

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of members of Community Financial Services Victoria Limited ACN 092 756 351 will be held at the Lang Lang Community Hall on 28<sup>th</sup> October 2004 at 7:30pm.

### **Ordinary Business**

#### **1. Financial Statements**

‘To receive and consider the financial statements of the Company for the financial year ended 30 June 2004 and related Directors’ Report, Directors’ Declaration and Auditors’ Report’.

#### **2. Election/Re-Election**

To consider re-election of Maxwell Papley, Douglas Hamilton, Ronald Whitney, who retire in accordance with Rule 63 of the Company’s constitution, and being eligible, offer themselves severally for re-election as Directors of the Company.

### **Special Business**

#### **3. Return of Capital**

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

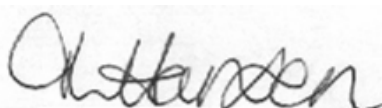
‘That the share capital of the Company be reduced by the payment of 5 cents per fully paid ordinary share to each holder of such shares registered in the books of the Company on 5<sup>th</sup> November 2004.

#### **4. Re-Appoint Auditor**

To re-appoint Duncan F. Smith as the Company’s auditor, until the next Annual General Meeting.

**DATED** 25 September, 2004

**BY ORDER OF THE BOARD**



Company Secretary  
Tania Hansen

## NOTES

### Entitlement To Vote

The Company has determined that a person's entitlement to vote at the Annual General Meeting will, in accordance with Rule 46 of the Company's constitution, be the entitlement of the persons set out in the register of members as at midnight on 27<sup>th</sup> October 2004.

### Proxies

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.

Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights.

A proxy need not be a member of the Company.

The proxy form must be signed by the member or the member's attorney. Proxies given by corporations must be signed either under seal or under the hand of a duly authorised officer or attorney.

To be valid the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or an office copy or notarially certified copy of it) must be lodged at the registered office of Lang Lang Community Bank, **29 Westernport Road, Lang Lang, 3984** not later than 48 hours before the time for holding the meeting.

This Explanatory Memorandum provides information about the resolutions set out in the Notice of Annual General Meeting of the Company dated 27<sup>th</sup> September 2004.

## **2. Change in Directorships**

Procedure for retirement of directors.

Under Rule 63 of the Company's Constitution, one third of directors or the number nearest to but not less than one third, must retire by rotation at each Annual General Meeting, according to who has been longest in office since the last election.

## **3. Return of Capital**

### **Introduction**

The Company proposes to make a payment to shareholders in the form of a capital return in the amount of 5 cents per fully paid ordinary share ("return of capital")

### **Legal Requirements**

In accordance with section 256C(1) of the Corporations Act 2001, the return of capital needs to be approved by the shareholders of the Company by way of an ordinary resolution passed at a general meeting of the company.

### **Reasons for the capital return**

The Directors have reviewed the Company's expected operational funding requirements for the next few years. This review has shown that the Company's cash reserves amounting to \$238,334 at 30 June 2004 are in excess of the Company's requirements and the Directors propose that the Company return \$36618.75 to shareholders.

The Directors continue to assess opportunities and consider that following the return of capital the Company will retain a strong balance sheet with the capacity to fund future expenditure as it arises. The Directors also consider that following the return of capital the Company will have sufficient funds available in the event of unfavourable market conditions.

Upon legal and taxation consultations the Board considers the return of capital is in the best interest of the shareholders, in both respects.

### **Amount of capital return**

The total amount payable for the return of capital is \$36,618.75, based on the number of fully paid ordinary shares on issue at the date of this Notice.

## **Effect of passing resolution**

If the resolution is approved by the shareholders of the Company at the Annual General Meeting on 28<sup>th</sup> October 2004 a payment of 5 cents per fully paid ordinary share will be made on 22<sup>nd</sup> November 2004 to all holders of such shares.

## **Effect of capital return**

As at 20 September 2004, the Company had issued 732,375 fully paid ordinary shares and the value of the Company's share capital account was \$695,756.25. Accordingly, the share capital account will be reduced by the amount of the return of capital.

### **Note:**

- (a) The number of shares on issue will not change due to the return of capital.
- (b) The company will not borrow monies to fund the return of capital. The return of capital will be funded from existing cash reserves.
- (c) Future dividends of the Company will not be affected by the return of capital.

## **Tax implications**

Each shareholder should receive their own tax advice regarding their personal tax position from their personal tax adviser.

## **Timetable**

A timetable for the implementation of the return of capital is set out below.

Latest time to return proxy forms	<b>26<sup>th</sup> October 2004, 5pm*</b>
Time for determining shareholders entitled to vote	<b>27<sup>th</sup> October 2004, Midnight*</b>
Annual General Meeting	<b>28<sup>th</sup> October 2004, 7:30pm*</b>
Lodge notification of resolution with BSX & ASIC	<b>29<sup>th</sup> October 2004.</b>
Record date for return of capital	<b>5<sup>th</sup> November 2004.</b>
Payment date	<b>22<sup>nd</sup> November 2004.</b>

\*Melbourne Time