

ASX Announcement (ASX:MTO)



5 October 2017

MotorCycle Holdings Limited (ASX: MTO) Entitlement Offer

As announced on 4 October 2017, MotorCycle Holdings Limited is conducting a fully underwritten renounceable entitlement offer to raise \$67 million at \$3.85 per share (**Entitlement Offer**).

Announced today are the letters to eligible shareholders and ineligible shareholders.

Attached to this announcement is the offer document (**Offer Document**). The Offer Document, together with a personalised entitlement and acceptance form, will be dispatched to eligible shareholders on 11 October 2017 and will provide further details of how to participate in the Entitlement Offer.

Eligible shareholders who do not wish to take up their entitlement and wish to trade their rights on the ASX are advised to review sections 2.5 and 2.6 of the Offer Document. Eligible shareholders should be aware that entitlement trading will commence Friday, 6 October 2017 and will close on Friday, 13 October 2017.

ENDS

For further information, please contact:

MotorCycle Holdings Limited

Mr David Ahmet
Managing Director
Phone: 0403 333 048
Email: dave@teammoto.com.au

Mr Bob Donovan
Chief Financial Officer
Phone: 0414 801 533
Email: cfo@mcholdings.com.au

MotorCycle Holdings Limited

ACN 150 386 995



Offer Document

Renounceable Rights Issue

11 New Shares for 24 Existing Shares at an issue price of \$3.85 per New Share to raise approximately \$67 million

Underwriter

Morgans Corporate Limited

The Rights Issue closes at 5.00 pm (Sydney time) on Friday, 20 October 2017.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Offer Document is not a prospectus and does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares.

You should read this Offer Document in its entirety before deciding whether to accept the offer of New Shares. If you do not understand any part of this Offer Document or are in doubt as to what you should do, you should consult your stockbroker, accountant, financial or other professional adviser immediately.

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Chairman's letter

Dear Shareholder,

On behalf of your Directors, I am pleased to invite you to participate in the Rights Issue announced by the Company on 4 October 2017.

The Rights Issue provides you with the opportunity to subscribe for 11 for 24 Existing Shares, at an issue price of \$3.85 per New Share.

The Issue Price of \$3.85 represents:

- A 6.3% discount to the theoretical ex-rights price ("TERP"); and
- A 9.0% discount to the last traded price of MTO shares prior to this announcement

The Rights Issue will raise approximately \$63.7 million (after the costs of the Rights Issue). This will be used (in conjunction with debt and the issue of shares in the Company) to acquire all of the shares in the motorcycle distribution and retail business of Cassons (**Target Business**), a leading wholesaler and retailer of motorcycle accessories and parts.

The Rights Issue is fully underwritten by Morgans Corporate Limited (**Underwriter**).

Managing Director, Dave Ahmet will participate in the Rights Issue to the extent possible. All Non-Executive Directors of MTO eligible to participate intend to take up their full entitlements.

All entitlements under the Rights Issue are renounceable and shareholders will be able to trade these rights on the ASX for 5 business days during the Rights Offer period. The entitlements will be quoted on the ASX under the ticker code MTOR during this trading period.

The Rights Issue will be made to all Eligible Shareholders, being all shareholders who have a registered address in Australia and New Zealand.

It is important that you read this Offer Document and the other publicly available information about the Company on our website (<http://www.mcholdings.com.au/>) carefully and consider in particular the risk factors set out in **section 3** before making your investment decision.

If you have any questions about the Rights Issue please contact your financial adviser or the MotorCycle Holdings Limited Rights Issue Offer Information Line on 1300 552 270 (within Australia) or +61 3 9415 4000 (outside Australia).

On behalf of the Directors, I thank you for your continued support and I commend the Rights Issue to you.

Yours sincerely



David Foster
Chairman

Rights Issue at a glance

Summary of offer

Issue Price	\$3.85 per New Share
Entitlement	11 for 24 Existing Shares held at 7.00 pm (Sydney time) on the Record Date
Number of New Shares to be issued under the Rights Issue	Approximately 17,393,750 New Shares
Underwriting	The Rights Issue will be fully underwritten by Morgans Corporate Limited subject to the terms of the Underwriting Agreement
Amount to be raised	\$63.7 million (after the costs of the Rights Issue)

Timetable - Key dates

Announcement Date	Wednesday, 4 October 2017
Lodgement of Offer Cleansing Notice with ASX	Wednesday, 4 October 2017
Ex Date, Existing Shares trade without Rights attached and Rights trading commences on ASX	Friday, 6 October 2017
Record Date to determine Entitlements	7.00 pm (Sydney time) on Monday, 9 October 2017
Offer Document and Entitlement and Acceptance Form despatched	Wednesday, 11 October 2017
Opening date of the Rights Issue	
Last day of Rights trading	Friday, 13 October 2017
Trading of New Shares commences on a deferred settlement basis	Monday, 16 October 2017
Closing Date – last date for lodgement of Entitlement and Acceptance Forms and Application Money	5.00 pm (Sydney time) Friday, 20 October 2017
Shortfall notification date	Tuesday, 24 October 2017
Shortfall Settlement Date	Thursday, 26 October 2017
Offer Issue Date	Friday, 27 October 2017
Normal trading of New Shares expected to commence on ASX and despatch of holding statements for New Shares	Monday, 30 October 2017

Subject to the Listing Rules, the Company reserves the right to vary the timetable without prior notice in consultation with the Underwriter, including by extending the Closing Date or closing the Rights Issue early.

