

# **Longevity Group Australia Limited**

ACN 052 046 625

## **Notice of General Meeting Explanatory Memorandum and Proxy Form**

Date of Meeting:

**20 June 2022**

Time of Meeting:

**11.00 am (AEST)**

Location of Meeting:

The offices of K & L Gates, Level 25, 525 Collins Street, Melbourne.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE PLEASE  
CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER  
PROFESSIONAL ADVISER.**

## Longevity Group Australia Limited

ACN 052 046 625

***This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how to vote on any of the Resolutions, you should seek advice from your accountant, solicitor or other professional adviser without delay.***

***The formal resolutions proposed to be considered at the Meeting follow.***

### **Business**

#### **Resolution 1 - Approval for voluntary winding up of Longevity Group Australia Limited**

To consider and, if thought fit, pass the following resolution as a **special resolution**:

*“That the Company be wound up voluntarily.”*

#### **Resolution 2: Appointment of the Liquidators**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to the approval of Resolution 1, Andrew James MacNeill and Justin Howlett of SMB Advisory be and are hereby appointed as Joint and Several Liquidators of the Company for the purposes of winding up the affairs and distributing the property of the Company.”*

#### **Resolution 3: Remuneration of the Liquidators**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to the approval of Resolutions 1 and 2, the future remuneration of the Liquidators for the period from appointment to finalisation of the liquidation, is approved, to be determined at a sum equal to the cost of time spent by the Liquidators, their Partners and staff as set out in their Remuneration Approval Report (on the terms and conditions set out in the attached Explanatory Statement) up to a capped amount of \$150,000 (exclusive of GST) and that the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis or as funds become available.”*

#### **Resolution 4: Books and Records of the Company**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That subject to subject to the approval of Resolutions 1, 2 and 3, the members direct the Liquidators to apply to the Australian Securities and Investments Commission when appropriate or upon finalisation of the liquidation for consent to destroy the books and records of the Company within the retention period in accordance with Section 70-35 of the Insolvency Practice Schedule (Corporations) of the Corporations Act (Cth) 2001”*

#### **Resolution 5 - Approval for an equal capital reduction by Longevity Group Australia Limited**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That if Resolution 1 is **not** approved by Shareholders\*, then in accordance with Part 2J.1 of the Corporations Act, approval is given for the Company’s issued Share capital to be reduced by a total of \$31,410,554.88 by returning an amount of \$1.92 per Share, through a cash distribution to Shareholders who are registered as holders as at the Record Date on the terms and conditions set out in the attached Explanatory Statement.”*

\* Note: If Resolution 1 is approved, then Resolution 5 will be withdrawn upon the approval of Resolution 1 and will not be put to the vote by Shareholders.

**Other business:**

To consider any other business that may lawfully be brought forward in accordance with the Constitution of the Company or the law.

**Other information:**

An Explanatory Memorandum accompanies and forms part of this Notice of General Meeting. All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their accountant, solicitor or other professional adviser for assistance.

**Voting by proxy:**

Any Shareholder entitled to vote at this Meeting is entitled to appoint a proxy to attend electronically and vote instead of that Shareholder. The proxy does not need to be a Shareholder of the Company. The Proxy Form has been enclosed. Please read all instructions carefully before completing the Proxy Form. 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 no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

**To be valid, a Proxy Form must be received by the Company by no later than 11.00am (AEST) on 18 June 2022 (Proxy Deadline).**

Proxy Forms may be submitted by:

- hand delivery to: C/- Computershare Investor Services Pty Ltd, 452 Johnston Street, Abbotsford, Victoria 3067;
- post to: Longevity Group Australia Ltd C/- Computershare Investor Services Pty Ltd, GPO Box 242 Melbourne, Victoria 3001;
- facsimile to: Longevity Group Australia Ltd C/- Computershare Investor Services Pty Ltd within Australia to 1800 783 447 or outside of Australia to +(61) 3 9473 2555; or
- completing a vote online at: [www.investorvote.com.au](http://www.investorvote.com.au).

**Bodies Corporate:**

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a Resolution. The representative should lodge 48 hours prior to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

**Entitlement to vote:**

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the Meeting all shares will be taken to be held by the persons who held them as registered Shareholders at 11:00am (AEST) on 18 June 2022. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

**Voting Intentions:**

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all Resolutions on the agenda. In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all Resolutions on the agenda.

