

Notice of Extraordinary General Meeting & Explanatory Statement

ACN 603 323 182 Limited (formerly Axsesstoday Limited) (Subject to Deed of Company Arrangement)

To be held via <https://agmlive.link/AXL20> on: 7 August 2020

Commencing: 11.00am (Melbourne time)

THE INDEPENDENT EXPERT HAS DETERMINED THE PROPOSED TRANSACTION IS FAIR AND REASONABLE TO THE NON-ASSOCIATED SHAREHOLDERS OF THE COMPANY. PLEASE REFER TO THE INDEPENDENT EXPERT REPORT SET OUT IN SCHEDULE 2 OF THIS NOTICE.

The Notice, the accompanying Explanatory Statement and the Independent Expert Report should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Disclaimer: Neither the Deed Administrators nor their servants, agents, advisers or employees make any representation or warranty express or implied as to the accuracy, reasonableness or completeness of the information contained in this document. To the extent permitted by law, all such parties and entities expressly disclaim any and all liability for, or based on or relating to, any such information contained in, or errors in or omissions from this document.

KEY DATES AND TIMETABLE

Event	Indicative Date
Deadline for lodgement of Proxy Forms with Share Registry	11.00am on 5 August 2020
Record Date	7.00pm on 5 August 2020
Meeting	7 August 2020
If the Resolutions are passed and certain other conditions are satisfied:	
Effective date for the Consolidation	7 August 2020
Issue date for Placement Shares	7 August 2020
Effectuation of the DOCA	7 August 2020

Note: Dates are indicative and subject to change.

IMPORTANT INFORMATION

Date

This Notice is dated 6 July 2020.

Disclaimer

The information in this document should be read in conjunction with the Company's other periodic and continuous disclosure announcements and other announcements which, in respect of announcements made prior to 2 March 2020, can be obtained from ASX's website www.asx.com.au.

This Notice does not take into account the individual investment objectives, financial situation or particular needs of any person. Shareholders should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether or not to approve the Resolutions set out in this Notice.

ASIC

A copy of this Notice has been lodged with ASIC. ASIC does not take any responsibility for the contents of this Notice or the Explanatory Statement.

Responsibility for information

The Deed Administrators have consented to convening the Meeting and dispatching this Notice and Explanatory Statement. The Deed Administrators however do not express any opinion about any of the contents (including, but not limited to, any statements about the Proposal). The Deed Administrators make no recommendation about how Shareholders should vote on the Resolutions. The Deed Administrators are not responsible for and have not independently verified any of the ELFC Information. Neither the Deed Administrators nor any servants, representatives, agents or employees of the Deed Administrators' firm make any representations or warranties (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Notice or the Explanatory Statement. To the fullest extent permitted by law, the Deed Administrators and the servants, representatives, agents and employees of the Deed Administrators' firm expressly disclaim any and all liability for, based on or relating to, any such information contained in or omissions from this Notice and the Explanatory Statement.

ELFC has provided, and is responsible for, the ELFC Information.

No person has been authorised to give any information or make representations in connection with the Proposal other than the information and representations contained in the Explanatory Statement. Except as expressly stated in the Explanatory Statement, no persons have been authorised to make any representation or warranty, express or implied, as to the accuracy or completeness of the Explanatory Statement.

Forward-looking statements

Any forward-looking statements contained in this Notice and Explanatory Statement have been based on expectations as at the date of preparation of this Notice and Explanatory Statement about future events. The forward-looking statements included in this document may generally be identified by use of words such as *believe, aim, expect, anticipate, intend, foresee, likely, should, planned, may, estimate, potential* or other similar words. Similarly, statements that describe the

Company's or the Deed Administrators' objectives, plans, goals or expectations are, or may be, forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual results to differ materially from the expectations. Except to the extent required by law, nothing contained in this Notice and Explanatory Statement is, or may be relied on as, a promise or representation as to the accuracy or likelihood of fulfilment of any forward-looking statements. You are therefore cautioned not to place undue reliance on any such forward-looking statements.

Subject to any obligations under the Corporations Act or the Listing Rules, the Company and the Deed Administrators do not give any undertaking to update or revise any forward-looking statements after the date of this Notice and Explanatory Statement to reflect any change in expectations or any change in events, conditions or circumstances on which any such statement is based.

Timetable and dates

All times and dates relating to the Proposal referred to in this Notice and Explanatory Statement may change and, among other things, are subject to all necessary approvals from regulatory authorities.

Currency

Unless otherwise stated, a monetary reference in this document (including all references to '\$') refers to the Australian dollar.

Governing law

This Notice is governed by the law in force in Victoria.

Part A - Glossary

In the Notice and the Explanatory Statement, unless the context otherwise requires:

ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors of the Company from time to time.
Business Day	means a day other than a Saturday, Sunday or public holiday in Melbourne.
Chair or Chairperson	means the person appointed to chair the Meeting convened by the Notice.
Company	means A.C.N 603 323 182 Limited (formerly Axesstoday Limited) ACN 603 323 182 (Subject to Deed of Company Arrangement).
Competing Proposal	<p>means any expression of interest, proposal, offer, transaction, agreement, arrangement or understanding (other than any transaction that may be made and implemented in accordance with the Placement Agreement) by or with any person pursuant to which a third party (either alone or together with any associate) may, if entered into or completed substantially in accordance with its terms:</p> <ul style="list-style-type: none">(a) directly or indirectly acquire an interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, or the right to vote 20% or more of the Shares;(b) directly or indirectly acquire, obtain a right to acquire or otherwise obtain an economic interest in all or a substantial part of the assets or business of the Company;(c) acquire control (as that term is defined in section 50AA of the Corporations Act) of the Company; or(d) otherwise directly or indirectly acquire, merge, amalgamate with the Company.
Constitution	means the constitution of the Company.
Consolidation	has the meaning given in Resolution 1.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).

Creditor	means any person who would have been entitled to prove (or would have been entitled to prove but for the operation of section 553 of the Corporations Act) in a winding up of the Company or its subsidiaries also subject to the DOCA, if the Company or its subsidiaries subject to the DOCA had been wound up and the winding up was taken to have commenced on 7 April 2019.
Creditors' Trust	has the meaning given in Section 4.2.
Deed Administrators	has the meaning given in Section 4.1.
Director	means any director of the Company and Directors means all of them.
DOCA	has the meaning given in Section 4.1.
ELFC	means Equivalent Liberty Fintech Corporation of 150-10451 Shellbridge Way, Richmond BC V6X 2W89, Canada.
ELFC Information	means the information set out in Section 5 that relates solely to ELFC, its associates and its intentions for the Company, the information regarding ELFC's proposed directors in Section 9.2 and any other information contained in the Explanatory Statement regarding ELFC or its future intentions for the Company. For the avoidance of doubt, it does not include statements in Section 5 about the Company's current business or affairs.
End Date	means 14 August 2020, or such other date as agreed by the parties in accordance with the terms of the Placement Agreement.
Explanatory Statement	means the explanatory statement accompanying the Notice of Meeting and contained in Part C of this booklet.
Glossary	means this glossary contained in Part A to this booklet.
Independent Expert	means PKF Melbourne Corporate Pty Ltd, AFSL No. 222050.
Independent Expert Report	means the Independent Expert Report dated 4 July 2020 set out in Schedule 2.
Meeting	means the extraordinary general meeting of Shareholders convened under the Notice of Meeting to consider the Resolutions, and includes any adjournment of that meeting
Notice of Meeting or Notice	means the notice convening the Meeting set out in Part B, and includes the agenda, Explanatory Statement and the Proxy Form.
Official List	means the official list of the ASX.

Placement	has the meaning given in Section 4.2.
Placement Agreement	means the Placement Agreement entered into by the Company, the Deed Administrators and ELFC on or about 8 October 2019 as amended by the side letter dated 29 May 2020.
Placement Shares	has the meaning given in Section 4.2.
Proposal	means the proposal to undertake the Consolidation and Placement, as set out in the Placement Agreement.
Proxy Form	means the proxy form attached to the Notice as set out in Schedule 1.
Resolution	means any resolution contained in the Notice of Meeting.
Schedule	means a schedule to this Notice.
Section	means a section of this Notice.
Secured Creditor	means a creditor who has the benefit of a Security over all or any of the assets of the Company securing all or part of its claim.
Security	means any mortgage, security interest, charge (whether fixed or floating), lien, pledge or other encumbrance which secures the payment of any debt or monetary liability or the performance of any obligation and which, for non-real property, complies with the <i>Personal Property Securities Act 2009</i> (Cth).
Shares	means the shares on issue in the share capital of the Company and Share means any one of them.
Share Registry	means the registry engaged by the Company, being Link Market Services Limited.
Shareholder	means a registered holder of a Share.
Superior Proposal	means a bona fide written Competing Proposal that the Deed Administrators determine in good faith: <ul style="list-style-type: none"> (a) is capable of being valued and completed, taking into account all aspects of the Competing Proposal; and (b) will or is likely to, if completed substantially in accordance with its terms, be more favourable to the Company's creditors (and the beneficiaries under the Creditors' Trust) than the Placement and other transactions contemplated under the Placement Agreement taking into account all terms and conditions of the Competing Proposal and transactions contemplated by the Placement Agreement.

Part B - Notice of Extraordinary General Meeting

Time and place

Due to Government restrictions and public health advice regarding public gatherings during the COVID-19 pandemic, Shareholders will not be able to attend the Meeting in person.

The Corporations (Coronavirus Economic Response) Determination (No.1) 2020 (**Coronavirus Determination**) modifies the operation of the Corporations Act to allow companies to hold meetings virtually, rather than in person.

As permitted by the Coronavirus Determination the Meeting will be held online via <https://agmlive.link/AXL20>.

Notice is hereby given that a meeting of shareholders of A.C.N 603 323 182 Limited (Subject to Deed of Company Arrangement) (**Company**) will be held as follows:

- audio live (not visual) at via <https://agmlive.link/AXL20> on 7 August 2020; and
- commencing at: 11.00am (Melbourne time) on 7 August 2020 at (**Meeting**).

The purpose of the Meeting is to consider and, if thought fit, to pass the Resolutions set out below in connection with the Proposal.

Virtual attendance at the Meeting

The Meeting will be audio live (not visual) at <https://agmlive.link/AXL20>.

The online platform will allow you to vote and ask questions in real-time. You will need a desktop or mobile/tablet device with internet access to be able to participate in the Meeting.

When you log onto the online platform on the morning of the Meeting, you will need to provide your details, including your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) to be verified as a Shareholder or proxyholder. Proxyholders will need their login details, which will be provided by the Share Registry no later than 24 hours before the Meeting. Once you have logged in, you will be given details about how to vote and ask questions during the Meeting.

If you intend to use the online platform, we recommend that you log in to see if it works on your device prior to the scheduled time for the Meeting to commence. Shareholders and proxyholders will be able to log in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions set out in the Notice and the Virtual General Meeting Online Guide.

