



# Consolidated Operations Group Limited ACN 100 854 788

## Rights Issue Offer Document Pursuant to S708AA(2) *Corporations Act 2001* (Cth)

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A non-renounceable rights issue to existing Shareholders of Consolidated Operations Group Limited of 1 New Share at an issue price of \$0.12 each for every 4 Shares held to raise up to approximately \$31.163 million (before costs).

### **Important notice**

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

Lead Manager - Blue Ocean Equities Pty Ltd



## Important Information

It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance.

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the Definitions and Glossary in section 7.

Money as expressed in this Offer Document is in Australian dollars or else as indicated.

## Key dates for investors

Record date	16 May 2017
Offer opens	17 May 2017
Closing date	2 June 2017
Issue date	9 June 2017

Further details regarding the timetable for the Offer are set out in section 1.7. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible.

## Offer statistics

Number of New Shares to be issued: .....up to 259,694,007 \*  
Issue Price: .....\$0.12

\* subject to the reconciliation of entitlements and rounding.

## Important notice

The Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This rights issue Offer Document is not a disclosure document for the purposes of Chapter 6D of the *Corporations Act*. The Company is offering the securities under this Offer Document without disclosure to investors under Chapter 6D of the *Corporations Act* pursuant to section 708AA of the *Corporations Act*. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 17 May 2017 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set forth in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of Chapter 2M of the *Corporations Act*, as they apply to the Company; and
- section 674 of the *Corporations Act*.

#### **No excluded information**

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 708AA (8) and (9) of the *Corporations Act*.

#### **Foreign Shareholders**

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, in which the Company's Shareholders may reside. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The Company has decided that it is unreasonable to make offers under the Offer to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand.

#### **New Zealand**

In making this offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act (Overseas Companies) Exemption Notice 2013* by virtue of which this Offer Document is not required to be registered in New Zealand.

#### **No representations**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

## **Deciding to Accept the Offer**

No person named in this Offer Document, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 5. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's and ASX's websites:

<http://www.coglimited.com.au>

<http://www.asx.com.au/asx/statistics/announcements.do>

## **Forward Looking Statements**

This Offer Document contains certain forward looking statements and statements of current intention. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which the Company is involved as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of the Company, any of its officers, or any person named in this Offer Document with their consent or any person involved in the preparation of this Offer Document makes any representation or warranty (either express or implied) as to the accuracy or likelihood in any forward looking statement, and you should not place undue reliance on these statements. Forward looking statements in this Offer Document reflect views held only as at the date of this Offer Document.

## Chairman's letter

17 May 2017

Dear Shareholder,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Consolidated Operations Group Limited (the **Offer**).

The Company is making a non-renounceable rights issue of 1 New Share at \$0.12 per New Share for every 4 ordinary shares held in Consolidated Operations Group Limited (**Company**) on the Record Date, to raise up to approximately \$31.163 million (before costs).

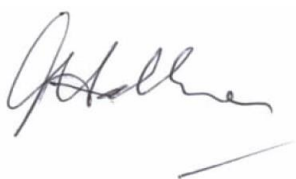
The proceeds of this Rights Issue will be used to support the Company's acquisition growth strategy and its continuing growth in lease origination. As part of the growth strategy three acquisition opportunities were announced by the Company on 21 April 2017, 1 May 2017 and 9 May 2017.

The Offer provides Eligible Shareholders with the opportunity to increase their investment in the Company. Of the 6 Directors who are Eligible Shareholders, Cameron McCullagh, Bruce Hatchman, Steve White and David Gray (or their director related entities) intend to take up some or all of their Entitlement to New Shares.

Pursuant to the Corporations Act, the Company is not required to prepare a prospectus for the Issue. A summary of the key information with respect to the Offer is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is also attached to this Offer Document. If you are an Eligible Shareholder and you wish to accept your Entitlement pursuant to the Offer, you will need to complete the Entitlement and Acceptance Form and return it together with the appropriate application money to the Company's Share Registry before the closing date of 2 June 2017.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'B. Hatchman', with a horizontal line drawn underneath it.

Bruce Hatchman

Chairman

## **1. Offer details**

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### **1.1 The Offer**

This Offer Document is for the non-renounceable rights issue of approximately 259,694,007 New Shares at an issue price of \$0.12 per New Share, on the basis of 1 New Share for every 4 Shares held by Eligible Shareholders as at the Record Date.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 12 June 2017.

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all application monies (without interest) within 28 days of giving notice of such withdrawal.

The Offer is not underwritten.

### **1.2 Eligibility of Shareholders**

The Entitlement Offer is being offered to all Eligible Shareholders only.

Eligible Shareholders are Shareholders on the Record Date who have a registered address in Australia and New Zealand or who are Shareholders that the Company has otherwise determined are eligible to participate.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

In particular, this Entitlement Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

### **1.3 Minimum subscription**

There is no minimum subscription to the Offer.

