

Market Announcement

29 July 2022

Memphasys Limited (ASX: MEM) – Suspension from Quotation

Description

The securities of Memphasys Limited ('MEM') will be suspended from quotation immediately under Listing Rule 17.2, at the request of MEM, pending the release of an announcement regarding a court application concerning the failure to lodge cleansing notices in connection with the issue of shares on 3 September 2015, 30 May 2017, 21 October 2019 and 17 July 2020.

Issued by

Geraldi Mimery

Adviser, Listings Compliance (Melbourne)



ASX Release
29 July 2022

ASX Code: MEM

To Melissa Kostopoulos
ASX listings advisor,
525 Collins Street
Melbourne VIC 3000

By email: Melissa.Kostopoulos@asx.com.au
CC: tradinghaltsmelbourne@asx.com.au

Dear Melissa,

REQUEST FOR VOLUNTARY SUSPENSION

Further to the Company's request for a trading halt on Wednesday, 27 July 2022, in accordance with ASX Listing Rule 17.2, the Directors of Memphasys Limited (ASX: MEM) (the **Company**) request a voluntary suspension of the Company's securities from the commencement of trading on Friday, 29 July 2022.

The information required under ASX Listing Rule 17.2 is set out below:

- On 27 July 2022, the Company requested a trading halt to facilitate an orderly market in its securities pending an announcement to the ASX in connection with a capital raising (**Capital Raising**).
- During the course of customary due diligence investigations in connection with the Capital Raising, which is to be structured as an entitlement issue and placement, the Company was made aware of four inadvertent administrative errors whereby the Company has failed to lodge a cleansing notice in strict compliance with the requirements of section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**), in connection with the issue of shares on 3 September 2015, 30 May 2017, 21 October 2019 and 17 July 2020, that were subsequently on-sold into the market (**Uncleansed Shares**).
- Whilst it has received no related complaints, the Company is taking all necessary steps to rectify any breaches of the Corporations Act stemming from these circumstances on an expedited basis. For those Uncleansed Shares that were traded (in breach of section 707 of the Corporations Act), the Company will file an application with the Federal Court of Australia or Supreme Court of Western Australia (**Court**) seeking declaratory relief and ancillary orders relating to prior trading in these shares, so that the subsequent on-sales will be validated and will not attract any liability (**Application**). The Company understands that there are reasonable prospects that the validating orders will be made.
- The Company therefore requests the voluntary suspension of its securities from the commencement of trading on 29 July 2022, to facilitate an orderly market in its securities pending the Application.
- The voluntary suspension should remain in place until the date on which the Company's Application has been heard and determined by the Court and an announcement regarding the determination has been released to the ASX.

- The Company continues to progress discussions with its corporate advisor, Canaccord Genuity (Australia) Limited, with respect to the proposed Capital Raising, details of which will be announced to the market in due course. In the interim, the Company is being provided with a working capital loan of approximately \$440,000 from its largest shareholder, Peters Investments Pty Ltd (an entity controlled by Bob Peters), which shall convert into equity at the prevailing price of the Capital Raising and is otherwise on arm's length terms.
- The Company is not aware of any reason why the voluntary suspension should not be granted. The Company is not aware of any other information necessary to inform the market about the voluntary suspension.

This request has been approved by the board of Memphasys Limited.

Your sincerely



Andrew Metcalfe
Company Secretary