For further information about online participation at the Meeting, including how to vote and ask questions is provided in the Virtual General Meeting Online Guide, which is available at <https://www2.deloitte.com/au/en/pages/finance/articles/axsesstodaylimited.html>.

Explanatory Statement

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of this Notice.

Defined terms

Defined terms used in the Notice of Meeting have the meanings given to them in the Glossary accompanying this Notice of Meeting set out at Part A, unless the context requires otherwise.

Independent Expert Report

In addition, the Independent Expert Report has been provided which contains an analysis of whether the issue of the Placement Shares contemplated by Resolution 2 is fair and reasonable for Shareholders. The Independent Expert has concluded that the proposed transaction outlined in Resolution 2 is fair and reasonable to Shareholders. A full copy of the Independent Expert Report is set out in Schedule 2.

The Explanatory Statement, as well as the Notice of Extraordinary General Meeting and Independent Expert Report, should be read carefully and in their entirety.

Eligibility to vote

Pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) it has been determined that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 5 August 2020 at 7.00pm (Melbourne time) (**Record Date**).

Special Business

Shareholders should note that Resolutions 1 to 6 are interconditional such that one cannot be passed unless all other Resolutions are passed. Accordingly, each of the Resolutions should be considered collectively as well as individually.

Special Business

1. Resolution 1 – Consolidation of Capital

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

*That, subject to and conditional on the due passage of Resolutions 2 to 6 inclusive, pursuant to and in accordance with section 254H of the Corporations Act, the Constitution and for all other purposes, the issued capital of the Company be consolidated following the closure of the Meeting on the basis that every 12 Shares held by each Shareholder at that time be consolidated into 1 Share and, where this consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up or down to the nearest whole Share (**Consolidation**).*

2. Resolution 2 – Issue of Placement Shares

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

That, subject to and conditional on the due passage of Resolutions 1 and 3 to 6 inclusive, pursuant to and in accordance with Item 7 of Section 611 of the Corporations Act and for all other purposes, Shareholder approval is given for the Company to issue to ELFC 33,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.02 per Share in accordance with the Placement Agreement, resulting in ELFC acquiring a relevant interest of approximately 85.86% of the issued voting Shares (on a fully diluted and post-Consolidation basis), and otherwise on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion

In accordance with Item 7 of Section 611 of the Corporations Act, the Company will disregard any votes cast in favour of this Resolution by ELFC or an associate of ELFC.

Note: Shareholders should carefully consider the Independent Expert Report for the purposes of the Shareholder approval required under Item 7 of section 611 of the Corporations Act. The Independent Expert Report comments on the fairness and reasonableness of the proposed transaction to Shareholders. The Independent Expert has determined that the issue of 33,000,000 Shares to ELFC on the terms set out in this document is both fair and reasonable to Shareholders.

3. Resolution 3 – Election of Director – Mr Jian You

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

That, subject to and conditional on the due passage of Resolutions 1 to 2 and 4 to 6 inclusive, in accordance with rule 3.4 of the Constitution and for all other purposes, and with effect from completion of the Placement, Jian You be elected as a Director on the terms and conditions set out in the Explanatory Statement.

4. Resolution 4 – Election of Director – Mr (Ivan) Peng Wang

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

That, subject to and conditional on the due passage of Resolutions 1 to 3 and 5 to 6 inclusive, in accordance with rule 3.4 of the Constitution and for all other purposes, and with effect from completion of the Placement, (Ivan) Peng Wang be elected as a Director on the terms and conditions set out in the Explanatory Statement.

5. Resolution 5 – Election of Director – Mrs Yuhan Wang

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

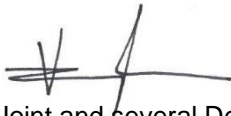
That, subject to and conditional on the due passage of Resolutions 1 to 4 and 6 inclusive, in accordance with rule 3.4 of the Constitution and for all other purposes, and with effect from completion of the Placement, Yuhan Wang be elected as a Director on the terms and conditions in the Explanatory Statement.

6. Resolution 6 - Change of Company Name

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

That, subject to and conditional on the due passage of Resolutions 1 to 5 inclusive, in accordance with section 157(1) of the Corporations Act and for all other purposes, and with effect from completion of the DOCA in respect of the Company, the name of the Company be changed to "Universal Equivalent Technology Limited" and, for the purposes of section 136(2) of the Corporations Act and for all other purposes, all references to "Axsesstoday Limited" in the Constitution of the Company be replaced with references to "Universal Equivalent Technology Limited" on the terms and conditions set out in the Explanatory Statement.

FOR AND ON BEHALF OF THE DEED ADMINISTRATORS



Joint and several Deed Administrator of **ACN 630 323 182 Limited (formerly Axsesstoday Limited) (Subject to Deed of Company Arrangement)**

Dated: 6 July 2020

Part C - Explanatory Statement

1. General

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

The purpose of the Meeting is to seek approval for the transactions contemplated by the Placement Agreement including, among other things, to consolidate the Shares and issue the Placement Shares to ELFC under the terms of the Placement Agreement.

This Explanatory Statement should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolutions. Shareholders should read this Explanatory Statement in full.

This Explanatory Statement includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	How to vote
Section 3	Inter-Conditional Resolutions
Section 4	Overview
Section 5	ELFC Information and additional information for Shareholders
Section 6	Advantages and Disadvantages of the Proposal
Section 7	Resolution 1 – Consolidation of Capital
Section 8	Resolution 2 – Issue of Placement Shares
Section 9	Resolutions 3 to 5 (inclusive) – Election of Directors – Messrs You and Wang and Mrs Wang
Section 10	Resolution 6 - Change of Company name
Schedule 1	Proxy Form
Schedule 2	Independent Expert Report

2. How to vote

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

2.1 Participation in the Meeting

The Meeting will be held online via <https://agmlive.link/AXL20>.

The online platform will allow you to vote and ask questions in real-time. You will need a desktop or mobile/tablet device with internet access to be able to participate in the Meeting.

When you log onto the online platform on the morning of the Meeting, you will need to provide your details, including your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) to be verified as a Shareholder or proxyholder. Proxyholders will need their login details, which will be provided by the Share Registry no later than 24 hours before the Meeting. Once you have logged in, you will be given details about how to vote and ask questions during the Meeting.

If you intend to use the online platform, we recommend that you log in to see if it works on your device prior to the scheduled time for the Meeting to commence. Shareholders and proxyholders will be able to log in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions set out in the Notice and the Virtual General Meeting Online Guide available at <https://www2.deloitte.com/au/en/pages/finance/articles/axesstodaylimited.html>.

Shareholders will have a reasonable opportunity to ask questions in respect of the special business being considered at the Meeting via the online platform. To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following requests:

- (a) questions should be stated clearly and relevant to the special business of the Meeting;
- (b) if a Shareholder has more than one question on an item, all questions should be asked at the one time; and
- (c) Shareholders should not ask questions at the Meeting relating to any matters that are personal to the shareholder, confidential or not relevant to the special business being considered by the Meeting.

2.2 How to vote

You may vote by participating in the meeting via the online platform:

- (a) personally;
- (b) if you are a corporate shareholder, by a representative; or
- (c) by proxy (see below on how to vote by proxy).

2.3 Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

2.4 Corporate representative

- (a) To vote at the Meeting, a Shareholder that is a corporation must appoint an individual to act as its representative. The appointment must comply with section 250D of the Corporations Act. The representative should provide evidence of his or her appointment, including any authority under which it is signed.
- (b) Alternatively, a Shareholder that is a corporation may appoint a proxy to vote on its behalf.

2.5 Voting via online platform during the Meeting

Shareholders will be able to vote directly at any time between the scheduled start of the Meeting at **11.00am (Melbourne time)** and the closure of voting as announced by the Chairperson during the Meeting.

2.6 Voting by proxy

- (a) If you are unable to participate virtually and vote at the Meeting, you are entitled to appoint a proxy to attend virtually and vote on your behalf.
- (b) To vote by proxy, please complete and sign the enclosed Proxy Form, and return by the time and in accordance with the instructions set out on the Proxy Form.
- (c) To be effective, the Proxy Form and any authority under which it is signed, must be received by the Share Registry prior to 11.00am on 5 August 2020. Proxy Forms duly completed in accordance with the instructions set out on the Proxy Form may be returned to the Share Registry by:
 - (i) lodging them online through www.linkmarketservices.com.au. You will require your SRN/HIN and control number, located on the front page of your Proxy Form;
 - (ii) posting them in the enclosed envelope to ACN 603 323 182 Limited (formerly Axesstoday Limited) (Subject to Deed of Company Arrangement) C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia; or
 - (iii) delivering them by hand to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000; or
 - (iv) faxing them to +61 2 9287 0309.
- (d) In accordance with section 249L of the Corporations Act, Shareholders are advised that:
 - (i) each Shareholder has a right to appoint a proxy;
 - (ii) the proxy need not be a Shareholder; and

- (iii) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
- (e) Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:
 - (i) if proxy holders vote, they must cast all directed proxies as directed; and
 - (ii) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed. Further details on these changes are set out below.
- (f) The Share Registry will contact proxyholders at least 24 hours prior to the start of the Meeting to provide them with the proxyholder login information required to access the online platform.

Proxy vote if appointment specifies way to vote

As voting will be conducted by way of a poll using the online platform, if a Proxy Form specifies the way the proxy is to vote on a resolution, and the proxy is not the Chair, the proxy need not vote on the poll, but if it does so, the proxy must vote in accordance with the Proxy Form.

Transfer of non-chair proxy to chair in certain circumstances

- (g) Section 250BC of the Corporations Act provides that, if:
 - (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
 - (ii) the appointed proxy is not the chair of the meeting;
 - (iii) at the meeting, a poll is duly demanded on the resolution; and
 - (iv) either the following applies:
 - (A) the proxy is not recorded as attending the meeting; or
 - (B) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.7 Eligibility to vote

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) it has been determined that the persons eligible to vote at the Meeting are those that are registered Shareholders at 7.00 pm (Melbourne time) on 5 August 2020 (**Record Date**). If you are not the registered holder of a relevant Share at that time you will not be entitled to vote in respect of that Share.

2.8 Voting procedure

In accordance with the Coronavirus Determination, voting on all resolutions will be conducted by a poll through the online platform and every person entitled to vote who is present via the online platform or by proxy, representative or attorney, will have one vote for each voting share held by that person.

2.9 Enquiries

For all enquiries, please contact the Deed Administrators at axesstoday@deloitte.com.au.

3. Inter-Conditional Resolutions

All Resolutions are inter-conditional, meaning that each of them will only take effect if they are all passed by the requisite majority of Shareholders at the Meeting. If any of the Resolutions are not approved at the Meeting, none of the Resolutions will take effect and other matters contemplated by the Resolutions will not be completed.