### **1.4 New Share terms**

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **1.5 Acceptance of Entitlement to New Shares**

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form

accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted by Eligible Shareholders in full or in part or in excess of their Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

## 1.6 Purpose of the Offer

The Directors intend to apply the proceeds of this Rights Issue will be used to support the Company's acquisition growth strategy and its continuing growth in lease origination. As part of the growth strategy three acquisition opportunities were announced by the Company on 21 April 2017, 1 May 2017 and 9 May 2017.

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

## 1.7 Important dates

<b>Rights issue 3B and cleansing notice lodged with ASX</b>	Before 9.00 am on Wed 10 May 2017
<b>Ex date</b>	15 May 2017
<b>Record date</b>	7.00 pm (Sydney time) 16 May 2017
<b>Lodge Offer Document with ASX</b>	17 May 2017
<b>Offer Document, and Entitlement and Acceptance Form sent out to Shareholders</b>	17 May 2017
<b>Opening Date</b>	17 May 2017
<b>Closing Date</b>	2 June 2017
<b>Shares quoted on a deferred basis</b>	5 June 2017
<b>Notify ASX of undersubscriptions</b>	7 June 2017
<b>Issue Date</b>	9 June 2017
<b>Despatch of New Shares holding statements</b>	10 June 2017
<b>Commencement of trading of New Shares on ASX</b>	12 June 2017

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the *Corporations Act* and the Listing Rules, without notice. The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- withdraw the Offer without prior notice; or

- vary any of the important dates set out in this Offer, including extending the Offer.

## **1.8 Directors' intentions in respect of Entitlements**

As at the date of this Offer Document, some of the Directors have either a direct or indirect interest in Shares. Of the 6 Directors who are Eligible Shareholders, Cameron McCullagh, Bruce Hatchman, Steve White and David Gray (or their director related entities) intend to take up some or all of their Entitlement to New Shares.

## **1.9 Underwriting**

The Offer is not underwritten.

## **1.10 Fees and commissions of the Offer**

The lead manager appointed by the Company for the Offer and the Shortfall Placement, Blue Ocean Equities Pty Limited (**Blue Ocean**), will be paid a rights issue management fee of \$100,000 (plus GST) and a selling fee by the Company equal to 4.0% (plus GST) of funds raised from New Shares issued under the Shortfall Placement.

## **1.11 Eligible Shareholders may apply for Additional Shares**

Entitlements not taken up may become available as Additional Shares. Eligible Shareholders may, in addition to their Entitlements, apply for New Shares over and above their Entitlement at the Offer Price (**Additional Shares**) regardless of the size of their present holding.

It is an express term of the Offer that applicants for Additional Shares will be bound to accept a lesser number of Additional Shares allocated to them than applied for. If a lesser number is allocated to them, excess Acceptance Money will be refunded without interest (where the amount is \$1.00 or greater) and will be returned to Eligible Shareholders as soon as practicable following the Closing Date, without interest. The Company reserves the right to scale back any applications for Additional Shares in their absolute discretion and to ensure that no Shareholder will as a consequence of taking up their Entitlement and being issued any Additional Shares breach of Chapter 6 of the Corporations Act. However, it is the sole responsibility of the Eligible Shareholder to determine the maximum level of New Shares they can apply for.

## **1.12 Placement of Shortfall**

In the event there is a Shortfall in subscriptions under the Offer (including applications for Additional Shares), the Directors intend to issue the Shortfall at their discretion so as to ensure a maximum amount of funds are raised, including engaging Blue Ocean to place the Shortfall. They will do so in a manner which will ensure that no Shareholder or other investor will as a consequence of taking up their Entitlement, Additional Shares and being issued any Shortfall be in breach of Chapter 6 of the Corporations Act.

Any Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Issue Price.



Any Shortfall will be issued without a disclosure document in accordance with an exemption contained in Chapter 6D of the Corporations Act.

### **1.13 How to accept your Entitlement**

Eligible Shareholders may accept their Entitlement either in whole or in part. They may also apply for Additional Shares (as set out in paragraph 1.11 above).

The number of New Shares to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Shareholders take no action in respect of their Entitlement they will have no right to subscribe for the New Shares pursuant to this Offer. If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Offer may be placed by the Directors to third parties.

#### **(a) Payment by cheque or bank draft**

Entitlements to New Shares can be accepted in full or in part of the Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. Payment may be made by cheque or bank draft. The Issue Price of \$0.12 per New Share is payable in full on acceptance of part or all of your Entitlement.