**By order of the Board**

**Mr Philip Thomas  
Company Secretary  
16 May 2022**

## Longevity Group Australia Limited

ACN 052 046 625

### Explanatory Memorandum

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*This Explanatory Memorandum sets out further information regarding the proposed Resolutions to be considered by Shareholders of Longevity Group Australia Limited (**Longevity Group Australia** or **the Company**) at a 2022 General Meeting to be held commencing at 11.00am on 20 June 2022 at the offices of K & L Gates, Level 25, 525 Collins Street, Melbourne.*

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#### Introduction

For several years now there have been a number of Shareholder meetings for Shareholders to vote on the appointment of new Directors that will put in place the necessary steps for a solvent wind up of the Company, and get dollars back in Shareholders' hands.

On 21 February 2022 Shareholders overwhelmingly voted to appoint myself (Dennis Michael), Frank Barbuto and John Corcoran to the Longevity Board. Our sole purpose is to return funds to Shareholders.

Since our appointment to the Board on 21 February 2022 the Directors have taken steps to reduce costs, collect cash and now put in place the necessary legal steps to return funds to Shareholders.

Additionally, the Board also now announces this final **General Meeting** that is required to put in place the legal process **to return the balance of Company funds to Shareholders -**

- **Shareholders will receive a special dividend of 40 cents per Share and a franking credit of 13 cents per Share that equates to a gross amount of 53 cents per Share payable on 11 July 2022 to those Shareholders who held Shares on 01.07.2022.**
- **The estimated capital return is \$1.92 per Share. For this capital return to occur, Shareholders need to vote to approve resolutions 1 through to 4.**
- **The liquidators will also pay Shareholders the balance of the Company's funds when the Company is wound up.**

The liquidator will have a much simpler job in performing their tasks to wind up the Company as the majority of the assets have now been converted to cash or term deposits and there are effectively no employees.

The Company now has no operating businesses and no employees with all services outsourced. Whilst the Company still has subsidiaries, these subsidiary companies have no assets and will be deregistered, and thereafter cease to exist by the Liquidators as part of the winding up of the Company. Where Resolution 1 is not approved and Resolution 5 is approved, it is expected that the subsidiaries would be deregistered in any event as no longer being required by the Company. The Company is positioned for a solvent wind up of the Company and the appointment of the liquidators.

Should the resolutions not be passed with sufficient Shareholder support Shareholders will have the opportunity under Resolution 5 to approve a capital reduction (returning cash of \$1.92 per Share to Shareholders) and the Board intends to continue to pursue strategies to return the balance of Company funds (with the provisional retention pending finalisation of the affairs of the Company of \$1 million) to Shareholders (which could involve another Shareholder meeting to seek the requisite Shareholder approval). This will result in more costs and time being consumed, and reduce the returns to Shareholders.

Accordingly, the purpose of this General Meeting is for Shareholders to consider and, if thought fit, approve that the Company be wound up voluntarily and that liquidators be appointed to the Company. In the alternative, if Shareholders do not approve the winding up of the Company under Resolution 1, Resolutions 2, 3 and 4 will be withdrawn and Shareholder approval to make a capital reduction of a total of \$31,410,554.88 will be sought under Resolution 5. If Resolution 1 is approved, then Resolution 5 will be withdrawn upon the approval of Resolution 1 and will not be put to the vote by Shareholders.

Under section 491 of the Corporations Act 2001 (Cth), the Company must seek Shareholder approval by special resolution to voluntarily wind up a company. Subject to Resolutions 1-3 (**Winding Up Resolutions**) being passed at this General Meeting, the appointment of the Joint and Several Liquidators will only take effect on and from the passage of the Winding Up Resolutions (that is on 20 June 2022).

**The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the Resolutions. You are recommended to obtain your own independent financial, taxation and legal advice regarding the resolutions. This is an important meeting for the Company and if you are unable to attend, please consider completing the attached Proxy Form so your views on the resolutions are received by the Company.**

## **1 RESOLUTION 1 - APPROVAL FOR THE COMPANY'S VOLUNTARY WINDING UP**

### **General**

Resolution 1 authorises the Company to be wound up under the Corporations Act.

Under section 493A of the Corporations Act, if Resolution 1 is passed, a transfer of Shares or an alteration in the status of Shareholders will be void unless the liquidator gives written consent and that consent is unconditional or if the consent is subject to conditions, those conditions are satisfied or the transfer of Shares or the alteration of status of Shareholders is authorised by a court of competent jurisdiction.

Under section 491(1) of the Corporations Act, Resolution 1 must be passed as a special resolution. To be approved as a special resolution, at this General Meeting not less than 75% of the votes which are cast on Resolution 1 must be in favour of the resolution.