4. Overview

4.1 Background

- (a) The Company is an Australian public company incorporated on 11 December 2014 and was admitted to the Official List on 21 December 2016.
- (b) The Company's securities were suspended from official quotation on 14 September 2018 at the request of the Company and have remained suspended since that date. The Company subsequently entered voluntary administration on 7 April 2019.
- (c) On 3 September 2019, the Company entered into a deed of company arrangement, approved by its Creditors at a second meeting of creditors on 30 August 2019 (**DOCA**), and subsequently appointed Deloitte Financial Advisory Pty Ltd partners Vaughan Strawbridge, Glen Kanevsky, and Sal Algeri as joint and several deed administrators of the Company (**Deed Administrators**) on 7 September 2019. In accordance with the terms of the DOCA, the Company sold Axesstoday Operations Pty Ltd (now called Garrison Lending Operations

Pty Ltd), ACN 603 303 126 Pty Ltd and Axesstoday Retail Pty Ltd (now called Garrison Lending Retail Pty Ltd) to Promontoria Holding 304 BV.

- (d) The Company was removed from the Official List on 2 March 2020.
- (e) The Company remains subject to the DOCA. The DOCA will not be effectuated in respect of the Company until the completion of the Proposal or, subject to the terms of the Placement Agreement, the Deed Administrators form the view that the Proposal should not be pursued.

4.2 Overview of Proposal

The DOCA contemplates that the Company's corporate shell will be sold or transferred and the proceeds received from any such sale or transfer will form part of the funds available for distribution to eligible Creditors in accordance with the terms of the trust fund established under the DOCA pursuant to the trust deed entered into by the Company and the Deed Administrators on 19 September 2019 (**Creditors' Trust**).

In October 2019, the Company and the Deed Administrators entered into a Placement Agreement with ELFC pursuant to which ELFC agreed to subscribe for Shares at an issue price of \$0.02 on the terms and conditions set out in the Placement Agreement.

The key terms of the Proposal are as follows:

- (a) the Company undertaking a consolidation of Shares on a 12 to 1 basis immediately prior to the Placement;
- (b) the Company issuing 33,000,000 Shares (**Placement Shares**) to ELFC equal to 85.86% of the issued share capital of the Company (on a fully diluted and post-Consolidation basis)¹ to raise the sum of \$60,000 (**Placement**);
- (c) the funds received by the Company from the issue of the Placement Shares, referred to in clause 4.2(b), being paid into the Creditors' Trust; and
- (d) new directors nominated by ELFC being appointed to the Board and the resignation of all existing Directors with effect from the date the Placement Shares are issued to ELFC.

ELFC has already paid \$60,000 to the Deed Administrators, in accordance with the terms of the Placement Agreement.

The above transactions are subject to satisfaction of certain conditions described below, including obtaining Shareholder approval. Consequently, the Resolutions must be approved by Shareholders in order for the Proposal to proceed.

¹ Taking into account any adjustments from rounding fractional Shares to the nearest whole number.

4.3 Placement Agreement

Set out below is a summary of the key terms of the Placement Agreement.

(a) Good faith

Each of the Company, the Deed Administrators and ELFC are obliged to work together in good faith to give effect to the transactions contemplated by the Placement Agreement.

(b) Conditions precedent

While the Resolutions need to be passed for the Proposal to be implemented, there are a number of other conditions set out in the Placement Agreement that must also be satisfied, or, if permitted, waived, in order for the Proposal to be implemented, which are as follows:

- (i) **Independent Expert Report:** the Independent Expert Report concludes that the Placement is fair and reasonable to Shareholders as a whole (or at least reasonable), and the Independent Expert does not publicly change its conclusion prior to the Meeting;
- (ii) **Letters of resignation:** the Deed Administrators procure letters of resignation from the current Directors and company secretary with effect on and from completion of the Proposal;
- (iii) **Release of security interests:** release and discharge of the Securities held by the Secured Creditors;
- (iv) **Other approvals:** ELFC and the Company obtain any other necessary shareholder and regulatory approvals pursuant to the Listing Rules, Corporations Act or any other applicable law or regulations to lawfully complete the Placement;
- (v) **Third party consents:** ELFC and the Company obtain any other necessary third party consents to allow the Company and ELFC to lawfully complete the Placement; and
- (vi) **Bondholders:** the Deed Administrators provide evidence to the satisfaction of ELFC (acting reasonably), that all bonds issued by the Company have been redeemed or released (as applicable).

If the conditions precedent are not satisfied or waived by 5.00pm on the End Date, which the parties, by mutual agreement, have extended from 14 February 2020 to 14 August 2020, the Placement Agreement can be terminated.

(c) Restrictions on activities

Under the Placement Agreement, the Company is restricted from undertaking any of the following actions (other than as required under the DOCA or the

Placement Agreement) without ELFC's prior written consent, which it can withhold in its absolute discretion:

- (i) entering into any material contract or incurring any material liability;
- (ii) varying its capital structure;
- (iii) issuing Shares; or
- (iv) causing any event or events to occur which have, in ELFC's opinion, a material adverse effect on the Company or the Proposal.

(d) Exclusivity arrangements

Prohibitions

The Company and Deed Administrators are required to comply with certain exclusivity obligations under the Placement Agreement. Subject to the fiduciary exception described below, the Company and the Deed Administrators are prohibited from:

- (i) entering into, procuring or soliciting any discussions, negotiations or agreements with any party other than ELFC in relation to the sale of Shares;
- (ii) granting any rights over or agreeing to issue any Shares to any person other than ELFC; or
- (iii) providing any information relating to the Company or the Shares to any person, otherwise than as required to give effect to the Proposal.

The Company and the Deed Administrators must also notify ELFC if the Deed Administrators or the Company receive a Competing Proposal that the Deed Administrators determine in good faith is or would be likely to be a Superior Proposal.

Fiduciary out

In respect of a Competing Proposal that is or may be received by the Company or the Deed Administrators without any breach by the Company or the Deed Administrators of their obligations under the exclusivity provisions, the Deed Administrators may undertake any action that would otherwise be prohibited by the exclusivity restrictions summarised above if the Deed Administrators determine in good faith that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal.

The Deed Administrators are not required to act (or refrain from acting) in a way that constitutes, or would be likely to constitute, a breach of any of the fiduciary or statutory duties owed by the Deed Administrators in their capacity as joint and several deed administrators of the Company, provided any Competing Proposal was not brought about by a breach by them of the exclusivity arrangements.

Matching right

The exclusivity provisions require that the Deed Administrators and the Company do not enter into any legally binding agreement with a third party under which the Company proposes to undertake a Competing Proposal, unless:

- (i) the Deed Administrators, acting in good faith, determine that the Competing Proposal is or would be likely to be a Superior Proposal;
- (ii) the Deed Administrators and the Company provide to ELFC the material terms and conditions of the Competing Proposal; and
- (iii) the Deed Administrators have given ELFC five Business Days after the provision of the material terms and conditions of the Competing Proposal to provide a superior proposal to the terms of the Competing Proposal (taken as a whole).

Exclusivity Period

The exclusivity arrangements apply until the earlier of:

- (i) the termination or expiry of the Placement Agreement;
- (ii) completion of the Proposal; and
- (iii) the End Date under the Placement Agreement.

(e) Completion

Subject to the Resolutions being approved by Shareholders at the Meeting, completion of the issue of the Placement Shares will occur two Business Days after the date on which all the conditions precedent under the Placement Agreement are satisfied or waived (or a combination of both) or such other date as agreed between the parties.

(f) Termination

The Placement Agreement may be terminated by any party if there is a material breach by the other party of its obligations under the agreement or if the conditions precedent are not satisfied by the End Date.

The Placement Agreement may also be terminated by the Deed Administrators and the Company in the following circumstances:

- (i) ELFC becomes subject to an insolvency event;
- (ii) the Resolutions are not approved by Shareholders at the Meeting;
- (iii) the Placement has not occurred by the End Date; or
- (iv) the Deed Administrators receive a Superior Proposal and ELFC does not match the proposal.

4.4 Independent Expert Report

In accordance with the requirements of ASIC Regulatory Guide 74 *Acquisitions approved by members (RG 74)*, the Deed Administrators engaged the Independent Expert to prepare and provide the Independent Expert Report which contains an analysis of whether the proposed issue of the Placement Shares to ELFC is, in the Independent Expert's opinion, fair and reasonable to non-associated Shareholders (being Shareholders who are not associated with ELFC).

The Independent Expert has assessed the Proposal and concluded that the proposed issue of the Placement Shares to ELFC is fair and reasonable to the non-associated Shareholders of the Company.

For a summary of the Independent Expert's findings please refer to page 3 of the Independent Expert Report.

The Independent Expert has given, and not before the date of the Notice withdrawn, its consent to the inclusion of the Independent Expert Report in Schedule 2 of this document and to the references to the Independent Expert Report in this Explanatory Statement being made in the form and context in which each such reference is included.

4.5 Indicative capital structure

The current capital structure of the Company as at the date of this Notice is as follows:

Security	Number
Shares	65,199,581

If the Proposal is implemented, then 33,000,000 Shares (on a post-Consolidation basis) will be issued to ELFC representing approximately 85.86% of the Company's issued share capital following implementation. This means that existing Shareholders' interests in the Company will be diluted to approximately 14.14% of the Company (in aggregate). Consequently, the Shares that current Shareholders will hold following implementation will represent a significantly lower proportion of the Company's issued share capital.

Upon completion of the Proposal (including the Consolidation), the Company's indicative capital structure will be as follows:

Security	Number currently on issue	Number on issue post-Consolidation ²	Number on issue post-Placement Shares ³
Shares	65,199,581	5,433,335	38,433,335

² On a post-Consolidation basis and taking into account any adjustments for rounding fractional entitlements to the nearest whole number.

³ On a post-Consolidation basis and taking into account any adjustments for rounding fractional entitlements to the nearest whole number.

The shareholdings in the Company following implementation of the Proposal will be as follows:

Shareholder	Shares held	Percentage interest
Existing Shareholders	5,433,335 ⁴	14.14%
ELFC	33,000,000	85.86%
Total Shares	38,433,335⁵	100%

4.6 Admission risk

The Company was delisted from the Official List on 2 March 2020. The Shares are currently not able to be traded through any securities exchange.

While ELFC intends to seek admission to the Official List, there is no guarantee that the Shares will be able to be listed on any securities exchange, including the Official List.

Following the sale of Axesstoday Operations Pty Ltd (now called Garrison Lending Operations Pty Ltd), ACN 603 303 126 Pty Ltd and Axesstoday Retail Pty Ltd (now called Garrison Lending Retail Pty Ltd) to Promontoria Holding 304 BV under the DOCA, the Company no longer has an operating business. Consequently, effectuation of the DOCA and subsequent exit from external administration will not place the Company in a position to seek reinstatement of its securities to the Official List. The application to list the Company on a securities exchange, including the Official List, will be subject to the Company complying with eligibility requirements for an initial public offering. In relation to the Official List, the ASX retains a wide and general discretion not to list any company that it does not consider suitable to be listed on its exchange. The ASX will consider the Company's structure, operations, board experience, experience of auditors, legality and structure of operations, stage of development of business, and other factors when assessing a listing application.