If you wish to take up all of your Entitlement and apply for Additional Shares, complete the Entitlement and Acceptance Form by inserting the number of New Shares for which you wish to accept the Offer under this Offer Document plus the number of Additional Shares (being more than your Entitlement as specified on the Entitlement and Acceptance Form) in accordance with the instructions set out on the form and ensure that your payment is sufficient to cover the Acceptance Money for both the New Shares under your Entitlement and any Additional Shares.

Cheques should be in Australian currency and made payable to "Consolidated Operations Group Rights Issue" and crossed "not negotiable".

Completed Forms and accompanying cheques should be lodged at or forwarded to the following address:

Mailing Address	Hand Delivery
Consolidated Operations Group Limited C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001	Consolidated Operations Group Limited C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2038 <b><i>Please do not use this address for mailing purposes</i></b>

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

(b) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form, which includes the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form, but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Acceptance Money.

**It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.**

(c) Administration of applications for New Shares

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on Acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any Acceptance Money received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded as soon as practicable following the Closing Date. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

#### **1.14 Binding effect of Entitlement and Acceptance Form**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

#### **1.15 Allotment and allocation policy**

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, the Directors reserve the right to issue any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

#### **1.16 ASX listing**

The Company applied for the listing and quotation of the New Shares on the ASX on 10 May 2017. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

### **1.17 Investment risks**

Investors should carefully read the section on Risk Factors outlined in section 5 of this Offer Document. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

### **1.18 CHESS**

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

### **1.19 No rights trading**

Entitlements to New Shares pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

### **1.20 Option Holders**

There are no Options on issue as at the date of this Offer Document.

### **1.21 Overseas shareholders**

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside Australia or New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form. The distribution of this Offer Document and the accompanying form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand.

In particular, the Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

#### *Notice to nominees and custodians*

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

## **2. The Company and its operations**

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### **2.1 Operations**

The principal activities of the Company are focussed on the asset and equipment finance sectors, through its main investments in:

- TL Rentals Pty Limited; and
- Finance Broking and Aggregation Businesses, with investments in:
  - Platform Finance & Leasing Group Pty Limited (60.21%);
  - Consolidated Finance Group Pty Limited (80%);
  - Linx Group Holdings Pty Limited (50%);
  - QPF Holdings Pty Limited (50%); and
  - Fleet Network Pty Ltd (80%).

The company also holds an investment in Riverwise Pty Ltd.

#### **Hal Group Pty Ltd (Hal) including TL Rentals Pty Limited (TL Rentals)**

The Company invests in debt as well as owning 100% of the equity in Hal. Hal operates as an IT service provider and is also the holding company for TL Rentals. TL Rentals writes operating leases for commercial equipment. TL Rentals continues to increase its origination of leases written in the year ended 30 June 2017. Funding of these leases is through:

- Drawdowns on loan funds from the Company; or
- Principal and agency agreements; or
- Sale of receivables agreements; or
- Raising of debt funding via the issue of debentures by a special purpose vehicle within the Hal Group; or
- Raising Debt funding from a bank via a special purpose vehicle within the Hal Group; or
- Using working capital of Hal.

#### **Platform Finance & Leasing Group Pty Ltd (PLFG)**

PLFG owns 100% of the following operating companies:

- Mildura Finance Limited (**Mildura Finance**);
- Melbourne Finance Broking Pty Limited (**Melbourne Finance**);
- Platinum Direct Finance Australia Pty Limited (**Platinum Direct Finance**); and
- beInformed Group Pty Limited (trading as beCarWise) (**beCarWise**).

In addition to its finance broking operation to individuals and businesses including mortgage, commercial and equipment finance and ancillary services, Mildura Finance operates throughout Australia offering a comparator site, back office services and broking services through distribution channels such as mortgage brokers and accountants. The Easy Lodge software licenced by Mildura Finance is on approximately five thousand mortgage brokers' desktops.

Melbourne Finance provides the business and private sectors with an independent source of finance specifically tailored towards motor vehicle, marine and equipment acquisition - both new and used. Melbourne Finance also provides independent brokers with fully serviced office facilities.

Platinum Direct Finance also specialises in motor vehicle finance and generates leads through its website and smartphone application using Search Engine Optimisation and Search Engine Marketing.

beCarWise provides services when buying, financing and insuring a motor vehicle. The services include novated leases; offering a complete service that includes advice, the purchase of the motor vehicle, warranty, insurance, maintenance, resale of the motor vehicle and ease of record keeping. beCarWise also offers salary packaging and vehicle procurement.

PFLG is the majority owner of the Group Platform Unit Trust, which placed over \$1 billion of asset finance with Financial Institutions in the 2016 financial year.

If the Acquisitions are completed, the following will also be key investments of the Company:

#### Consolidated Finance Group Pty Limited (CFG)

The Company owns 80% of CFG, which is a membership based group that aggregated approximately \$1.8 billion of asset finance with financial institutions in the 2016 financial year.\*

CFG currently provides services to almost 100 independent finance broking firms, which represents over 250 individual brokers. CFG is currently the largest independent specialist equipment finance aggregator in Australia.

