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ASX Announcement

INNLANZ ANNOUNCES VOLUNTARY DELISTING FROM ASX

SYDNEY, AUSTRALIA – 15 May 2024 – Innlanz Limited (ASX: INL) (“Innlanz” or the “Company”), announces its intention to de-list from the Australian Securities Exchange (**ASX**).

INL's board of directors (**Board**) has determined that, in light of INL's financial position and the COVID-19 pandemic-forced changes in INL's business following its listing on ASX, the costs and administrative burden of remaining listed on ASX outweigh the benefits of a continued listing. INL has submitted a formal application to ASX seeking removal of the Company from the official list of the ASX (Official List) pursuant to ASX Listing Rule 17.11 (**Delisting**).

As part of the Delisting proposal, INL intends to provide its shareholders (**Shareholders**) with the opportunity to realise some or all of their investment in INL via an equal access off-market buy-back (**Buy-Back**) prior to INL's Delisting.

Details regarding the reasons for and consequences of the Delisting and the details regarding the Buy-Back are set out in the following pages. For more complete information about the Delisting proposal and the Buy-Back, Shareholders should refer to the Notice of Meeting and Explanatory Statement (**Notice of Meeting**) despatched to Shareholders on 15 May 2024.

The Delisting and the Buy-Back will be put forward for shareholder approval at INL's extraordinary general meeting on 14 June 2024.

The Board unanimously recommends that the Shareholders approve the Delisting and the Buy-Back. In addition, Shareholders will be able to continue to trade their Shares on the ASX for one month after the extraordinary general meeting if the Delisting is approved.

REASONS FOR THE DELISTING

The Board considers that the Delisting is in the best interests of Shareholders as the benefits of delisting outweigh any benefits of INL's continued listing. The Board's key reasons for pursuing the Delisting and recommending that Shareholders approve the Delisting are as follows:

- (a) **Costs:** The continued listing of INL on ASX requires it to incur considerable corporate and administrative costs, including listing fees.

Though the Board and management of INL are optimistic for INL's future given the lessening impacts of the COVID-19 pandemic and related improvements in INL's business outlook, INL has limited available cash and cash equivalents (A\$462,000 as of 31 March 2024, as disclosed in INL's Quarterly Activities Report and Appendix 4C announced on 22 April 2024) and recognises the need to limit future losses.

Given INL's financial position and business prospects and the low level of trading of Shares on ASX (as described below), INL considers that the financial, administrative and compliance obligations and costs associated with maintaining an ASX listing are no longer justified and nor is the high level of compliance costs in the best interests of all Shareholders.

If INL is delisted, the Board expects that INL will save at least approximately \$268,000 each year in ASX listing fees, audit and insurance costs and other ASX compliance and regulatory costs.

The above does not include any allocation of the cost of management's time taken up by matters associated with being listed.

If INL is delisted, the Board does not expect that INL will incur any material additional expenses each year.

- (b) **Thin trading on ASX:** There is no liquid market in INL's Shares on ASX.

Over the three-month period to 25 April 2024, the average daily volume of Shares traded on ASX was approximately 77, which equates to approximately 0.00002% of INL's total issued share capital of approximately 313.3 million Shares.

The low level of liquidity has resulted in limited trading opportunities for Shareholders seeking to exit their holdings.

- (c) **Liquidity constraints:** Given the small daily trading volumes, small trades have a substantial impact on the Share price, which is not in the best interests of the Shareholders.

CONSEQUENCES OF DELISTING

Subject to shareholder approval for the Delisting and satisfaction of the Delisting Conditions (described below), INL will be removed from the Official List on a date to be decided by ASX, which will be no earlier than one after the date on such shareholder approval is obtained (expected to be on or about 22 July 2024) (**Delisting Date**).

After the Delisting Date, Shares will only be capable of sale by private transaction. This may present difficulties to selling Shareholders.

Prior to INL's Delisting, if Shareholders desire to sell their Shares on ASX, Shareholders will need to do so before INL is removed from the Official List.

Subject to Resolutions 1 and 2 in the Notice of Meeting being passed, to provide Shareholders with the opportunity to realise their investment, INL is proposing to conduct the Buy-Back to allow Shareholders to dispose of some or all of their Shares at a price that is a premium to the prevailing Share price and net tangible assets per Share (see below for details).

While the ASX Listing Rules will cease to apply to INL following Delisting, Shareholders will retain the protections afforded to them under the Corporations Act. INL will continue to be subject to its obligations under the Corporations Act and INL's Constitution, including:

- (a) while INL has 100 or more Shareholders (i.e. is an "unlisted disclosing entity" for the purposes of the Corporations Act), INL will still be required to give continuous disclosure of material matters in accordance with the Corporations Act by filing notices with ASIC under section 675 of the Corporations Act and INL will still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act. However, if INL ceases to be an unlisted disclosing entity there will be no ongoing requirement for INL to give continuous disclosure of material matters under section 675 or lodge half-yearly financial statements reviewed by an auditor but as a public company it will continue to be required to lodge annual audited financial statements;
- (b) while INL has 50 or more Shareholders, the acquisition and control of Shares will continue to be subject to the takeover provisions in Chapter 6 of the Corporations Act;
- (c) as a public company, the restrictions on the giving of a financial benefit to a related party of INL under Chapter 2E of the Corporations Act will continue to apply; and
- (d) the majority of the provisions of the Constitution will not be affected by INL ceasing to be listed and there is no present proposal to change INL's Constitution following the Delisting.