### **Background**

There are a number of potential benefits associated with the Company being wound up by a liquidator, including that:

- (a) any residual liabilities of (or claims against) the Company will be paid by the liquidator from the Company's assets;
- (b) any debts owing to (or claims made by) creditors who fail to participate in the liquidation process will have their debts and or claims extinguished; and
- (c) there are potential taxation advantages for Shareholders (see below).

### **Taxation treatment on voluntary winding-up**

The following is a broad outline of the taxation consequences for Shareholders associated with the voluntary winding-up of the Company. This outline is not exhaustive of all possible income tax considerations that could apply to a particular Shareholder. There are a number of limitations to the below outline, including that:

- (a) it only applies to Shareholders who are Australian residents for income tax purposes. It does not cover the tax treatment for any other classes of tax payers including individuals who are non-residents of Australia for tax purposes, insurance companies, superannuation funds, trusts or employees of the Company who acquired their Shares in respect of their employment;
- (b) it only applies to Shareholders who hold their Shares on capital account. It does not apply where Shares are held on revenue account (e.g. Shares held by Shareholders who trade securities or hold Shares as trading stock); and
- (c) it is based on Australian taxation law in effect as at the date of this Explanatory Statement. It does not consider or anticipate any changes in the law (including changes to legislation, judicial authority or administrative practice).

The potential Australian income tax consequences that may arise for Shareholders on the voluntary winding-up is outlined below. However, the actual tax outcomes will depend on a Shareholder's individual circumstances:

- (d) if the liquidator makes a distribution that is a further capital return that is less than or equal to the Shareholder's capital gains tax (**CGT**) cost base of the Shares they hold, the CGT cost base should be reduced by the amount of that capital return, but it cannot be reduced below zero;
- (e) if the liquidator makes a distribution of a capital return that is more than the Shareholder's CGT cost base, the CGT cost base will be reduced to nil, and the excess amount of the capital return should be included in the Shareholder's taxable income calculation as a capital gain;
- (f) the capital gain may be treated as a discounted capital gain where the Shares were purchased by the Shareholder at least 12 months prior to the payment of the capital return and the other requirements of the discount capital gains provisions have been satisfied;
- (g) if the liquidator makes a distribution of a dividend, the Shareholder will be required to include the dividend in their assessable income. Where the dividend is franked, the franking credit will also be included in the Shareholder's assessable income and a credit given for the purposes of determining the Shareholder's overall tax position ; and
- (h) on the winding up of the Company, Shareholders may realise a capital loss equal to the CGT cost base of their Shares. If the Shareholder's CGT cost base is nil, there will be no capital gain or loss.

The Company and its advisers do not accept any liability or responsibility in respect of any statement concerning the taxation consequences of a capital return or in respect of the taxation consequences themselves. All Shareholders should consult their own independent professional advisers regarding such matters.

If Shareholders do not approve the winding up of the Company under Resolution 1, Resolutions 2, 3 and 4 will be withdrawn and instead Shareholder approval to make a capital reduction of a total of \$31,410,554.88 will be sought under Resolution 5.

**Director's recommendation**

The Board **recommend** Shareholders vote in favour of Resolution 1

**2 RESOLUTION 2 - APPOINTMENT OF LIQUIDATORS**

**General**

On the condition that Resolution 1 is passed, Resolution 2 authorises the Company to appoint Andrew James MacNeill and Justin Howlett of SMB Advisory as liquidators of the Company.

Messrs MacNeill and Howlett are both registered liquidators and experienced insolvency practitioners from a professional services firm SMB Advisory and have the necessary experience and expertise to assist the Company in winding up its affairs.

Resolution 2 must be passed as an ordinary resolution.

**Director's recommendation**

The Board **recommend** Shareholders vote in favour of Resolution 2

**3 RESOLUTION 3 - REMUNERATION OF LIQUIDATORS**

**General**

On the condition that Resolutions 1 and 2 are passed, Resolution 3 authorises the remuneration of the Liquidators for the period from appointment to finalisation of the Liquidation to be determined with reference to the time spent by the Liquidators and their partners and staff, calculated at the discounted hourly rates as set out in their letter of engagement dated 11 April 2022 agreed by the Company with SMB Advisory (**Engagement Letter**). This amount is capped at \$150,000 (Excl GST) and the Liquidators can draw the remuneration from available funds as time is incurred on a monthly basis. The Liquidators have proposed a significantly discounted hourly rate to maximise the return to the Company's Shareholders.

Any surplus funds that remain in the Company will be distributed to Shareholders after paying costs associated with the voluntary winding up and absolving all outstanding liabilities of the Company.