CFG is not a finance broker; it provides its equipment finance broker members access to lenders, product, commission, volume based incentives (**VBIs**) and services such as credit, documentation and compliance advice.

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\*This is not a statement about future aggregation.

#### Linx Group Holdings Pty Limited (Linx)

The Company owns 50% of Linx, which has offices in Melbourne and regional New South Wales. Linx provides financial services throughout Australia. Linx specialises in the heavy equipment industries with expertise in the transport, bus, coach, logging, civil construction, manufacturing and agricultural sectors. The financial services offered by Linx include asset finance, insurance along with residential and commercial mortgages. Linx provides financial services as a credit representative under CFG's credit licence (number 389527).

#### QPF Holdings Pty Limited (QPF)

The Company owns 50% equity in QPF which was established in 1977 and is a commercial finance broker with offices in Brisbane, Perth and regional Queensland. QPF provides finance solutions to businesses throughout Australia via partnerships with equipment vendors and a strong online presence on leading internet equipment sales platforms. The financial services offered by QPF include asset finance, working capital finance insurance and both residential and commercial mortgages. QPF provides financial services under its credit licence (number 386913).

#### Fleet Network Pty Ltd (Fleet)

The Company has an indirect interest in 80% of Fleet. Fleet was established in Perth in 1997 and is a specialist novated leasing provider focusing on largely on the government sector. Fleet has operations on Western Australia, the Northern Territory and Brisbane. Fleet provides end to end process for clients from vehicle purchase, finance, salary calculation and administration of their motor vehicle salary packages.

#### Other Investments - Riverwise Pty Ltd (Riverwise)

The Company holds approximately 32% of the equity in Riverwise. Riverwise is the sole shareholder of Leading Edge Group Limited (**LEG**). LEG provides telecommunication distribution services to three large telecommunications providers and also operates buying groups. LEG:

- Owns two Telstra Business Centres, one in Victoria and one in New South Wales,
- Operates retail and business to business distribution for Spark New Zealand, formerly Telecom New Zealand; and
- Is a significant British Telecom distributor in the United Kingdom.

LEG's buying group members have over 950 retail shop-fronts throughout Australia.

## **2.2 Board**

The Board of the Company is currently comprised of:

- (a) Bruce Hatchman, Chairman;
- (b) Cameron McCullagh, Managing Director

- (c) Andrew Grant, Executive Director;
- (d) David Gray, Non-executive Director;
- (e) Rohan Ford, Executive Director; and
- (f) Stephen White, Non-executive Director.

### 3. Use of Funds

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The capital raised will be used will be used to support the Company's acquisition growth strategy and its continuing growth in lease origination. As part of the growth strategy three acquisition opportunities were announced by the Company on 21 April 2017, 1 May 2017 and 9 May 2017.

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

### 4. Control issues arising from the offer on the Company

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#### 4.1 Present position

At the date of this Offer Document the Company is of the view that there is no one entity who controls the Company.

The top 20 shareholders of the Company as at 5 May 2017 are as follows:

Name	Shares	%
GEGM INVESTMENTS PTY LTD	192,431,442	18.52
AET SFS PTY LTD	108,660,431	10.46
ONE MANAGED INVT FUNDS LTD	64,204,518	6.18
AET SFS PTY LTD	64,075,693	6.17
LINX HOLDINGS PTY LTD	56,806,723	5.47
J P MORGAN NOMINEES AUSTRALIA LIMITED	31,638,007	3.05
NATIONAL NOMINEES LIMITED	31,589,671	3.04
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD	28,512,148	2.74
UBS NOMINEES PTY LTD	18,181,818	1.75
AUSTRALIAN EXECUTOR TRUSTEES LIMITED	17,779,529	1.71



Name	Shares	%
MELBOURNE FINANCE BROKING HOLDINGS PTY LTD	15,090,480	1.45
MR MATTHEW LEIGH CRAIN	13,142,169	1.27
MR MARK JOHN CRAIN	13,142,169	1.27
MR ANDREW DAVID CRAIN	13,142,169	1.27
AUST EXECUTOR TRUSTEES LTD	13,118,365	1.26
FIDUCIO PTY LTD	11,169,909	1.08
MFB INVESTMENTS NO 2 PTY LTD	10,919,576	1.05
ROSEMARY LAURENCE PTY LTD	10,500,000	1.01
MR PETER JOHN SCHAMPERS	7,762,896	0.75
MR ANGUS MCCULLAGH	7,749,087	0.75
SHARON LEE SCHROEDER & PETER JOHN SCHROEDER	7,208,644	0.69
M RAYSON PTY LTD	7,021,600	0.68
<b>TOTAL</b>	<b>743,847,044</b>	<b>71.62</b>

## 4.2 Capital structure

Assuming full subscription under the Offer, the share capital structure of the Company immediately following the Issue will be as follows:

	Shares
Shares on issue at the date of the Offer Document	1,038,776,028
Maximum number of New Shares under the Offer Document *	259,694,007
<b>Total:</b>	<b>1,298,470,035</b>

\* subject to the reconciliation of entitlements and rounding.