The effects of the Delisting and holding shares in an unlisted entity are more fully detailed in the Notice of Meeting.

ASX IN-PRINCIPLE ADVICE

INL has previously obtained in-principle advice from ASX in relation to the proposed Delisting advising that, upon receipt of a formal application for the removal of INL from the Official List pursuant to Listing rule 17.11, ASX would be likely to remove INL on a date to be determined by ASX in consultation with INL, subject to compliance with the following conditions:

- (a) that INL's removal from the Official List is approved by special resolution of ordinary security holders of INL at a general meeting;
- (b) the notice of meeting seeking Shareholder approval for INL's removal from the Official List must include a statement, in form and substance satisfactory to ASX, setting out:
 - (i) a timetable of key dates, including the time and date at which INL will be removed from ASX if that approval is given;
 - (ii) a statement to the effect that the removal will take place no earlier than one month after approval is granted;
 - (iii) a statement to the effect that if Shareholders wish to sell their Shares on ASX, they will need to do so before INL is removed from the Official List; and if Shareholders do not wish to sell their Shares, details of the processes that will exist after INL is removed from the Official List to allow a Shareholder to dispose of their holdings and how they can access those processes; and
 - (iv) the information prescribed in section 2.11 of *Guidance Note 33: Removal of Entities from the ASX Official List*;
- (c) INL must apply for its Shares to be suspended from quotation at least two business days before its proposed removal date; and

- (d) that the full terms of ASX's decision is announced to the market immediately upon the Board resolving to seek removal of INL from the Official List of ASX,

(together, the **Delisting Conditions**).

In accordance with the Delisting Conditions:

- (a) Resolution 1 as described in the Notice of Meeting seeks Shareholder approval by way of a special resolution for the Delisting;
- (b) the Notice of Meeting includes the statements that are conditions of ASX's approval of the Delisting;
- (c) INL intends to apply for its Shares to be suspended from quotation at least two business days before its proposed removal date, as set out in the "Indicative Timetable" section below; and
- (d) INL hereby releases the full terms of ASX's decision to the market, having made a formal application to ASX to remove INL from the Official List.

INL will provide a further announcement to the market once its formal Delisting application has been approved by ASX.

REMEDIES SHAREHOLDERS MAY PURSUE UNDER THE CORPORATIONS ACT

If a Shareholder considers the Delisting to be contrary to the interests of the Shareholders 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 INL, including an order that INL be wound up or an order regulating the conduct of INL's affairs in the future.

If a Shareholder considers that the Delisting involves "unacceptable circumstances", they may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to *Guidance Note 1: Unacceptable Circumstances* issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

BUY-BACK

If the Delisting is implemented, Shares will no longer be tradeable on ASX and it will be more difficult for a Shareholder to dispose of their Shares. The Buy-Back provides all Shareholders the opportunity to potentially realise some or all of their investment in INL.

Key features of the Buy-Back (should it proceed) are as follows:

Number and class of securities	INL is offering to buy back up to 100% of each minority Shareholder's (being Shareholders other than Pacific Merchants Group Pty Ltd (ABN 16 164 186 038) (PMG)) Shares in INL. PMG, as INL's only substantial Shareholder with voting power of approximately 79.80% of the total issued capital of INL, has undertaken not to participate in the Buy-Back. On this basis, the maximum number of Shares that INL will buy back off-market will be 63,263,608 Shares (representing approximately 20.20% of total Shares on issue as at the date of this announcement).
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Number of shares currently on issue INL has a total of 313,263,608 Shares on issue as at the date of this announcement.

Buy-Back Price The Buy-Back Price is A\$0.013 per Share. This represents an 30% premium to the closing price of the Shares on ASX on 2 May 2024, and a 64.56% premium to INL's net tangible assets per Share.¹

In determining the Buy-Back Price, the Directors have sought to balance the interests of those Shareholders who wish to participate in the Buy-Back with those of Shareholders who wish to retain their Shares in INL.

Current Share price To provide an indication of the recent market price of the Shares, the closing price on 2 May 2024 was A\$0.010. The highest and lowest market sale prices for the Shares on ASX during the previous three months were as follows:

Month	Low	High
January	A\$0.012	A\$0.012
February	A\$0.012	A\$0.012
March	A\$0.010	A\$0.012
April	A\$0.100	A\$0.100

Independent Expert's Report INL has commissioned RSM Corporate Australia Pty Ltd (**Expert**) to prepare an independent report (**Independent Expert's Report**) to assist Shareholders to understand the value of the Shares and assets and opine on whether the Buy-Back is fair and reasonable for Shareholders for the purposes of assisting Shareholders decide on how to vote on the Buy-Back.

The Independent Expert's Report is set out in **Annexure A** to the Notice of Meeting.

