(a) Mr Shin Yong Mark Chew – 16.49%;</li> <li>(b) Ace Solution Investments Ltd – 16.02%;</li> <li>(c) BNP Paribas Nominees Pty Ltd Barclays ATF DRP A/C – 15.15%;</li> <li>(d) Edition Capital Management Ltd – 13.42%; and</li> <li>(e) Wavet Super Fund No 2 – 12.98%,</li> </ul> <p>respectively.</p> <p>Each Substantial Holder's significant interest in the capital of the Company means that each Substantial Holder could be in a position to potentially influence the financial decisions of the Company, and each Substantial Holder's interests may not align with those of all other Shareholders.</p>
<b>Additional requirements for capital</b>	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its expansion of Stayco as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<b>Downturn in the Accommodation Market</b>	<p>The performance of the Company may be influenced by the overall travel accommodation industry. The accommodation industry is heavily influenced by the general condition of the Australian economy, which by its nature is cyclical and subject to change. A reduction in the level of economic activity in the Company's key markets may reduce the total level of turnover in the accommodation industry and in turn have the potential to impact on the Company's operations.</p>

Risk Category	Risk
<p><b>Coronavirus (COVID-19)</b></p>	<p>The coronavirus (<b>COVID-19</b>) is continuing to impact global markets, travel movements and foreign exchange rates. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The COVID-19 pandemic may also give rise to travel restrictions both domestically and internationally, which may impact the financial performance of the Company's Stayco resort accommodation funds. Furthermore, labour shortages or interruptions of the same caused by hospitalisation due to COVID-19 may have a materially adverse impact on the Company's operations. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>
<p><b>Related Party Risk</b></p>	<p>The Company has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement.</p> <p>Further, the operations of the Company will require involvement of related parties and other third parties including suppliers. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <ul style="list-style-type: none"> <li>(f) financial failure or default by a participant in any agreement to which the Company may become a party; and/or</li> <li>(g) insolvency, default on performance or delivery by any operators, contractors or service providers.</li> </ul> <p>There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the Company. This may then result in the termination of the contract between the Company and the contractor and the impact the Company's position, performance and reputation.</p>

### 5.3 Industry specific

Risk Category	Risk
<b>Disputes</b>	<p>The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.</p> <p>Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date of this Prospectus.</p>
<b>Loss of customers</b>	<p>The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.</p>
<b>Litigation</b>	<p>The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
<b>Insurance coverage</b>	<p>The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as directors and officers' liability insurance, however it does not currently propose to arrange and maintain business interruption insurance or insurance against claims for certain property damage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected.</p> <p>The Company considers that it has sufficient insurance policies in place in respect of its business and assets. However, the occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p>
<b>Regulatory &amp; Compliance Risk</b>	<p>The Company operates in a highly regulated environment. Changes to regulations and laws governing financial services may adversely impact the Company's ability to provide its core services.</p>

<b>Risk Category</b>	<b>Risk</b>
	The Company's performance would be adversely impacted if its licences were terminated, suspended or subjected to restrictions.
<b>Due Diligence &amp; Acquisition Risk</b>	In connection with the Stayco Acquisition and the Picone Acquisition the Company has relied upon financial information provided by the vendors. This financial information has been subjected to extensive due diligence and verification by independent third parties. Information provided by the vendors and third parties may be subject to misstatement, error or omission which could adversely impact the operations, financial performance or position of the Company. No assurance was provided by third parties in relation to the review of financial and other information concerning the Stayco Acquisition or the Picone Acquisition.
<b>Investor Acquisition and Retention</b>	<p>An inability to attract new clients/investors for its existing or new opportunities will reduce the Company's ability to grow fee revenue, interest income or other commissions generated from its underlying operations.</p> <p>Redemptions reduce the Company's funds under management and may negatively impact the Company's fund operations and the Company's ability to operate at an optimal level.</p>
<b>Competitive Environment</b>	<p>The Company's strategic investment, Stayco operates in the highly competitive resort and holiday accommodation market within South-East Queensland. Stayco competes across the accommodation industry against small motel operators through to branded international hotel chain operators. The unforeseen actions of competitors, such as sustained discounting could lead to materially adverse consequences for Stayco's financial performance and profitability.</p> <p>The Company's funds management and private credit divisions operate in competitive environments where existing and new entrants are developing new investments and lending products that could negatively impact the demand for the Company's current services. This may lead to reduced margins, lower market share and reduce profitability or investment losses.</p>

#### 5.4 General risks

<b>Risk Category</b>	<b>Risk</b>
<b>Economic</b>	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's operations as well as on its ability to fund those activities.
<b>Market conditions</b>	Share market conditions may affect the value of the Company's quoted securities regardless of the