The above share capital structure is prior to the issue of any shares under the Acquisitions.

As at the date of this Offer Document, the Company does not have any Options on issue.

#### **4.3 Potential effect of the Offer**

The Offer is a pro-rata offer. If all Eligible Shareholders take up their Entitlements, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, the proportional shareholdings of Shareholders who are not resident in Australia or New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer. Additionally, if an Eligible Shareholder does not take up their entitlement in full, there is likely to be a dilutionary effect on that Shareholder's proportional shareholdings (which may occur as a result other Eligible Shareholders taking up Additional Shares, or as a result of the placement of the Shortfall by the Directors).

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

As set out in section 1.11 above, the Company reserves the right to scale back any applications for Additional Shares in their absolute discretion and to ensure that no Shareholder will as a consequence of taking up their Entitlement and being issued any Additional Shares be in breach of Chapter 6 of the Corporations Act. However, it is the sole responsibility of the Eligible Shareholder to determine the maximum level of New Shares they can apply for.

### **5. Risk factors**

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#### **5.1 Introduction**

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks, however, some are outside its control. The principal risk factors are described below.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Offer Document before you decide whether to accept New Shares.

#### **5.2 Nature of investment**

Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. An Applicant may not be able to recoup his or her initial investment. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares; and
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment.

### **5.3 Securities market**

The New Shares may trade on the ASX at higher or lower prices than the Issue Price following listing. Investors who decide to sell their New Shares after listing may not receive the entire amount of their original investment.

The Shares are currently listed on the ASX. However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the New Shares will increase.

The price at which the New Shares trade on the ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

### **5.4 Economic factors**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

### **5.5 Management actions**

The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

### **5.6 Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

### **5.7 Additional capital requirements**

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

## 5.8 Regulatory risk, Government policy

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

## 5.9 Risks related to the leasing, telecoms and buying group industry

### Hal Group: leasing industry

- (a) Access to Funding: The leasing business is highly dependent on third party funding to operate its business. If the leasing business was unable to maintain its existing funding lines or secure new lines, it may limit the ability to remain competitive. If existing funders did terminate their agreements, it does not affect any existing leases;
- (b) Credit Risk: The leasing business is exposed to its customers' paying their obligations during the contract term. Any rises in the level at which the business model is set may have an adverse impact on financial performance;
- (c) Changes in borrowing costs: Changes in interest rates can affect the volume of new customers wanting to enter into new lease commitments. The leasing business borrows primarily on a fixed rate basis and as such margins on lease contracts already on foot are not impacted. However, to the extent that interest rate rises on future transactions cannot be passed on may lead to a detrimental outcome in performance;
- (d) Dependence on Key Personnel: The leasing business future success does rely on retaining and attracting new staff. Performance is reliant on the talents and motivation of key managers. The loss of key staff could cause material disruption to the business model; and
- (e) Competition: The industry segment is competitive. Actions by new or existing competitors could result in a reduction in business volume.

### Leading Edge Group: telecoms and buying group industry

- (a) Dependence of the telecoms group on material parties in Australia, New Zealand and UK: Leading Edge Group (**LEG**) acts as sales agent for three large telecommunication partners. If any partner were to terminate the contracts, this may cause a material adverse impact on financial performance;
- (b) Impact of reduced retail activity: The buying groups operate within 6 major retail industry groups. Reduced consumer spending or increases in internet purchasing may have a material adverse impact on financial performance;
- (c) Credit Losses: The buying group operation acts as the purchaser for the 950 buying group members. The business model assumes a certain level of defaults. However, if the level of defaults increased it could have an adverse impact on financial performance;

- (d) Dependence on Key Personnel: LEG's success does rely on retaining and attracting new staff. Performance is reliant on the talents and motivation of key managers. The loss of key staff could cause material disruption to the business model; and
- (e) Competition: The industry segment is competitive. Actions by new or existing competitors could result in a reduction in business volume.