Resolution 3 must be passed as an ordinary resolution.

**Director's recommendation**

The Board **recommend** Shareholders vote in favour of Resolution 3

**4 RESOLUTION 4 - BOOKS AND RECORDS OF THE COMPANY**

**General**

On the condition that Resolutions 1, 2 and 3 are passed Resolution 4 authorises, subject to obtaining ASIC approval pursuant to Section 70-35 of the Insolvency Practice Schedule (Corporations) of the Corporations Act (Cth) 2001, the books and any records

of the Company and the liquidator be disposed of by the Liquidator 12 months after the dissolution of the Company, or earlier at the discretion of ASIC.

### Director's recommendation

The Board **recommend** Shareholders vote in favour of Resolution 4.

## 5 RESOLUTION 5 - EQUAL CAPITAL REDUCTION BY THE COMPANY

### 5.1 General

Resolution 5 is for Shareholders to consider and, if thought fit, approve a payment of a total of \$31,410,554.88 across all the holders of Shares as an equal capital return (without cancelling their Shares) pursuant to section 256C(1) of the *Corporations Act 2001 (Cth)* (**Equal Capital Reduction**), being an amount of \$1.92 per ordinary share in the Company (**Capital Reduction Payment**). It is anticipated that the capital return cash amount will be paid to Eligible Shareholders in the week beginning 12 September 2022.

Please note that Resolutions 1 and 5 are alternatives. If Resolution 1 is approved, then Resolution 5 will be withdrawn upon the approval of Resolution 1 and will not be put to the vote by Shareholders. If Resolution 1 is not approved, Resolutions 2, 3 and 4 will be withdrawn and instead Shareholder approval to make a capital reduction of a total of \$31,410,554.88 will be sought under this Resolution 5.

If Resolution 5 is approved, all persons registered in the Company's Share register as at the Record Date as holders of Shares (**Shareholders**) will be paid \$1.92 cash per Share for each Share they own in the Company. The Shareholders are not selling their Shares, the Company is making a distribution of its cash resources to each Shareholder based on the each Shareholder's relative ownership of Shares (Respective Proportion).

Shareholders receiving the Capital Reduction Payment will continue to hold their Shares in the Company immediately after the Capital Reduction Payment, and in particular (as at the Record Date) will own the same relative interest of the Company as they did prior to the Capital Reduction Payment. The Equal Capital Reduction is not a cancellation of any Shares.

Shareholders who have previously notified the Registry of a bank account will have the return of capital credited to their nominated bank account. Shareholders who do not have a preferred nominated bank account with the Registry as at the Record Date

- will be sent a cheque to their address shown on the share register as at the Record Date, or
- *may notify the Registry of their preferred account by going online at [www.computershare.com.au/easyupdate/LGVU](http://www.computershare.com.au/easyupdate/LGVU). The easy update service is fast, secure and will ensure you receive your payments on time. Alternatively, you may contact Computershare on 1300-850-505 and request a hard copy form to be sent for completion*

After distribution of the amount under the Equal Capital Reduction, the Company will have approximately \$1,000,000.00 in cash reserves deposited in its bank account which the Board is of the view is sufficient to cover its payables and a contingency provision.

### 5.2 Section 256C of the Corporations Act

Under the Corporations Act, the proposed reduction of capital by way of cash payment to Shareholders on a pro rata basis is considered to be an equal capital reduction.

Under section 256B of the Corporations Act, the Company may only reduce its capital if it is:

- (a) fair and reasonable to Shareholders as a whole;
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by Shareholders in accordance with section 256C.

The Directors believe that the Capital Reduction Payment is fair and reasonable to Shareholders as a whole (as each Shareholder is being treated equitably and in the same manner and on the same terms) and that it does not materially prejudice the Company's ability to pay its creditors, with total creditors of after the Capital Reduction Payment and remaining cash reserves of \$1,000,000 (**Remaining Funds**).

In accordance with the Corporations Act:

- (a) the proposed Capital Reduction Payment is an equal reduction and requires approval by Shareholders pursuant to an ordinary resolution passed at a general meeting of Shareholders;
- (b) this Explanatory Statement (including its schedules and annexures) sets out all information known to the Company that is material to the decision on how to vote on Resolution 5; and
- (c) the Company has lodged a copy of the Notice of Meeting and this Explanatory Statement with ASIC as it is required to do in accordance with section 256C(4) of the Corporations Act.