The Company has not lodged its half-year or full year accounts for the 2019 financial year or its half-year accounts for the 2020 financial. ASIC has, amongst other things, granted the Company an extension of time to provide the following to Shareholders and ASIC:

- (a) the financial report for the financial year ended on 30 June 2019;
- (b) the half-yearly accounts for the period ending on 31 December 2018; and
- (c) a financial report and / or half-year report for any other financial year ending during the 'deferral period'.

⁴ Including any adjustments for rounding fractional entitlements to the nearest whole number.

⁵ On a post-Consolidation basis and taking into account any adjustments for rounding fractional entitlements to the nearest whole number.

The accounts will need to be lodged at the end of the 'deferral period' defined in the relief instrument. The deferral period will end on the earlier of:

- (a) 7 October 2021;
- (b) the date on which a disclosure document is lodged with ASIC in relation to any offer for issue or sale of securities that needs disclosure to investors under Chapter 6D of the Corporations Act;
- (c) the date on which the Shares are reinstated to quotation on the Official List; or
- (d) the date that the Company ceases to be under external administration.

Consequently, the effectuation of the DOCA and the Company exiting external administration following implementation of the Proposal, if the Resolutions are approved, will trigger the requirement for the outstanding financial accounts to be lodged at that time.

4.7 What happens if the Proposal does proceed?

If all the conditions are satisfied and the Proposal is implemented, the Shares will be consolidated and the Placement Shares issued such that ELFC will hold approximately 85.86% of the Shares. ELFC will also control the Company's Board.

Following implementation of the Proposal ELFC intends to assess potential acquisition opportunities and undertake an initial public offering. For further details about ELFC's future intentions for the Company, please refer to Section 5. If the Company acquires a new undertaking and satisfies ASX that it complies with Chapters 1 and 2 of the Listing Rules, it may be admitted to the Official List in the future as part of an initial public offering. Further details about the risks associated with seeking to undertake an initial public offering, and when an entity may become listed, are set out in Section 4.6. Unless the Company is listed on a securities exchange, the Shares in the Company will remain illiquid and will not be able to be publicly traded.

4.8 What happens if the Proposal is not implemented?

If the Proposal is not implemented because the Resolutions are not approved by Shareholders or because any of the other conditions precedent are not satisfied or, if permitted, waived, the Consolidation will not take place and the Placement Shares will not be issued to ELFC.

The Placement Agreement would also be terminated and, unless an alternate proposal emerges it is likely that the Company would be wound up. In this event, the Deed Administrators have estimated that on a liquidation basis that there would be insufficient funds to meet all Creditors' claims. Therefore, in the event of liquidation, there will be no return to Shareholders.

4.9 Directors' recommendation

As the Company has been in external administration since April 2019 and under the control of the Deed Administrators, the Deed Administrators do not think it is appropriate

for Directors to provide any recommendation as to how Shareholders should vote on the Resolution, other than as required under the Company's Constitution.

5. ELFC information and additional information for Shareholders

This Section 5 provides an overview of ELFC and sets out its current intentions regarding the future of the Company if Shareholders approve the Resolutions and the Proposal is implemented.

Neither the Deed Administrators nor the Company are responsible for any statements made or information provided in this Section 5 that relate to ELFC or its intentions in relation to the Company, or the ELFC Information more generally.

ELFC's future intentions, as set out below, are based on the facts and information regarding the Company, its business and general business environment which are known to ELFC as at the date of this Notice. Any future decisions regarding these matters will be based on all material information and circumstances at the relevant time. As such, the statements set out below are statements of current intention only which, if circumstances change or new information becomes available in the future, could change accordingly.

5.1 Overview of ELFC

ELFC is an investment holding company incorporated in Canada in 2017 controlled by Mr Jose Gonzales Garcia. Given the company's relatively recent incorporation, ELFC has a limited history of trading. However, Mr Garcia and his team have long term relationships with sophisticated investors as well as high net worth individuals in Australia, Greater China, United States, Canada and Hong Kong.

There is no relationship between ELFC and any existing Shareholders. ELFC is an unrelated third party that is acting independently. The Company has not had any dealings with ELFC nor its director and/or shareholder prior to ELFC's non-binding indicative offer with regards to the Proposal.

As at the date of this Notice, ELFC does not hold any Shares.

5.2 Information for Shareholders under item 7 of section 611 of the Corporations Act

The following information is provided to Shareholders for the purposes of the requirements under the Corporations Act in respect of obtaining Shareholder approval pursuant to item 7 of section 611 of the Corporations Act:

The identity of the person proposing to make the acquisition and its associates	The person proposing to make the acquisition (that, is the persons who will be issued the Placement Shares) is ELFC. None of ELFC's associates will be issued with any Shares.
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The maximum extent of the increase in that person's voting power in the company that would result from the acquisition	As at the date of this Notice of Meeting, ELFC's voting power in the Company is nil. Upon completion of the Placement ELFC's voting power will increase from zero to approximately 85.86%. ⁶
The voting power that a person would have as a result of the acquisition	As at the date of this Notice of Meeting, ELFC's voting power in the Company is nil. Upon completion of the Placement ELFC's voting power will increase from zero to approximately 85.86%. ⁷
The maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition	None of ELFC's associates will be issued any Placement Shares or acquire any voting power in the Company. As such, the maximum extent of the increase in the voting power of ELFC's associates as a result of the issue of the Placement Shares will be nil.
The voting power that each of that person's associates would have as a result of the acquisition	None of ELFC's associates currently have nor will be issued any Shares or acquire any voting power in the Company as part of the Proposal. As such, the voting power of ELFC's associates on completion of the issue of the Placement Shares will be nil.

5.3 Information for Shareholders required by RG 74

Further information required by RG 74 for the purposes of Resolution 2 is set out below.

An explanation of the reasons for the proposed acquisition	The Company and ELFC are parties to the Placement Agreement. Under the Placement Agreement, if the conditions precedent are satisfied or, if permitted, waived, ELFC must be issued 33,000,000 Shares.
When the proposed acquisition is to occur	The Placement Shares will be issued to ELFC two Business Days after the conditions under the Placement Agreement are satisfied, details of which are set out in Section 4.3 above.
The material terms of the proposed acquisition	The Placement Shares will have the same rights and liabilities as all other Shares on issue and otherwise will be issued in accordance with the terms and conditions of the Placement Agreement, details of which are set out in Section 4.3 above.

⁶ On a post-Consolidation basis, taking account any adjustments from rounding fractional entitlements to the nearest whole number.

⁷ On a post-Consolidation basis, taking account any adjustments from rounding fractional entitlements to the nearest whole number.

<p>Details of the terms of any other relevant agreement between ELFC and the Company (or any of their associates) that is conditional on (or directly or indirectly depends on) members' approval of the proposed acquisition</p>	<p>The Company and ELFC entered into the Placement Agreement.</p> <p>Details of the terms of the Placement Agreement are set out in Section 4.3 above.</p>
<p>Changes to the Company's business</p>	<p>Following the sale of the Company's main undertaking and certain of its subsidiaries pursuant to the DOCA, the Company does not have any material business or assets.</p> <p>ELFC intends to, through Mr Garcia's existing network in the United States and South East Asia, introduce business opportunities to drive performance and sustainable growth.</p> <p>Following the completion of the Placement, ELFC intends to identify and assess potential acquisition opportunities of a material asset and undertake a reverse takeover. In doing so, the Company will be required to comply with Chapters 1 and 2 of the Listing Rules to be admitted to the Official List. For further details about the risks of the process to being admitted to the Official List, refer to Section 4.6.</p>
<p>Injection of further capital</p>	<p>Following completion of the Proposal, ELFC intends to inject further capital into the Company by way of a loan facility agreement between the Company and ELFC (facility) to fund the working capital requirements of the Company while the new directors investigate new business or acquisition opportunities with a view to undertaking an initial public offering on the ASX. A maximum of up to \$500,000 would be available to be drawn down under the facility on an as needed basis.</p> <p>Working capital requirements may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with any project, investment or acquisition, as determined by the Board at the relevant time.</p>
<p>Impact on employees</p>	<p>At the date of this Notice the Company does not have any employees.</p>
<p>Redeploying the fixed assets of the Company</p>	<p>The Company has no material assets to redeploy.</p>

Directors' interests in the acquisition or any relevant agreement in relation to the acquisition

None of the current Directors have any interest in the Placement or any relevant agreement in relation to the Placement.

5.4 **ELFC's future intentions for the Company**

Other than as disclosed elsewhere in the Explanatory Statement, ELFC's intention for the Company, if the Resolutions are approved and the other conditions precedent under the Placement Agreement are satisfied or waived (if permitted), is that the Company will operate with a very broad mandate and will consider businesses and assets at various stages of development. The proposed new Directors will seek out opportunities in new industries with a view to enhancing Shareholder value, in particular, projects with a focus on Fintech opportunities in the United States and South East Asia.

The acquisition of any new undertaking will require Shareholder approval.

As part of the admission process, the Company will likely need to undertake a further capital raising, possibly in the form of placements and/or rights issue, prior to seeking admission of its securities to the Official List and/or issue shares to vendors of the new undertaking. Shareholder approval for any further issues of Shares will be sought at the time an acquisition of a new undertaking is approved. Shareholders should expect that their holdings may be further diluted as part of the re-compliance process, subject to any participation by the existing Shareholders under future capital raising activities of the Company.

6. **Advantages and disadvantages of the Proposal**

6.1 **Advantages of the Proposal**

The key advantages of passing the Resolutions and implementing the Proposal (subject to satisfaction or waiver of the other conditions) are as follows:

- (a) The Independent Expert has considered the Placement and has concluded that the Placement is fair and reasonable to Shareholders. The Independent Expert Report is provided at Schedule 2 which you are encouraged to read in full.
- (b) If the Proposal is not implemented, in the absence of an alternative proposal, the Company would likely be wound up. In this event, the Deed Administrators have estimated that on a liquidation basis that there would be insufficient funds to meet all Creditors' claims. Therefore, in the event of liquidation, there will be no return to Shareholders.
- (c) The Company will exit external administration following implementation of the Proposal.
- (d) Following implementation of the Proposal, the Company would likely be better placed to acquire an asset and seek admission to the Official List by way of an initial public offering. If the Company is successful in being admitted to the ASX's

Official List, Shareholders would have the opportunity to sell their post-Consolidation shareholdings on the ASX. There is however no guarantee that the Company will be successful in seeking admission to the ASX's Official List (or on any other securities exchange). Shareholders should refer to the admission risk set out in Section 4.6.

6.2 Disadvantages of the Proposal

The key disadvantages of passing the Resolutions and implementing the Proposal (subject to satisfaction or waiver of the other conditions) are as follows:

- (a) Existing Shareholders will have their holdings significantly diluted following the Consolidation and the Placement. Existing Shareholders will be diluted to approximately 14.14% of the Company's total capital following implementation of the Proposal. Following implementation of the Proposal, ELFC will have a shareholding of approximately 85.86% (on a post-Consolidation basis and having regard to adjustments for rounding fractional Shares to the nearest whole number). Consequently, ELFC will control the Company and will be able to influence the management and operations of the Company. ELFC alone will be able to approve resolutions at general meetings without needing the support of other Shareholders (subject to any voting exclusions). For further details about ELFC's future intentions for the Company refer to Section 5.
- (b) The Board will be comprised solely of ELFC's nominees following implementation of the Proposal.
- (c) The nature and type of new investments to be sought by ELFC is not determined at this stage and there is no guarantee that any economic benefit will flow to Shareholders from such investments. There is also no guarantee that ELFC will be able to procure that the Company acquires any new undertaking.
- (d) Shareholders will continue to hold Shares in an unlisted Company following implementation of the Proposal. While ELFC intends to seek admission to the ASX's Official List, there is no guarantee that the Shares will become liquid (including by being admitted to trading on the Official List).

