

14 JUNE 2019

PROPOSED DE-LISTING FROM ASX

Flexiroam Limited (ASX: FRX) Flexiroam Ltd (“FRX” or “the Company”) has submitted a formal request to the ASX for the Company’s fully paid ordinary shares (“Shares”) to be removed from the official list of the Australian Securities Exchange (“ASX”) pursuant to ASX Listing Rule 17.11.

ASX Decision

The ASX has stated that it will remove the Company from the official list, on a date to be determined by the ASX in consultation with the Company, subject to compliance with the following conditions:

1. The Company’s removal from the official list of the ASX is approved by special resolution of ordinary security holders of the Company.
2. The notice of meeting seeking shareholder approval for the Company’s removal from the official list must include a statement, in form and substance, satisfactory to ASX, setting out:
 - 2.1 that the removal will take place no earlier than one month after approval is granted;
 - 2.2 the time and date at which the Company will be removed from the ASX if that approval is given;
 - 2.3 that if shareholders wish to sell their shares on the ASX, they will need to do so before the Company is removed from the official list of the ASX; and if they do not, details of the processes that will exist after the Company is removed from the official list to allow shareholders to dispose of their holdings and how they can access those processes; and
 - 2.4 include to ASX’s satisfaction, information prescribed in section 2.11 of ASX Guidance Note 33.
3. The Company releases the full terms of ASX’s decision to the market.

Reasons for De-listing from the ASX

The key reasons for the Company seeking removal from the official list of the ASX are:

1. Low level of liquidity in the Shares – the Company notes that the average daily trading volume of the Shares for the past six (6) months is less than 20,000 shares per day;
2. Market capitalization not reflecting growth and future potential – despite the Company reporting improved performance and business growth, the market capitalization of the Company remains subdued;
3. Inability to raise capital at better prices and dilutionary impact – the Company expects to continue to seek funding to support its business plan and growth. Any future capital raising at the existing subdued share price or a lower share price is expected to cause significant dilutionary impact to existing shareholders; and

- Listing and related costs – given the low trading level of the Shares on the ASX, the administration, compliance and costs associated with maintaining the ASX listing status are no longer justified, nor in the best interest of shareholders. The savings from the proposed de-listing can be deployed for business needs.

De-listing Process and Consequences of De-listing

Subject to the approval by special resolution of the shareholders of the Company at a meeting to be convened shortly and receipt of relevant regulatory approvals required from the ASX, the indicative date for the Shares to be removed from the official list is 30 August 2019. A proposed timetable in relation to the de-listing process is shown below:

<u>Event</u>	<u>Date (2019)</u>
Notice of Shareholder Meeting dispatched	Tuesday, 25 June
Date of Shareholder Meeting	Monday, 29 July
Last Day of trading on ASX (and removal of Company from official list at close of trading)	Friday, 30 August

Note: the timetable is indicative only and is subject to change

The consequences of the Company's removal from the official list of the ASX include:

- The Shares will no longer be quoted and traded on the ASX;
- The Shares will only be capable of sale via off-market private transactions;
- The Company will no longer be required to comply with ASX listing rules;
- For so long as the Company has at least 50 members, the Company will remain subject to the "takeovers" provisions of the *Corporations Act 2001* (Cth) ("Corporations Act") ;
- For so long as the Company has at least 100 members, the Company will remain subject to the "continuous disclosure" provisions of the Corporations Act as an unlisted disclosing entity. This requires the Company to, among other things, prepare an annual financial report, directors' report and auditor's report for lodgement with ASIC and distribution to shareholders, advise ASIC of any changes to the Company's details, and to comply with other provisions relating to fundraising and related party transactions; and
- Reduction of obligations associated with listing on the ASX, which may include relief from some reporting, disclosure and compliance requirements.

Due to the current financial position of the Company, the Company does not intend to implement a formal share buy-back or any other arrangement which would facilitate shareholders to dispose of their Shares prior to de-listing other than on-market trading on the ASX. The Company is currently exploring appropriate arrangements for shareholders who intend to sell their Shares after the removal of the Company from the official list of the ASX. However, the Company is not able to guarantee that an appropriate mechanism will be established for this purpose. Further information in this regard will be included in the notice of shareholder meeting.

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If a shareholder of the Company considers the de-listing to be contrary to the interests of the shareholders of the Company as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a shareholder or shareholders, it may apply to the Court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the Court can make any order that it considers appropriate in relation to the Company, including, amongst other things, orders:

- that the company be wound up;
- to modify the company's constitution;
- regulating the company's affairs in the future;
- the purchase of shares with an appropriate reduction of the company's share capital;
- for the company to institute, prosecute, defend or discontinue specified proceedings;
- restraining a person from doing a specified act; and
- requiring a person to do a specified act.

Yours sincerely



Jef Ong

Managing Director

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