The Expert has concluded that having regard to the value of the Shares, the Buy-Back Price, the advantages and disadvantages of the Buy-Back, available alternatives and the consequences of Shareholders not approving the Buy-Back, the Buy-Back is fair and reasonable to Shareholders in the absence of any superior alternative.

Financial effect of the Buy-Back on INL INL has a total 313,263,608 Shares on issue as at the date of this Notice of Meeting. If the Buy-Back is approved, INL will, under the Buy-Back, offer to buy back up to 63,263,608 Shares, comprising 20.20% of INL's total issued capital. This constitutes 100% of INL's total issued share capital excluding Shares held by PMG (being INL's only substantial Shareholder with voting power of approximately 79.80% of the total issued capital of INL).

Shares that are bought back will be cancelled. The Buy-Back may reduce the number of Shares on issue from 313,263,608 to a minimum of 250,000,000 Shares. However, the precise number of Shares which are cancelled as part of the Buy-Back will depend on the number of Shares INL ultimately purchases.

Assuming the maximum number of Shares are purchased under the Buy-Back, on implementation of the Buy-Back and upon repayment of the amount under the Facility Agreement (as described in the Notice of Meeting), INL's cash assets will be

¹ The net tangible assets per share are based on INL's consolidated financial statements for the half year ended 31 December 2023, as per Appendix 4D, released 7 March 2024.

reduced by up to approximately A\$822,500, noting that no interest is payable under the Facility Agreement (assuming all amounts are paid when due).

Director interests and participation in the Buy-Back

As at the date of this Notice of Meeting, the Directors have the following interests in Shares (directly and indirectly):

Director	Number of ordinary shares
Yeshween Mudaliar	Nil
Peter French	166,666
Theo Renard	166,666
Leo Cui	61,000

For completeness, it is noted that Mr Jhon Shen resigned as a Director with effect on and from 27 February 2024. Mr Shen holds a relevant interest of 250,000,000 Shares as the beneficial owner of PMG through family trust.

Directors will be eligible to participate in the Buy-Back subject to complying with INL's policies and procedures, and subject to the terms of the Buy-Back as described in the Explanatory Statement.

As at the date of this Notice of Meeting, each of the Directors intend to accept the Buy-Back for all Shares held or controlled by them. No Director will receive any payment or benefit of any kind as a consequence of the Buy-Back other than in their capacity as a Shareholder in INL.

TIMETABLE

The following are key dates in relation to the Buy-Back and Delisting:

Event	Indicative Date ²
ASX announcement of Delisting and Buy-Back	Wednesday, 15 May 2024
Despatch of Notice of Meeting and Explanatory Statement	Wednesday, 15 May 2024
General Meeting	Friday, 14 June 2024
Ex-Entitlement Date for Buy-Back	Wednesday, 19 June 2024
Record Date for Buy-Back	Thursday, 20 June 2024
Despatch of the Buy-Back Booklet	Wednesday, 26 June 2024
Opening Date for buy-Back	Wednesday, 26 June 2024
Last day to extend Closing Date for Buy-Back	Friday, 5 July 2024
Closing Date for Buy-Back	Friday, 12 July 2024 at 5:00 pm
Announcement of the results of the Buy-Back and lodgement of Appendix 3C, Part 5 (Final Notice)	Monday, 15 July 2024

² Dates and times are indicative only and subject to change by INL or ASX.

Event	Indicative Date ²
Shares to be cancelled and register of members to be updated.	Monday, 15 July 2024
Lodgement of Appendix 3H (notification of cessation of securities)	Tuesday, 16 July 2024
Suspension Date <i>Date on which the Shares are suspended from trading on ASX</i>	Tuesday, 16 July 2024
Settlement Date of Buy-Back	Monday, 22 July 2024
Delisting Date <i>Date on which the Delisting is expected to take effect</i>	Monday, 22 July 2024

Note: All times and dates in the above timetable are references to the time and date in Sydney, New South Wales, Australia and all such times and dates are subject to change. This timetable is indicative only and is subject to change. Certain times and dates are conditional on the approval of the Delisting and Buy-Back by Shareholders and ASX. INL will inform Shareholders of any change by ASX announcement.

FURTHER INFORMATION ON THE DELISTING

The Delisting and the Buy-Back are subject to Shareholder approval at INL's extraordinary general meeting on 14 June 2024. Further details relating to the Delisting and the Buy-Back, including potential advantages and disadvantages for Shareholders and an Independent Expert's Report to assist the Shareholders in their decision whether to participate in the Buy Back are included in the Notice of Meeting despatched to Shareholders on 15 May 2024.

Authorised for release by the Board of Innlanz Limited.

ENDS

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About Innlanz

Innlanz is a leading retailer of cosmetics, jewelry, health, well-being, and wool products, serving the inbound Chinese tourism market in Australia and New Zealand. The Company currently operates a Hotel in Hamilton New Zealand whilst its retail operations remain suspended temporarily. The Company is focused on business development and growth opportunities in the Hospitality sector and continues to explore and identify strategic business assets to diversify the Group's revenue.