7. Resolution 1 – Consolidation of Capital

7.1 General

- (a) Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.
- (b) Resolution 1 seeks Shareholder approval for the purposes of Section 254H of the Corporations Act to consolidate the Shares on issue on a 12 for 1 basis (**Consolidation**). The Consolidation is being undertaken given the large number of Shares that will be issued under the Placement and to provide the Company with a more appropriate capital structure going forward.

- (c) In accordance with the Placement Agreement, if approved, the Consolidation will be implemented prior to the proposed issue of the Placement Shares.
- (d) Resolution 1 is an ordinary resolution and subject to approval of the other Resolutions.
- (e) The Chairperson intends to exercise all available proxies in favour of Resolution 1.

7.2 **Effect of Resolution 1 on Shareholders**

- (a) As at the date of the Notice, the Company has 65,199,581 Shares on issue.
- (b) If Resolution 1 is approved, the Consolidation will have the effect of reducing the number of Shares on issue to approximately 5,433,335 Shares, including any adjustments as a result of rounding fractional Shares to the nearest whole number. All Shares held by a Shareholder will be converted into a smaller number of Shares equal to one-twelfth of the number of Shares currently held by a Shareholder as at the date of this Notice.
- (c) As the Consolidation applies equally to all members (subject only to the rounding of fractions), it will have no material effect on the percentage interest of each member in the Company. Further, the aggregate value of each member's proportional interest in the Company will not materially change solely as a result of the Consolidation as the only anticipated changes, which will be a result of rounding, will be immaterial.
- (d) Theoretically, the market price of each share following the Consolidation should increase by 12 times its current value. The market will ultimately determine the price at which the Shares will trade if the Company is reinstated to the Official List. As the Company has been delisted, Shareholders should also note that the Shares will not be admitted to trading on the Official List unless and until it acquires a new undertaking and undertakes an initial public offering, which involves satisfying ASX that the Company complies with Chapters 1 and 2 of the Listing Rules. Whether the Company will be admitted to the Official List will ultimately be determined by ASX in its absolute discretion.

7.3 **Fractional entitlements**

Not all Shareholders will hold a number of Shares which can be evenly divided by 12. Where a fractional entitlement occurs, the Company will round the fraction up or down to the nearest whole number, with entitlements to less than half of a Share rounded down.

7.4 **Effect on convertible securities**

There are currently no convertible securities on issue.

7.5 Taxation

Shareholders are advised to seek their own tax advice on the effect of the Consolidation. The Company, the Deed Administrators, the Directors and their advisers do not accept any responsibility for the individual taxation implications arising from the Consolidation or the other proposed Resolutions.

7.6 Holding statements

- (a) From the date of the Consolidation, all holding statements for previously quoted Shares will cease to have any effect, except as evidence of an entitlement to a certain number of Shares on a post-Consolidation basis.
- (b) After the Consolidation becomes effective, the Company will arrange for new holding statements to be sent to Shareholders showing the number of Shares held post-Consolidation.
- (c) It is the responsibility of each Shareholder to check the number of Shares held.

7.7 Effect on capital structure

The approximate effect that the Consolidation will have on the Company's current capital structure is detailed in the table below. A table of the indicative capital structure of the Company post-completion of the Proposal is detailed in Section 4.5.

Security	Current	Number Post Consolidation
Shares	65,199,581	Approximately 5,433,335 (after adjusting for rounding fractional Shares to the nearest whole number)

Following implementation of the Proposal, to the extent that the Company determines that there are unmarketable parcels of Shares (being parcels worth less than \$500), it may decide to clean up its share register by undertaking a buy-back of those unmarketable parcels. If this occurs, then:

- (a) the Company would be required to make an offer to Shareholders to buy-back their Shares and provide any such Shareholder with at least six weeks to reject the offer. Under the Constitution, this offer can only be made once in any 12-month period; and
- (b) ELFC's (and the other remaining Shareholder's) voting power may increase relative to the number of Shares bought-back by the Company.

EFLC however has no intention of undertaking a buy-back of unmarketable parcels immediately following implementation of the Proposal.

8. Resolution 2 – Issue of Placement Shares

8.1 General

- (a) Resolution 2 seeks Shareholder approval for the issue of 33,000,000 Shares (post-Consolidation) (**Placement Shares**) to ELFC for \$60,000 at an issue price of approximately \$0.0018 per Share in accordance with the Placement Agreement for the purposes of item 7 of section 611 of the Corporations Act.
- (b) Resolution 2 is an ordinary resolution and is subject to the approval of all other Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

8.2 Prohibition under Corporations Act

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in an unlisted company with more than 50 members if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

A person's voting power in a company is determined in accordance with section 610 of the Corporations Act. A person's voting power is calculated by determining the total number of votes attached to all voting shares in the company that a person and its associates have a relevant interest in, expressed as a percentage.

A person has a relevant interest in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition under section 606 of the Corporations Act. This exception provides that a person may acquire a relevant interest in a company's voting shares that would otherwise be prohibited under section 606 if the acquisition is approved by shareholders.

8.3 Why is Shareholder approval required?

As at the date of this Notice, ELFC does not have a relevant interest in any Shares. Under the Placement Agreement, subject to satisfaction or waiver of the conditions precedent, ELFC is to be issued 33,000,000 Shares.

The table below sets out the shareholding interest and the voting power of ELFC assuming the Consolidation occurs, the conditions precedent under the Placement Agreement are satisfied or waived (as applicable), and the Placement Shares are issued to ELFC:

Shareholders	Number of Shares after completion ⁸	% interest
Existing Shareholders	5,433,335	14.14%
ELFC	33,000,000	85.86%
Total	38,433,335	100.00%

As shown above, the proposed issue of Shares to ELFC under the Proposal would increase ELFC's relevant interest in the Company from less than 20% to more than 20%, which is prohibited under section 606 of the Corporations Act unless an exemption applies.

However, such issue would be permitted if prior Shareholder approval is granted for the issue of the Placement Shares to ELFC, which is why Resolution 2 is being put to Shareholders for their approval at the Meeting.

For further details about ELFC and its future intentions for the Company, Shareholders should refer to Section 5.

9. Resolutions 3 to 5 (inclusive) – Election of Directors – Messrs You and Wang and Mrs Wang

9.1 General

- (a) Under the Placement Agreement, subject to satisfaction and/or waiver of the conditions precedent:
 - (i) the current Directors and officers of the Company are required to resign with effect from completion of the Proposal; and
 - (ii) the Company is to appoint any person nominated by ELFC as a Director or officer of the Company, with effect from completion of the Proposal.

⁸ On a post-Consolidation basis, taking into account any adjustments from rounding fractional entitlements to the nearest whole number.

- (b) Rule 3.4 of the Constitution provides that Shareholders may elect a person as a Director by an ordinary resolution passed in general meeting.
- (c) Accordingly, Shareholder approval is being sought to elect Messrs You and Wang and Mrs Wang, having been nominated by ELFC and being eligible, as a director each pursuant to Rule 3.4 of the Constitution.
- (d) Pursuant to the Company's Constitution a person is only eligible to be elected as a Director if:
 - (i) the person retires in accordance with the Company's Constitution and seeks re-election at the meeting;
 - (ii) the Board recommends the appointment; or
 - (iii) the person is nominated by a Shareholder and the nomination and consent to act is received at least 35 Business Days prior to the meeting at which the resolution would be considered.

Consequently, notwithstanding the comments set out in Section 4.9, as the Company is required to seek Shareholder approval for the appointment of ELFC's nominees under the terms of the Placement Agreement, based on the advice of the Deed Administrators that the transaction contemplated by the Placement Agreement is in the best interest of creditors and therefore the Company, the Board recommends that each of Messrs You and Wang and Mrs Wang be appointed as Directors. This recommendation is provided solely for the purpose of complying with the Company's Constitution and the Board does not make any recommendation as to Messrs You and Wang or Mrs Wang's suitability for the role.

- (e) Resolutions 3 to 5 (inclusive) are ordinary resolutions and are subject to the approval of the other Resolutions.
- (f) The Chairperson intends to exercise all available proxies in favour of Resolutions 3 to 5 (inclusive).

9.2 **Details of Proposed Directors**

The qualifications, skills and experience of Messrs You and Wang and Mrs Wang are as follows:

- (a) **Mr Jian You**

Mr You completed his Masters degree in Advanced Computing and Applications at Université Aix-Marseille 1 Provence, France in 2009. He is the Vice President and assistant to the Chairman at Smallville Capital an asset management/family office firm in China. Mr You holds the Private Equity Fund Manager Registration Certificate issued by the Asset Management Association of China and has also passed Level I of the CFA Institute examination.

(b) **Mr (Ivan) Peng Wang**

Mr Wang graduated from Macquarie University with a Bachelor of Commerce degree, majoring in Accounting. Mr Wang is currently working as a Sales Manager at SydneyToday Pty Ltd.

(c) **Mrs Yuhan Wang**

Mrs Wang completed a Bachelor of Applied Finance degree at Macquarie University in 2011 and a Master of Finance degree majoring in Investment Banking at University of New South Wales in 2012. She worked at China Construction Bank as a customer service consultant in the corporate banking department before moving to Australia in 2015. She has previously worked at APC Advice (now AON Hewitt) in Sydney as a Paraplanner assisting with providing financial advice to clients. Mrs Wang has also passed Level I of the CFA Institute examination.

10. Resolution 6 – Change of Company Name

- (a) If the Resolutions are passed and the Proposal implemented, ELFC intends to change the name of the Company from "ACN 603 323 182 Limited" to "Universal Equivalent Technology Limited". ELFC also intends to update the Constitution to reflect the change in the Company's name, should the Resolutions be approved. No other changes to the Constitution are being proposed at the Meeting.
- (b) Shareholder approval is being sought at the Meeting as:
- (i) under section 157(1) of the Corporations Act, if a company wishes to change its name, the change must be approved by a special resolution of shareholders; and
 - (ii) under section 136(2) of the Corporations Act, if a company wishes to amend its constitution, the amendment must be approved by a special resolution of shareholders.
- (c) Resolution 6 is a special resolution and is subject to the approval of the other Resolutions.
- (d) The Chairperson intends to exercise all available proxies in favour of Resolution 6.