**PFGL: Asset Finance Broking industry & Asset Finance Aggregation industry**

- (a) Access to Financial Product (Finance): The broking business is highly dependent on access to product provided by financial institutions. If access to product was limited for example due to reputational issues, alternative distribution or a global financial crisis type event, it may adversely impact the competitiveness of the broker distribution;
- (b) Commission and VBI: Asset finance brokers are paid commissions and VBIs by the financial institutions that provide the finance. Any decrease in the level of commissions and VBIs may adversely impact on financial performance;
- (c) Competition: Brokers act as advisers to business and individuals. Actions by new or existing competitors that impact existing clients or growth prospects could result in a reduction in business volume;
- (d) Dependence on Key Personnel: The broking business relies on retaining existing staff and attracting new staff. PFGL's performance is relies on the talents and motivation of key managers and the brokers with key client relationships. The loss of key staff could cause material disruption to its business model;
- (e) Reliance on Software: PFGL has been a disrupter in the industry, developing a comparator site that has facilitated distribution through alternative channels such as mortgage brokers and accountants. A lack of functionality or exclusivity of use of the software would be likely to adversely impact on financial performance;
- (f) Regulatory Risk: The asset finance broking industry is governed by the Australian Securities and Investments Commission (**ASIC**) through the Corporations Act and the National Credit Act. Changes to legislation or the manner in which legislation is applied would be likely to impact distribution of financial product, including the time to complete transactions and the cost of compliance which may adversely impact on financial performance;
- (g) Changes in borrowing costs: Changes in interest rates can affect the volume of new customers wanting to enter into finance (rather than purchasing the asset without borrowing or not purchasing the asset). While PFLG holds no credit risk, for a short period the commission may be clawed back.; and
- (h) Membership Volumes: Through the Group Platform Unit Trust over \$1 billion of asset finance was placed with financial Institutions in the financial year 2016. The level of commissions and VBIs is based in part on the benefit of the distribution (for example the volume of finance value and service provision) to the financial institutions. A

decrease in membership or service provision would be likely to adversely impact on financial performance.

#### **CFG: Asset Finance Aggregation Industry**

- (a) Membership Volumes: Approximately \$1.8 billion of asset finance was placed with financial institutions in the financial year 2016. The level of commissions and VBIs is based in part on the benefit of the distribution (for example the volume of finance value and service provision) to the financial institutions. A decrease in membership or service provision would be likely to adversely impact on financial performance;
- (b) Access to Financial Product (Finance): The members' broking businesses are highly dependent on access to product provided by financial institutions. If access to such products was limited for example due to reputational issues, alternative distribution or a global financial crisis type event, it may adversely impact the competitiveness of the distribution of financial product to brokers;
- (c) Commission and VBI: Asset finance brokers are paid commissions and VBI by the financial institutions that provide the finance. Any decrease in the level of commissions and VBIs would be likely to adversely impact on financial performance of the aggregation business model;
- (d) Competition: Brokers act as advisers to businesses and individuals. Actions by new or existing competitors that impact existing clients or growth prospects could result in a reduction in business volume that would be likely to adversely impact the financial performance;
- (e) Regulatory Risk: The asset finance broking industry is governed by the ASIC through the National Credit Act. Changes to legislation or the manner in which legislation is applied would be likely to impact distribution of financial product, including the time to complete transactions and the cost of compliance which may adversely impact on financial performance;
- (f) Changes in borrowing costs: Changes in interest rates can affect the volume of new customers wanting to enter into finance (rather than purchasing the asset without borrowing or not purchasing the asset). While CFG holds no credit risk, for a short period the commission may be clawed back on bad debts; and
- (g) Dependence on Key Personnel: The broking business relies on retaining existing staff and attracting new staff. CFG's performance relies on the talents and motivation of key managers and the brokers with key client relationships. The loss of key staff could cause material disruption to its business model.

#### **Linx: Asset Finance Broking Industry**

- (a) Access to Financial Product (Finance): The broking business is highly dependent on access to product provided by financial institutions. If access to such products was limited for example due to reputational issues, alternative distribution or a global

financial crisis type event, it may adversely impact the competitiveness of the broker distribution;

- (b) Commission and VBI: Asset finance brokers are paid commissions and VBIs by the financial institutions that provide the finance. Any decrease in the level of commissions and VBIs may adversely impact on financial performance;
- (c) Competition: Brokers act as advisers to businesses and individuals. Actions by new or existing competitors that impact existing clients or growth prospects could result in a reduction in business volume;
- (d) Dependence on Key Personnel: The broking business relies on retaining existing staff and attracting new staff. Linx's performance relies on the talents and motivation of key managers and the brokers with key client relationships. The loss of key staff could cause material disruption to its business model;
- (e) Regulatory Risk: The asset finance broking industry is governed by the ASIC through the National Credit Act. Changes to legislation or the manner in which legislation is applied would be likely to impact distribution of financial product, including the time to complete transactions and the cost of compliance which may adversely impact on financial performance;
- (f) Changes in borrowing costs: Changes in interest rates can affect the volume of new customers wanting to enter into finance (rather than purchasing the asset without borrowing or not purchasing the asset). While Linx holds no credit risk, for a short period the commission may be clawed back on bad debts; and
- (g) Reliance on Aggregation Provider: Through CFG approximately \$1.8 billion of asset finance was placed with financial institutions in the financial year 2016. The level of commissions and VBIs is based in part on the benefit of the distribution (for example the volume of finance value and service provision) to the financial institutions. A decrease in membership or service provision may adversely impact on financial performance of Linx through a decrease in VBIs due to lower overall CFG volumes.