Risk Category	Risk
	<p>Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(a) introduction of tax reform or other new legislation;</li> <li>(b) interest rates and inflation rates;</li> <li>(c) changes in investor sentiment toward particular market sectors;</li> <li>(d) the demand for, and supply of, capital; and</li> <li>(e) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in investment fund stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.</p>
<b>Litigation risks</b>	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
<b>Dividends</b>	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>
<b>Taxation</b>	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation</p>

Risk Category	Risk
	consequences of subscribing for Shares under this Prospectus.
<b>Reliance on key personnel</b>	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
<b>Ukraine conflict</b>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of Shares remains unknown. The Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>

## 5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

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## **6. ADDITIONAL INFORMATION**

### **6.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **6.2 Continuous disclosure obligations**

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
26 August 2022	Corporate Governance Statement 2022
9 September 2022	AGM – Director Nominations
12 October 2022	Proposed Stayco Acquisition and Capital Raise
12 October 2022	Notice of Annual General Meeting/Proxy Form
31 October 2022	Quarterly Appendix 4C Cash Flow Report
31 October 2022	Quarterly Activities Report
1 November 2022	Profit Guidance
18 November 2022	Results of Meeting
21 November 2022	Share Capital Consolidation Approved
21 November 2022	Consolidation/Split - FNX
23 November 2022	Update Share Consolidation - FNX
1 December 2022	Update to Rights Issue Timetable

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.finexia.com.au](http://www.finexia.com.au).

### 6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.42	19 August 2022
Lowest	\$0.295	15 December 2022
Last	\$0.33	22 December 2022

### 6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with:
    - (i) its formation or promotion; or
    - (ii) the Offer; or
  - (c) the Offer,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:
- (d) as an inducement to become, or to qualify as, a Director; or
  - (e) for services provided in connection with:
    - (i) the formation or promotion of the Company; or
    - (i) the Offer.

### **Security holdings**

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2022 Annual Report.

<b>Director</b>	<b>FY ending 2022</b>	<b>FY ending 2023</b>
Neil Sheather	\$238,181 <sup>1</sup>	\$442,000
Patrick Bell	\$321,479 <sup>2</sup>	\$442,000
Jean Marc Li	\$36,000 <sup>3</sup>	\$50,000

**Notes:**

1. Comprised of salary of \$238,181, a superannuation payment of \$18,000 and cash bonus payments of \$18,181.
2. Comprised of salary of \$321,479, a superannuation payment of \$32,147 and cash bonus payments of \$80,000.
3. Comprised of salary of \$36,000.
4. Comprised of salary of \$400,000 and a superannuation payment of \$42,000.
5. Comprised of salary of \$400,000 and a superannuation payment of \$42,000.
6. Comprised of salary of \$50,000

## **6.5 Interests of experts and advisers**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling 54,334.51(excluding GST and disbursements) for legal services provided to the Company.

## **6.6 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the

Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

Mazars Assurance given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2022 audited balance sheet of the Company in Section 3.4. Mazars Assurance Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

## 6.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$47,329 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	14,214
Legal fees	20,000
Printing and distribution	9,909
<b>Total</b>	<b>47,329</b>

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**7. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Neil Sheather**  
**Executive Chairman**  
**Finexia Financial Group Limited**

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## 8. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at Section 1 (unless extended).

**Company** means Finexia Financial Group Limited (ACN 106 760 418).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Convertible Note Issue** has the meaning given to it in Section 1.2.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**CRN** means Customer Reference Number in relation to BPAY®.

**COVID-19** has the meaning given to it in Section 5.2.

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a Shareholder as at the Record Date who is eligible to participate in the Offer.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Full Subscription** means the issue of 16,210,748 Shares at an issue price of \$0.30 per Share to raise up to \$4,863,213.

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand, Singapore, Hong Kong and Malaysia.

**Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Option holder** means a holder of an Option.

**Picone Acquisition** has the meaning given to it in Section 3.1.

**Picone Assets** has the meaning given to it in Section 3.1.

**Placement** has the meaning given to it in Section 1.2.

**Placement Shares** has the meaning given to it in Section 1.2.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at Section 1.

**Section** means a section of this Prospectus.

**Securities** means Shares as the context requires.

**SFO** has the meaning given to it in Section 2.9.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Application Form** means the Shortfall Offer application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall Shares on the terms and conditions set out in Section 2.6.

**Shortfall Shares** means those Shares not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

**Substantial Holders** has the meaning given to it in Section 5.2.

**Stayco** has the meaning given to it in Section 3.1.

**Stayco Acquisition** has the meaning given to it in Section 3.1.

**WST** means Western Standard Time as observed in Perth, Western Australia.