Schedule 1 Proxy Form


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 **BY MAIL**
 ACN 603 323 182 Limited (formerly Axsesstoday Limited)
 (Subject to Deed of Company Arrangement)
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

 **BY FAX**
 +61 2 9287 0309

 **BY HAND**
 Link Market Services Limited
 1A Homebush Bay Drive, Rhodes NSW 2138; or
 Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
 Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of ACN 603 323 182 Limited (formerly Axsesstoday Limited) (Subject to Deed of Company Arrangement) and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **11:00am (AEST) on Friday, 7 August 2020 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/AXL20> (refer to details in the Virtual Meeting Online Guide).


The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Election of Director – Mrs Yuhan Wang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Mr Jian You	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Election of Director – Mr (Ivan) Peng Wang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this 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, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney 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.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AEST) on Wednesday, 5 August 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



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1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

Schedule 2 Independent Expert Report

4 July 2020

Deed Administrators
A.C.N. 603 323 182 Limited (Subject to Deed of Company Arrangement)
(formerly Axesstoday Limited)
Level 9, 360 Collins Street
Melbourne VIC 3000

Dear Sirs

Re: Independent Expert's Report

1. Introduction

You have requested PKF Melbourne Corporate Pty Ltd ("PKF Corporate") to prepare an independent expert's report ("IER") in respect of a proposal under which the shareholders of A.C.N. 603 323 182 Limited (Subject to Deed of Company Arrangement) (formerly Axesstoday Limited) ("AXL" or the "Company") are to approve the consolidation of existing shares and the subsequent issue of shares ("Placement Shares") to Equivalent Liberty Fintech Corporation ("ELFC" or "Equivalent") (the "Proposed Transaction").

We were initially retained to prepare a report in respect of this proposal in October 2019 and provided a draft report to the Deed Administrators in January 2020. At that time ELFC were to make a payment of \$660,000, which was to have been transferred to a creditors trust under a Deed of Company Arrangement ("DOCA") approved by creditors of the Company. ELFC were to be issued 33 million shares, representing 85.86% of the issued capital of AXL post the consolidation. At that stage the Deed Administrators expected that AXL would remain listed on the Official List of the ASX.

On 2 March 2020 the ASX announced that the securities of AXL were removed from the Official List of the ASX as the securities have been suspended from trading for an unacceptably long period. We understand that as a result of this change in circumstances the Deed Administrators and ELFC renegotiated the payment to be made to the creditors trust from \$660,000 to \$60,000. This change in arrangements between the parties necessitated amendments to the draft report issued in January 2020.

Despite the change in the amount payable to the creditors trust, there has been no change in the number of shares to be issued to ELFC. Under the re-negotiated proposal ELFC is still to be issued 33 million shares, representing 85.86% of the issued capital of AXL post the consolidation.

The Proposed Transaction, as set out in Section 2 below, is permitted by Section 611 of the Corporations Act 2001 ("the Act") provided it is agreed to by shareholders, other than those involved in the proposed transaction or persons associated with such persons (i.e. the Non-Associated Shareholders).

A copy of our report will accompany the Notice of Meeting and will be included as part of the Explanatory Statement to be sent to shareholders.

2. The Proposed Transaction

The shareholders are being asked to vote on the following resolutions:

Resolution 1 – Consolidation of Capital

Resolution 2 – Issue of Placement Shares

Resolution 3 – Election of Director – Mr Jian You

Resolution 4 – Election of Director – Mr Peng Wang

Resolution 5 – Election of Director – Mrs Yuhan Wang

Resolution 6 – Change of Company Name

The above resolutions are subject to and conditional upon each other resolution being passed. Accordingly, the resolutions should be considered collectively as well as individually.

All the resolutions are interdependent; however, we are only required to report on Resolutions 1 and 2 and consequently the consolidation of existing shares and issue of 33 million shares post the consolidation to ELFC (hereinafter referred to as the Proposed Transaction).

The Non-Associated Shareholders are being asked to approve:

- Consolidation of existing shares on issue on a 1 for 12 basis (Resolution 1). Where a fractional entitlement occurs, the Company will round the fraction up or down to the nearest whole number, with entitlements to less than half of a share rounded down; and
- Issue of 33 million new fully paid ordinary shares (Placement Shares) to ELFC at an issue price of \$0.0018 per share (or a total consideration of \$60,000) in the capital of the Company (Resolution 2). These shares will be issued on the same terms and conditions as the Company's existing shares.

If the Proposed Transaction is approved by the AXL shareholders, the capital structure of AXL will be as below:

Table 1

	Number of Shares held after Completion	Percentage
ELFC	33,000,000	85.86%
Non-Associated Shareholders	5,433,335	14.14%
Total	38,433,335	100.00%

Source: Draft Notice of Meeting and Explanatory Statement

The Deed Administrators have requested PKF Corporate to prepare an independent expert's report in accordance with ASIC Regulatory Guide 111 – Content of expert reports. ASIC Regulatory Guide 111 requires the Independent Expert to advise shareholders whether the Proposed Transaction is fair and reasonable, when considered in the context of the interests of the Non-Associated Shareholders.

3. Summary Opinions

3.1 Fairness

In our opinion, the Proposed Transaction set out in Section 2 above is **fair and reasonable to the Non-Associated Shareholders**.

Our principal reasons for reaching the above opinion are:

- we have assessed the current value of the AXL shares held by the Non-Associated Shareholders at nil (Section 7.8).
- we have assessed the minority value of an AXL share held by the Non-Associated Shareholders after the Proposed Transaction to be in a range of \$nil to \$0.012 per share (Section 9).

As the value of the shares held by the Non-Associated Shareholders after the Proposed Transaction is equal to or greater than the value of their interests before the Proposed Transaction, we have concluded that **the Proposed Transaction is fair**.

We have also reviewed the other significant considerations referred to in Section 11 of this report and we consider that **the Proposed Transaction is reasonable**.

4. Structure of this Report

This report is divided into the following Sections:

<u>Section</u>		<u>Page</u>
5	Purpose of the Report	3
6	AXL – Key Information	5
7	Valuation of AXL Shares Before the Proposed Transaction	9
8	Valuation of AXL Shares After the Proposed Transaction	12
9	Minority Discount	13
10	Assessment as to Fairness	14
11	Other Significant Considerations	14
12	Financial Services Guide	15
 <u>Appendix</u>		
A	Sources of Information	17
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5. Purpose of the Report

This report has been prepared to meet the following regulatory requirements:

- **Corporations Act 2001**

Section 606 of the Act contains a general prohibition on the acquisition of shares in a company if, as a result of the acquisition, any person increases his or her voting power in the company from 20% or below to more than 20%.

Section 611 of the Act contains an exception to the Section 606 prohibition. For an acquisition of shares to fall within the exception, the acquisition must be approved in advance by a resolution passed at a general meeting of the company in which shares will be acquired.

AXL is seeking shareholder approval for the Proposed Transaction under Section 611 of the Act, as ELFC will increase its interests in AXL from less than 20% to above 20% as a result of the issue of shares.

- **ASIC Regulatory Guides**

This report has been prepared in accordance with the ASIC Regulatory Guides and more particularly:

RG 111 – Content of Expert Reports (“RG111”)

RG 111.24 An issue of shares by a company otherwise prohibited under S606 may be approved under item 7 of S611 and the effect on the company’s shareholding is comparable to a takeover bid. Examples of such issues approved under item 7 of S611 that are comparable to takeover bids under Ch 6 include:

- (b) a company issues securities in exchange for cash and, as a consequence, the allottee acquires over 20% of the company.

RG111.27 There may be circumstances in which the allottee will acquire 20% or more of the voting power of the securities in the company following the allotment or increase an existing holding of 20% or more but does not obtain a practical measure of control or increase its practical control over that company. If the expert believes that the allottee has not obtained or increased its control over the company as a practical matter, then the expert could take this outcome into account in assessing whether the issue price is ‘reasonable’ if it has assessed the issue price as being ‘not fair’ applying the test in RG111.11.

RG111.10 It has long been accepted in Australian mergers and acquisitions practice that the words ‘fair and reasonable’ in S640 established two distinct criteria for an expert analysing a control transaction:

- (a) is the offer ‘fair’; and
- (b) is it ‘reasonable’?

That is, ‘fair and reasonable’ is not regarded as a compound phrase.

RG111.11 Under this convention, an offer is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made:

- (a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length; and
- (b) assuming 100% ownership of the ‘target’ and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the ‘bidder’ or its associates in the target when making this comparison. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or ‘portfolio’ parcel of shares.

RG111.12 An offer is ‘reasonable’ if it is fair. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

ASIC Regulatory Guide 111 requires that the Proposed Transaction be assessed as if it was a takeover of AXL.

In assessing a takeover bid Regulatory Guide 111 states that the expert should consider whether the Proposed Transaction is both “fair” and “reasonable”.

- **General**

The terms “fair” and “reasonable” are not defined in the Act, however guidance as to the meaning of these terms is provided by ASIC in Regulatory Guide 111. For the purpose of this report, we have defined them as follows:

- Fairness - the Proposed Transaction is “fair” if the value of an AXL share after the Proposed Transaction is equal to or greater than the value of an AXL share before the Proposed Transaction.
- Reasonableness - the Proposed Transaction is “reasonable” if it is fair. It may also be “reasonable” if, despite not being “fair” but after considering other significant factors, shareholders should vote in favour of the Proposed Transaction in the absence of a superior proposal being received.

In determining whether the Proposed Transaction is fair, we have:

- assessed the value of one AXL share on a control basis before the Proposed Transaction;
- assessed the value of an AXL share on a minority basis, after the Proposed Transaction; and
- compared the value of one AXL share before the Proposed Transaction with the value of one AXL share after the Proposed Transaction.

In determining whether the Proposed Transaction is reasonable we have analysed other significant factors, which the Non-Associated Shareholders should consider prior to accepting or rejecting the Proposed Transaction.

6. AXL – Key Information

6.1 Background

The background to the proposed restructure of AXL is as follows:

- A. AXL was incorporated on 11 December 2014 and listed on the Australian Securities Exchange (ASX) on 21 December 2016. It was the listed holding company and parent of five local and overseas wholly owned subsidiaries. Collectively these entities provide specialist asset finance mainly to small and medium sized enterprises in the hospitality and transport industries.
- B. The Company entered into a trading halt on 12 September 2018 and was in voluntary suspension between 14 September 2018 and 2 March 2020, when the ASX announced that the securities of AXL were removed from the Official List of the ASX.
- C. On 24 September 2018 the Company disclosed in an announcement that it had breached its financial covenants with its senior bank lenders.
- D. The Company was placed in Voluntary Administration on 7 April 2019, with Messrs. Vaughan Strawbridge, Sal Algeri and Glen Kanevsky of Deloitte Financial Advisory Pty Ltd appointed Joint and Several Administrators of the Company pursuant to Section 436A and Part 5.3A of the Act.