#### **QPF: Asset Finance Broking Industry**

- (a) Access to Financial Product (Finance): The broking business is highly dependant on access to product provided by financial institutions. If access to such products was limited for example due to reputational issues, alternative distribution or a global financial crisis type event, it may adversely impact the competitiveness of the broker distribution;
- (b) Commission and VBI: Asset finance brokers are paid commissions and VBIs by the financial institutions that provide the finance. Any decrease in the level of commissions and VBIs may adversely impact on financial performance;
- (c) Competition: Brokers act as advisers to businesses and individuals. Actions by new or existing competitors that impact existing clients or growth prospects could result in a reduction in business volume;

- (d) Dependence on Key Personnel: The broking business relies on retaining existing staff and attracting new staff. QPF's performance relies on the talents and motivation of key managers and the brokers with key client relationships. The loss of key staff could cause material disruption to its business model;
- (e) Regulatory Risk: The asset finance broking industry is controlled by the ASIC through the National Credit Act. Changes to legislation or the manner in which legislation is applied would be likely to impact distribution of financial product, including the time to complete transactions and the cost of compliance which may adversely impact on financial performance;
- (f) Changes in borrowing costs: Changes in interest rates can affect the volume of new customers wanting to enter into finance (rather than purchasing the asset without borrowing or not purchasing the asset). While QPF holds no credit risk, for a short period the commission may be clawed back on bad debts; and
- (g) Reliance on Aggregation Provider: Through CFG approximately \$1.8 billion of asset finance was placed with financial institutions in the financial year 2016. The level of commissions and VBIs is based in part on the benefit of the distribution (for example the volume of finance value and service provision) to the financial institutions. A decrease in membership or service provision may adversely impact on financial performance of QPF through a decrease in VBIs due to lower overall CFG volumes.

#### **Fleet Network**

- (a) Access to Financial Product (Finance): The broking business is highly dependent on access to product provided by financial institutions. If access to such products was limited for example due to reputational issues, alternative distribution or a global financial crisis type event, it may adversely impact the competitiveness of the broker distribution;
- (b) Commission and VBI: Asset finance brokers are paid commissions and VBIs by the financial institutions that provide the finance. Any decrease in the level of commissions and VBIs may adversely impact on financial performance;
- (c) Competition: Brokers act as advisers to businesses and individuals. Actions by new or existing competitors that impact existing clients or growth prospects could result in a reduction in business volume;
- (d) Dependence on Key Personnel: The broking business relies on retaining existing staff and attracting new staff. Fleet's performance relies on the talents and motivation of key managers and the brokers with key client relationships. The loss of key staff could cause material disruption to its business model;
- (e) Regulatory Risk: The asset finance broking industry is governed by the ASIC through the National Credit Act. Changes to legislation or the manner in which legislation is applied would be likely to impact distribution of financial product, including the time to complete transactions and the cost of compliance which may adversely impact on financial performance;



- (f) Legislative Risk: The novated lease industry is governed by the taxation legislation through the Income Tax and Fringe Benefits Tax legislations. Changes to legislation or the manner in which legislation is applied would be likely to impact distribution of financial product, including the time to complete transactions and the cost of compliance which may adversely impact on financial performance;
- (g) Changes in borrowing costs: Changes in interest rates can affect the volume of new customers wanting to enter into finance (rather than purchasing the asset without borrowing or not purchasing the asset). While Fleet holds no credit risk, for a short period the commission may be clawed back on bad debts; and
- (h) Reliance on Aggregation Provider: The level of commissions and VBIs is based in part on the benefit of the distribution (for example the volume of finance value and service provision) to the financial institutions. A decrease in membership or service provision may adversely impact on financial performance of Fleet through a decrease in VBIs due to lower overall aggregation volumes.

#### **5.10 Insurance arrangements**

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

#### **5.11 Operational risks and costs**

The Company will be exposed to operational risks and costs present in the current business. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position as well as reputation. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however, certain residual risk will remain with the Company.

#### **5.12 Currency fluctuations**

Currency fluctuations may affect the Company's capital costs and the costs that the Company incurs in its operations.

#### **5.13 Operating hazards**

The Company holds investments in New Zealand and the United Kingdom and is exposed to the laws governing businesses in those countries. The government in New Zealand and the United Kingdom is currently supportive of the business community but changes in government regulations including taxation, the repatriation of profits, restrictions on production, export controls, environmental compliance, expropriation of property, shifts in the political stability

of the country and labour unrest could adversely affect the Company and its business initiatives in New Zealand and the United Kingdom.