### **5.3 Advantages and disadvantages of the Capital Reduction and the Capital Reduction Payment**

#### **(a) Advantages**

- (i) Represents an immediate cash payment to Shareholders without altering the relative ownership of the Company
- (ii) the Company would return capital in excess of what it needs commercially
- (iii) the Board believes that Longevity Group Australia has no planned business activity for the Company going forward;
- (iv) The Board has determined that the Capital Reduction Payment, would not in any material manner prejudice the Company's ability to pay its creditors as the minimal amount owed to creditors as at the Record Date is less than the Remaining Funds.

#### **(b) Disadvantages**

- (i) there may be taxation consequences in respect of the Capital Reduction Payment. Details of the general taxation consequences of the Capital Reduction Payment, is set out in section 5.8 below.
- (ii) Longevity will cease to carry on any business and be wound up.

### **5.4 What will you receive?**

Eligible Shareholders will receive a cash payment of \$1.92 per Share for every Share registered in their name in the Company's Share Register as at the Record Date.

### 5.5 What is the impact on your Shareholding

While the passage of Resolution 5 (and the consequential capital reduction payment to Shareholders) will not have any direct impact on the number of Shares that you own, following completion of the Capital Reduction Payment, it is expected that the Shares will have a minimal value.

### 5.6 Do you have to do anything to receive your Longevity Group Australia Therapeutics Shares?

If Resolution 5 is approved by the majority of Shareholders, you will automatically receive your pro rata Capital Reduction Payment without having to do anything further, even if you vote against Resolution 5.

### 5.7 What will happen if Resolution 5 is not approved?

In the event that Shareholders do not approve Resolution 5, the Capital Reduction Payment will not proceed. The Board will then continue to hold surplus funds in its bank account but look to ways in the future to return the balance of the Company's capital to Shareholders.

### 5.8 What are the taxation implications of the Capital Reduction Payment

A capital reduction (that is not a share cancellation) gives rise to CGT Event G1 such that if the amount of the payment is not more than the cost base of the shares then the cost base and reduced cost base are reduced by that amount.

In accordance with Class Ruling CR 2014/35, upon the demutualisation of Transport Friendly Society Ltd, Longevity's members became shareholders of Longevity, with a cost base 'embedded value' of \$2.92 per share. As such, the cost base of Shareholders will be reduced proportionately.

### 5.9 Other material information

There is no information material to the making of a decision by a Shareholder in relation to Resolution 5 other than as disclosed in this Explanatory Statement and all relevant schedules and annexures.

### 5.10 Indicative Timetable

Date	Event
16 May 2022	General Meeting Notice of Meeting and lodged with ASIC and despatched to Shareholders
18 June 2022	Closing of General Meeting voting by proxy
20 June 2022	General Meeting held
12 September 2022	Record Date (for Capital Reduction Payment purposes)

### 5.11 Directors' recommendation

If Resolution 1 is not approved, the Board believe that the transaction proposed in Resolution 5 is in the best interests of, and is fair and reasonable to, the Shareholders as a whole. The proposed Equal Capital Reduction will apply to each holder of Shares in proportion to the number of Shares that they hold as at the Record Date, the terms are the same for each Eligible Shareholder and the return of capital will not reduce or

otherwise affect the voting or other rights attaching to the Shares or rights on a winding up of the Company.

The Board believe that the proposed Equal Capital Reduction will not materially prejudice the Company's ability to pay its creditors or to meet its debts as and when they fall due.

The Directors Dennis Michael, Francesco Barbuto and John Corcoran intends to vote all Shares which they hold or control in favour of Resolution 5. The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 5.

## **Glossary**

In this Explanatory Memorandum, and the Notice of Meeting:

**General Meeting** or **Meeting** means the general meetings of the Company to be held on 20 June 2022 pursuant to the Notice of Meeting.

**Associate** has the meaning as provided by the Corporations Act.

**ASX** means the ASX Limited ACN 008 624 691.

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

**Board** means the board of directors of the Company.

**Company** means Longevity Group Australia Limited ACN 052 046 625.

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Explanatory Memorandum** means this explanatory memorandum which forms part of the Notice of Meeting.

**Meeting** means the General Meeting of the Company the subject of this Notice of Meeting scheduled to occur on 20 June 2022.

**Notice of Meeting** or **Notice** means this notice of the General Meeting.

**Proxy Form** means the proxy form accompanying this Notice of Meeting.

**Record Date** means the record date for the purposes of determining those Shareholders entitled to participate in the Capital Reduction Payment, expected to be on or around 12 September 2022.

**Resolution** means a resolution referred to in the Notice of Meeting.

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

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