- E. At the second meeting of creditors of the Company convened pursuant to section 439A of the Act on 30 August 2019, a DOCA was approved by creditors of AXL and each of AXL's subsidiaries. The DOCA was executed on 3 September 2019 and Messrs. Vaughan Strawbridge, Sal Algeri and Glen Kanevsky of Deloitte Financial Advisory Pty Ltd were appointed as joint and several deed administrators ("Deed Administrators"). An amendment deed with variation in certain terms was signed on 16 September 2019.
- F. The key points included in the DOCA are:
- Sale of the entire business through two separate transactions with separate completion dates:
 - Sale of the operating business carried on by AXL's three subsidiaries viz. Garrison Operations Pty Ltd (formerly Axesstoday Operations Pty Ltd), A.C.N. 603 303 126 Pty Ltd and Garrison Retail Pty Ltd (formerly Axesstoday Retail Pty Ltd) as a going concern to Promontoria Holding 304 BV ("PH304"), an affiliate of Cerberus Capital Management L.P.; and
 - Sale of the ASX listed shell i.e. AXL with no assets, liabilities or business operations. Any proceeds from the sale of AXL will be paid into the creditor's trust for the benefit of creditors of the Company and its subsidiaries.
 - Repayment of \$233 million of debt in full to secured creditors;
 - Repayment of between 33.9 cents and 34.9 cents in the dollar to unsecured creditors, with the final amount dependent on the number and quantum of creditor claims;
 - Certain assets excluded from the transaction with PH304 to be transferred to the creditor's trust; and
 - No likely return to shareholders of AXL given that unsecured creditors will not be paid in full.
- G. Pursuant to the terms of the DOCA, the Deed Administrators completed the sale of the three subsidiaries listed above to PH304 on 19 September 2019. AXL remains subject to the DOCA and under the control of the Deed Administrators.

6.2 Share Capital

As at 23 January 2019 the twenty largest shareholders held 81.14% of AXL's issued capital as follows:

Table 2

Registered Shareholder	Number of Shares Held	Percentage
Program Force Pty Ltd	11,825,246	18.14%
HSBC Custody Nominees (Australia) Limited	9,914,101	15.21%
J P Morgan Nominees Australia Ltd	5,974,703	9.16%
MRGS Pty Ltd	4,026,536	6.18%
Nahta Pty Ltd	4,026,536	6.18%
BNP Paribas Noms Pty Ltd	3,564,381	5.47%
Innvale Pty Ltd	3,010,870	4.62%
National Nominees Limited	2,767,345	4.24%
Marlion Custodians Pty Ltd	1,802,826	2.77%
Citicorp Nominees Pty Limited	1,265,730	1.94%
Sargon CT Pty Ltd	1,183,694	1.82%
Aust Executor Trustees Ltd (No 2)	833,880	1.28%
Snowtec Pty Ltd	828,993	1.27%
Chesapeak Capital Ltd	400,000	0.61%
BNP Paribas Nominees Pty Ltd Hub 24Custodial Serv Ltd	351,534	0.54%
B & R James Investments Pty Limited	250,000	0.38%
Netwealth Investments Limited	247,065	0.38%
Jamplat Pty Ltd	233,138	0.36%
BNP Paribas Nominees Pty Ltd	201,722	0.31%
Marlon Superannuation Pty Ltd	185,000	0.28%
Subtotal - Top 20 shareholders	52,893,300	81.14%
Total number of shares on issue	65,199,581	100.00%

Source: AXL share register, 23 January 2019

6.3 Financial Performance and Position

The draft unaudited financial statements prepared by AXL for the financial year ended 30 June 2019 are summarised in Tables 3 and 4 below. The income statement disclosed a loss before tax of \$43.5 million. The notes to the income statement revealed that revenue was deteriorating in line with reduction in the loan book due to low originations, pay-outs, defaults and bad debts.

Table 3

Consolidated Income Statement	FY19 (\$'000)
Total Revenue	63,718
Financing Costs	(23,327)
Losses and Impairments	(40,098)
Other Costs	(6,301)
Operating Expenses	(17,638)
Profit Before Tax (Before One-off Costs)	(23,646)
One-off Costs	(19,866)
Profit Before Tax (After One-off Costs)	(43,512)

The draft unaudited balance sheet prepared by Management as at 30 June 2019 was as follows:

Table 4

Consolidated Balance Sheet	30-Jun-19 (\$'000)
Assets	
Loan Books	
Transport Loan Book	128,860
Hospitality/Other Loan Book	90,998
Chattel Loan Book	45,436
Other Loans	972
Unapplied Receipts	(3,358)
Total Loan Book	262,908
Other Assets	
Cash and Equivalents	25,012
Deferred Tax Asset	7,307
Prepayments	382
Other Current Assets	55
Total Other Assets	32,756
Total Assets	295,664
Liabilities	
Current Liabilities	
Accounts Payable	9,286
GST	3,184
Income Tax	(140)
Other Current Liabilities	3
Total Current Liabilities	12,333
Non-current Liabilities	
Class A Note Debt	105,348
Simple Corporate Bond Debt	55,000
Syndicated Facility Debt	52,686
Subordinated Notes Debt	35,000
Series 2 Note Debt	30,000
Other Non-Current Liabilities	250
Total Non-Current Liabilities	278,284
Total Liabilities	290,617
Net Assets	5,047
Equity	
Contributed Equity	60,901
Other Reserves	902
Retained Earnings	(56,756)
Total Equity	5,047

Source: AXL draft unaudited management accounts for the financial year ended 30 June 2019 prepared on a consolidated basis prior to the sale of the subsidiary companies under the DOCA

7. Valuation of AXL Shares Before the Proposed Transaction

7.1 Value Definition

PKF Corporate's valuation of AXL shares has been made on the basis of fair market value, defined as the price that could be realized in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information, in a transaction between a willing but not anxious seller and a willing but not anxious buyer acting at arm's length.

7.2 Valuation Methodologies

In selecting appropriate valuation methodologies, we considered the applicability of a range of generally accepted valuation methodologies. These included:

- share price history;
- capitalisation of future maintainable earnings;
- net present value of future cash flows;
- asset based methods; and
- alternative acquirer.

7.3 Share Price History

The share price history valuation methodology values a company based on the past trading in its shares. We normally analyse the share prices up to a date immediately prior to the date when a takeover, merger or other significant transaction is announced to remove any price speculation or price escalations that may have occurred subsequent to the announcement of the proposed transaction.

This analysis is not required in this report as the AXL shares were suspended from trading on the ASX in September 2018. Trading has not resumed since that time.

We consider that the share price valuation methodology is not an appropriate methodology to use to value the AXL shares.

7.4 Capitalisation of Future Maintainable Earnings

This methodology involves capitalising the estimated future maintainable earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits.

There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax – Price Earnings or PE. Another common method is to use Earnings Before Interest and Tax, or EBIT. One advantage of using EBIT is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business.

Another variation to EBIT is 'Earnings Before Interest, Tax, Depreciation and Amortisation' – EBITDA.

As AXL is presently subject to Deed of Company Arrangement and does not have an operating business generating profits, we consider that the capitalisation of future maintainable earnings valuation methodology is not an appropriate methodology to use to value the AXL shares.

7.5 Net Present Value of Future Cash Flows

An analysis of the net present value of the projected cash flows of a business (or discounted cash flow technique) is based on the premise that the value of the business is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure, the costs of capital and an assessment of the residual value of the business remaining at the end of the forecast period.

As AXL is presently subject to Deed of Company Arrangement and does not have an operating business generating sustainable positive cash flows, we consider that the capitalisation of future cash flows is not an appropriate valuation methodology to use to value the AXL shares.

7.6 Asset Based Methods

These methodologies are based on the realisable value of a company's identifiable net assets. Asset based valuation methodologies include:

(a) Net Assets

The net asset valuation methodology involves deriving the value of a company or business by reference to the value of its assets. This methodology is likely to be appropriate for a business whose value derives mainly from the underlying value of its assets rather than its earnings, such as property holding companies and investment businesses that periodically revalue their assets to market. The net assets on a going concern basis method estimates the market values of the net assets of a company but does not take into account of realisation costs.

(b) Orderly Realisation of Assets

The orderly realisation of assets method estimates the fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

(c) Liquidation of Assets

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a short time frame.

The Administrators' report to creditors dated 20 August 2019 assessed the shortfall of the group under the DOCA as shown in Table 5, with a likely deficiency of between \$37.1 million and \$37.6 million after realisation of assets and payment to creditors. We note that unsecured creditors will not be paid in full, and that there will be a deficiency in net assets.

Table 5

	Low	High
Estimated Return to Creditors	(\$'000)	(\$'000)
Loan book realisations	259,747	259,747
Sale of corporate shell	600	660
Other asset realisations	950	1,450
Net asset realisations before costs and interest	261,297	261,857
Administrators' costs	(4,000)	(4,000)
Sale advisor fees	(2,671)	(2,671)
Legal costs	(1,365)	(1,365)
Creditor's Trust professional fees	(825)	(825)
Employee entitlements	(268)	(268)
Net cash available to secured creditors	252,168	252,728
Syndicated bank facility	(54,873)	(54,873)
Securitised warehouse facility (class A notes)	(110,540)	(110,540)
Subordinated secured creditors (Series 2 notes)	(31,337)	(31,337)
Subordinated secured creditors (Series 1 notes)	(36,105)	(36,105)
Net cash available to unsecured creditors	19,313	19,873
Simple corporate bond	(55,060)	(55,060)
Trade and other creditors	(1,869)	(1,869)
Estimated shortfall	(37,616)	(37,056)

Source: *Voluntary Administrators' report to creditors*

We note that sale of the listed corporate shell has been estimated at a price of \$600,000 and \$660,000 in a low and high value scenario respectively. At the time the Deed Administrators prepared their report to creditors AXL was an ASX listed entity and generally a residual value can be ascribed to the listed shell that remains after the existing business has stopped operating. This value can only be realised via the backdoor listing of a new business into the existing shell.

The report also disclosed that the Administrators received two offers for the sale of the AXL listed shell. One of these parties was conducting due diligence and a binding offer was to be expected by the time the DOCA effectuated.

As can be seen from Table 5, the Administrators were forecasting a shortfall in excess of \$37 million, which will be borne by unsecured creditors, leaving no residual value for shareholders.

Subsequent to the preparation of the report to creditors the ASX removed AXL from its Official List, thus significantly impairing the value of the corporate shell.

On the basis of net deficiency in assets, we have concluded that the equity in AXL has a nil value and consequently the AXL shares have a nil value.

7.7 Alternative Acquirer

The value that an alternative offeror may be prepared to pay to acquire AXL is a relevant valuation methodology to be considered. As explained in Section 7.6 above, the Administrators received two alternative proposals to acquire the listed shell, however all of the proceeds were to be paid into the creditors trust (furthermore, AXL ceased to be a listed shell subsequent to the receipt of the two proposals).

We do not consider that an alternative offer is an applicable valuation methodology to use to value AXL prior to the Proposed Transaction taking place.

7.8 Conclusion

In our opinion, based on the net assets valuation methodology described in Section 7.6 above, the shares in AXL have a nil value before the Proposed Transaction.

8. Valuation of AXL Shares After the Proposed Transaction

8.1 Value Definition

We have used the same definition of value in this Section as was applied in Section 7.1 above when we assessed the value of AXL before the Proposed Transaction.