#### **5.14 Business risks**

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations. Business risks could also include the finalisation and implementation of the acquisition of Platform Finance Group.

#### **5.15 Contractual risk**

The Company's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts have, in some circumstances, been entered into by the Company and its subsidiaries in this regard. As in any contractual relationship the ability for the Company to ultimately receive benefits from these contracts are dependent upon the relevant third party complying with its contractual obligations. To the extent that such third party defaults in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

#### **5.16 Other risks**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the New Shares.

## **6. Additional information**

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### **6.1 Section 708AA Corporations Act**

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to Section 708AA of the *Corporations Act*. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters a notice under Section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA (8) and (9); and
- (b) state:
  - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
  - (2) the consequences of that effect.

A notice under Section 708AA(2)(f) was lodged with the ASX on 10 May 2017.

### **6.2 Rights and liabilities attaching to New Shares**

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

### **6.3 Expenses of the Offer**

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$30,000 (plus GST).

The lead manager appointed by the Company for the Offer and the Placement, Blue Ocean, will be paid a rights issue management fee of \$100,000 (plus GST) and a selling fee by the Company equal to 4.0% (plus GST) of funds raised from New Shares issued under the Shortfall Placement.

#### **6.4 Consents and disclaimers**

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

Link Market Services Limited has given and has not withdrawn its consent to be named in this Offer Document as the share registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as share registrar to the Company. It takes no responsibility for any part of the Offer Document other than the references to its name.

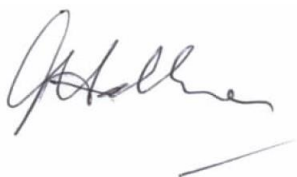
Blue Ocean has given and has not withdrawn its consent to be named in this Offer Document as Lead Manager to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

Kardos Scanlan Lawyers has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

#### **6.5 Directors' statement**

This Offer Document is issued by Consolidated Operations Group Limited. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Consolidated Operations Group Limited by:

A handwritten signature in dark ink, appearing to read 'Bruce Hatchman', with a horizontal line drawn underneath it.

Bruce Hatchman  
Chairman  
Consolidated Operations Group Limited

## 7. Definitions and glossary

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Terms and abbreviations used in this Offer Document have the following meaning:

Acceptance	An acceptance of Entitlements.
Acceptance Money	The Issue Price multiplied by the number of New Shares accepted for.
Additional Shares	Has the meaning given in section 1.11.
Applicant	A person who submits an Entitlement and Acceptance Form.
ASX	ASX Limited ACN 008 624 691.
Board	The board of directors of the Company.
Chess	Means the clearing house electronic sub register system, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
Closing Date	The date by which valid Acceptances must be received by the Share Registrar being 5.00pm (Sydney Time) 2 June 2017 or such other date determined by the Board.
Company or Consolidated Operations Group Limited (COG)	Consolidated Operations Group Limited (ACN 100 854 788).
Constitution	The Constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	The directors of the Company.
Eligible Shareholder	A Shareholder of the Company that holds Shares in the Company on the Record Date whose registered address is in Australia or New Zealand.
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form attached to this Offer Document.
Entitlements	The entitlement to accept New Shares under this Offer Document.
Issue or Offer	The offer and issue of New Shares in accordance with this Offer Document.
Issue Price	\$0.12 for each New Share.
Listing Rules	The official listing rules of the ASX.
National Credit Act	<i>National Consumer Credit Protection Act 2009</i> (Cth).
New Shares	Shares proposed to be issued under the Offer.

Opening Date	The date of commencement of the Offer, expected to be 17 May 2017.
Options	Options on issue in the Company from time to time.
Offer Document	This Offer Document dated 12 May 2017 as modified or varied by the Company.
Record Date	16 May 2017.
Register	The company register of the Company.
Relevant Interest	Has the meaning given to that term in the Corporations Act.
securities	Has the same meaning as in Section 92 of the Corporations Act.
Share Registry	Link Market Services Limited ACN 083 214 537.
Shares	The ordinary shares on issue in the Company from time to time.
Shareholders	The holders of Shares from time to time.
Shortfall	Those New Shares which are not subject to a valid Entitlement and Acceptance Form.
US Securities Act	The US Securities Act of 1933, as amended.

## Corporate directory

Directors	Solicitors to the Offer
Bruce Hatchman Cameron McCullagh Andrew Grant Rohan Ford Stephen White David Gray	Kardos Scanlan Lawyers Pty Ltd Level 5 151 Castlereagh Street Sydney NSW 2000
Registered Office	Share Registry
c/- Franks & Associates Pty Limited Suite 4, Level 9 341 George Street Sydney NSW 2000	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000