8.2 Valuation Methodologies

In selecting appropriate valuation methodologies, we considered the applicability of the same generally accepted valuation methodologies as detailed in Section 7.2 above, however we only comment on those methodologies that may be relevant following completion of the Proposed Transaction.

8.3 Asset Based Methods

In Section 7.6 we referred to the forecast shortfall of in excess of \$37 million, which will be borne by unsecured creditors, leaving no residual value for shareholders. The DOCA eliminated all of AXL's liabilities, however AXL has no assets and the Proposed Transaction does not create any new assets for AXL. As such, based on the asset-based methods, the shares in AXL will continue to have a nil value after the Proposed Transaction.

8.4 Alternative Acquirer

As reported by the Administrators, they received two expressions of interest. We have been advised that the alternative proposal was lower than ELFC's offer, however, the alternative proposal did not specify the level of dilution of the existing shareholders.

We have conducted our research into the prices paid for shells in other transactions. We are aware that prices have ranged up to \$1 million, however the prices depend on the quality of the shell (existing cash resources, period to de-listing, availability of audited accounts and number of shareholders with a marketable parcel of shares).

Our research has identified the following two recent transactions where investors have acquired control over a suspended but listed corporate shell:

Table 6

Company		Living Cities Development Group Ltd	MOKO Social Media Ltd
Date		26-Apr-17	30-Oct-18
Transaction value	A	\$ 450,000	\$ 355,000
Shareholding	B	83.89%	80.00%
Total value	$A \div B = C$	\$ 536,404	\$ 443,750
Net assets	D	\$ 35,000	\$ 50,000
Implied value of listed shell	$C - D = E$	\$ 501,404	\$ 393,750
Implied value of minority shareholding	$F = E \times (1 - B)$	\$ 80,766	\$ 78,750

Source: PKF Corporate analysis

As can be seen from the above table, in these two transactions minority shareholders were left with a 16% to 20% interest in the shell, with an implied value remaining with the minority shareholders of approximately \$80,000. It should however be noted that in both of the above examples the companies remained listed on the ASX, whereas AXL was recently removed from the Official list of the ASX.

As the Non-Associated Shareholders will hold 5,433,335 shares (Table 1), we have concluded that an alternative acquirer would have also left approximately \$80,000 for the Non-Associated Shareholders, (representing a value of \$0.015 per share ($\$80,000 / 5,433,335$)) had AXL remained a listed entity.

As AXL is no longer listed, we have conducted a search for transactions involving unlisted entities. Whilst we have not found any directly comparable transactions, we have identified three instances where the deed administrator proceeded as follows:

Orinoco Gold Limited

Deed administrator elected not to recapitalise the shell remaining after all assets were sold and allowed the company to be delisted and the company be placed into voluntary liquidation.

Millennium Minerals Limited

Following application to the Court pursuant to Section 444GA of the Act, the deed administrator was granted permission to transfer all shares to the DOCA proponent with no return to shareholders. The Court accepted that in view of the deficiency in net assets, the shares had nil value.

Paladin Energy Limited

Whilst this company remained listed, the Court approved transfer of 98% of each shareholder's holding to the DOCA proponent for nil consideration. The approval was again pursuant to Section 444GA of the Act. The Court accepted that in view of the deficiency in net assets, the shares had nil value.

8.5 Conclusion

In our opinion the AXL shares held by the Non-Associated Shareholders after the Proposed Transaction will have a value in a range of \$nil to \$0.015 per share.

9. Minority Discount

In Section 8.5 we concluded that the shares held by the Non-Associated Shareholders in AXL after the Proposed Transaction will have a value in a range of \$nil to \$0.015 per share. However, as the value of \$0.015 per share is derived from transactions that resulted in a change of control over the shell, this is a control value. As the Non-Associated Shareholders will only hold 14.14% of the shares on issue, they will be minority shareholders and we need to reduce the value of their shares accordingly.

A minority discount is the reciprocal of a control premium. Whilst there are no ready statistics of minority discounts, there is research around control premia derived from past transactions. In assessing a typical control premium, we have relied on the relevant matrix from the 'RSM Control Premium Study – 2017':

Table 7

Analysis by	Criteria	Control premium	
		20 days pre-announcement	
		Average	Median
All transactions		34.50%	27.00%
Consideration type	Cash	36.90%	29.60%
Toehold prior to announcement	-	29.85%	22.81%
Size	<=\$25m	46.80%	34.20%

Source: RSM Control Premium Study – 2017

We note that the above research sets out statistical information about control premia paid and, as such, includes an unknown uplift on account of potential acquisition synergy benefits. We are of the opinion that the control premium for a transaction that did not include expected synergies would be lower than those in the table above. In this instance there are no synergies to be gained by ELFC from an acquisition of AXL. Accordingly, we have assumed that the control value expressed in Table 7 above incorporates a control premium in the range of 22% to 28%. This level of control premium corresponds to a minority discount in a range of 18.0% to 22.0%.

Table 8

Minority Discount = $1 - [1/(1 + \text{control premium})]$		
Control Premium	22%	28%
Minority Discount	18%	22%

Source: PKF Corporate analysis

After applying a minority discount of 18.0% to 22.0% to the control value of \$0.015 per share, the minority share price is reduced to approximately \$0.012 per share.

10. Assessment as to Fairness

In Section 7.8 we assessed the value of an AXL share before the Proposed Transaction at nil.

In Section 9 above we assessed the minority value of an AXL share held by the Non-Associated Shareholders after the Proposed Transaction to be in a range of \$nil to \$0.012 per share.

As the value of the shares held by the Non-Associated Shareholders after the Proposed Transaction is equal to or greater than the value of their interests before the Proposed Transaction, we have concluded that the Proposed Transaction is fair.

11. Other Significant Considerations

Prior to deciding whether to approve or reject the Proposed Transaction the Non-Associated Shareholders should also consider the following factors:

- In Section 10 above we concluded that the Proposed Transaction is fair.
- If the Proposed Transaction is approved, ELFC will assume control of AXL and there will be no outstanding creditors or claims against the Company and its subsidiaries.

- If the Proposed Transaction is approved, the new AXL directors will need to negotiate the acquisition of an appropriate business opportunity and take steps to comply with Chapters 1 and 2 of the ASX Listing Rules before the AXL shares can be relisted on the ASX.
- If the AXL shares are relisted on the ASX, this will create a market for the AXL shares and this would enable shareholders to crystallise their losses for taxation purposes.
- If a new business is acquired the interests of the Non-Associated Shareholders in AXL are likely to be diluted further by the issue of shares to fund any such acquisition.
- If the Non-Associated Shareholders reject the Proposed Transaction, then the Company will most likely proceed into liquidation, or an alternative proposal may be implemented which may result in a greater level of dilution.

After reviewing the above significant factors, we consider that **the Proposed Transaction is fair and reasonable.**

12. Financial Services Guide

12.1 Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

12.2 PKF Corporate

PKF Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

12.3 Financial Services Offered by PKF Corporate

PKF Corporate prepares reports commissioned by a company or other entity ("Entity"). The reports prepared by PKF Corporate are provided by the Entity to its members.

All reports prepared by PKF Corporate include a description of the circumstances of the engagement and of PKF Corporate's independence of the Entity commissioning the report and other parties to the transactions.

PKF Corporate does not accept instructions from retail investors. PKF Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. PKF Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

12.4 General Financial Product Advice

In the reports, PKF Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

12.5 Independence

At the date of this report, none of PKF Corporate, Mr Steven Perri nor Mr Paul Lom has any interest in the outcome of the Proposed Transaction, nor any relationship with the Administrators, AXL and its subsidiaries or ELFC.

Drafts of this report were provided to and discussed with the Administrators of AXL. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology, valuations or conclusions that have been formed by PKF Corporate.

PKF Corporate and its related entities do not have any shareholding in or other relationship with AXL or ELFC that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction. PKF Corporate had no part in the formulation of the Proposed Transaction. Its only role has been the preparation of this report.

PKF Corporate considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC on 30 March 2011.

12.6 Remuneration

PKF Corporate is entitled to receive a fee of approximately \$20,000 (plus GST) for the preparation of this report. This fee is inclusive of minor out of pocket expenses. With the exception of the above, PKF Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

Except for the fees referred to above, neither PKF Corporate, nor any of its directors, employees or associated entities receive any fees or other benefits, directly or indirectly, for or in connection with the provision of any report.

12.7 Compensation Arrangements and Complaints Process

As the holder of an Australian Financial Services Licence, PKF Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement PKF Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

PKF Corporate is also required to have a system for handling complaints from persons to whom PKF Corporate provides financial services. All complaints should be in writing and sent to the Complaints Officer, PKF Corporate at level 12, 440 Collins Street, Melbourne Vic 3000.

PKF Corporate will make every effort to resolve a complaint within 45 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority – GPO Box 3, Melbourne Vic 3000.

Yours faithfully

PKF Melbourne Corporate Pty Ltd



Paul Lom – Director



Steven Perri – Director

**A.C.N. 603 323 182 Limited
(formerly Axsesstoday Limited)**

Sources of Information

The following sources of information have been utilised and relied upon, without independent verification, in the course of preparing this report:

- Draft management accounts of AXL for the financial year ended 30 June 2019.
- Deed of Company Arrangement.
- Deloitte's Report to Creditors dated 20 August 2019.
- Draft Notice of Meeting and Explanatory Statement received on 10 June 2020.
- Listing of AXL shareholders as at 23 January 2019.
- AXL ASX releases, public announcements, AXL website for the Administrators reports and other public filings.
- Amendment to Placement Agreement between the Deed Administrators and ELFC dated 29 May 2020.
- Discussions with the Administrator.

Declarations, Qualifications and Consents

1. Declarations

This report has been prepared at the request of the Deed Administrators of AXL pursuant to Section 611 of the Act to accompany the notice of meeting of shareholders to approve the Proposed Transaction. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Proposed Transaction is fair and reasonable for the AXL shareholders.

This report has also been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards.

2. Qualifications

Mr Paul Lom and Mr Steven Perri, directors of PKF Corporate prepared this report. They have been responsible for the preparation of many expert reports and are involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Lom is a Fellow of Chartered Accountants Australia and New Zealand (CAANZ) and an accredited Business Valuation Specialist (CA BV Specialist), with more than 40 years' experience in the accounting profession. He was a partner at KPMG and Touche Ross between 1989 and 1996, specialising in audit. He has extensive experience in business acquisitions, business valuations and privatisations in Australia and Europe. He has specialised in the provision of independent valuations for a range of legal and commercial purposes, assessments of loss and damage, share and options valuations, valuation of intangible assets and preparation of Independent Expert Reports (IERS).

Mr Perri is a Chartered Accountant and an accredited Business Valuation Specialist (CA BV Specialist) with over 20 years of experience in due diligence, valuations, and mergers and acquisitions. He has provided valuation services ranging from dispute resolutions to small family businesses to Independent Expert Reports (IERS) to ASX listed clients.

3. Consent

PKF Corporate consents to the inclusion of this report in its current form and context in the AXL Explanatory Statement.