1 Details of the Rights Issue

1.1 The Rights Issue

Eligible Shareholders are invited to participate in a pro-rata renounceable Rights Issue of approximately 17,393,750 New Shares. The Rights Issue will be conducted on the basis of 11 for 24 Existing Shares held at 7.00 pm (Sydney time) on the Record Date, at an issue price of \$3.85 per New Share, payable in full on Application.

Fractional Entitlements to New Shares will be rounded down to the nearest whole New Share.

Your Entitlement to subscribe for New Shares is shown on your personalised Entitlement and Acceptance Form which accompanies this Offer Document.

Rights are renounceable, which means Eligible Shareholders who do not wish to take up all or part of their Entitlement may choose to sell all or part of it (see **section 1.6**).

New Shares will rank equally in all respects with Existing Shares.

The Rights Issue is being undertaken by the Company under section 708AA of the Corporations Act without a prospectus.

1.2 Purpose of the Rights Issue

The Rights Issue will raise approximately \$67 million, before costs.

The net proceeds of the Rights Issue will be approximately \$63.7 million and will be used (in conjunction with debt and the issue of Shares in the Company) to acquire all of the shares in the motorcycle distribution and retail business of Cassons (**Target Business**).

1.3 Issue Price

The Issue Price is \$3.85 for each New Share and is payable in full upon Application. The Issue Price represents a discount of 9.0%.

1.4 Minimum subscription

There is no minimum subscription under the Rights Issue.

1.5 Opening and Closing Date for Applications

The Rights Issue opens for acceptances on Wednesday, 11 October 2017 and all Entitlement and Acceptance Forms and payments of Application Money must be received by no later than 5.00 pm (Sydney time) on Friday, 20 October 2017, subject to the Directors being able to vary the Closing Date in consultation with the Underwriter and in accordance with the Listing Rules.

1.6 Rights trading

The Rights are renounceable. This means that Eligible Shareholders can offer to sell their Rights on ASX or otherwise transfer them if they do not wish to take up some or all of the New Shares to which they are entitled. See **section 2** for instructions on how to deal with your Entitlement.

Trading of Rights on ASX will commence on Friday, 6 October 2017 and will end on Friday, 13 October 2017. Eligible Shareholders may sell some or all of their Rights on ASX during this period if they decide not to accept their full Entitlement to the New Shares.

The Company has appointed the Underwriter to sell the Rights of Ineligible Shareholders (see **section 1.9** for further information).

1.7 Allotment of New Shares and ASX quotation

It is expected that allotment of the New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares will be allotted and holding statements posted no later than Monday, 30 October 2017. However, if the Closing Date is extended, the date for allotment and posting may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX.

Application Money will be held in trust in a subscription account until allotment. Any interest earned on Application Money will be retained by the Company, irrespective of whether allotment takes place.

1.8 Underwriting

The Company and the Underwriter have entered into an underwriting agreement on normal commercial terms. Under the Underwriting Agreement, the Underwriter has agreed to fully underwrite the Rights Issue.

The Underwriter may Terminate its unperformed obligations under the Underwriting Agreement at any time by notice to the Company if certain events occur on or before 8.00 am on the Offer Issue Date. These termination events are set out in **schedule 1** and are usual for underwriting agreements of this type.

The Company must pay the Underwriter fees and expenses on normal market terms and has agreed to indemnify the Underwriter and persons connected with the Underwriter against losses they may suffer in connection with the Rights Issue.

1.9 Shareholders outside Australia and New Zealand

General restrictions

This Offer Document and accompanying Entitlement and Acceptance Form do not constitute an offer in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Rights and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

No action has been taken to register or qualify the Rights or New Shares, or to otherwise permit an offering of Rights or New Shares outside Australia and New Zealand. The Rights or New Shares may not be offered in a jurisdiction outside Australia and New Zealand where such an offer is not made in accordance with the laws of that place.

The distribution of this Offer Document (including an electronic copy) in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document outside Australia and New Zealand should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

It is the responsibility of any Applicant to ensure compliance with any laws of the country relevant to their Application. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws and that the Applicant is physically present in Australia or New Zealand.

Eligible Shareholders resident outside Australia should consult their professional advisers as to whether, in order to enable them to accept their entitlements, any governmental or other consents are required, or other formalities need to be observed.

New Zealand securities law requirements

This Offer Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013.

The Rights Issue is made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and is only being issued to:

- (i) persons who, at the time of the Rights Issue, are holders of Existing Shares, and who have registered addresses in New Zealand; or
- (ii) persons in whose favour an offer of Rights Issue has been renounced.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Rights and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Rights and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Rights and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Rights or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the Rights and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Rights and New Shares, may not be issued, circulated or distributed, nor may the Rights and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Rights or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Rights or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Ineligible Shareholders

The Company is not extending the Rights Issue to Ineligible Shareholders having regard to:

- (a) the cost of complying with legal and regulatory requirements outside Australia and New Zealand;
- (b) the number of Ineligible Shareholders; and
- (c) the number and value of New Shares which could be offered to Ineligible Shareholders.

Where the Offer Document has been dispatched to Ineligible Shareholders, the Offer Document is provided for information purposes only.

In limited circumstances the Company may elect to treat as Eligible Shareholders certain Shareholders who would otherwise be Ineligible Shareholders, provided the Company is satisfied that it is not precluded from lawfully issuing New Shares to such Shareholders either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.

Sale of Rights of Ineligible Shareholders

The Company has arranged for the Rights of Ineligible Shareholders to be offered for sale on the ASX by a nominee, Berne No 132 Nominees Pty Ltd (ACN 010 413 591) (**Berne**).

Berne, in its absolute discretion, may determine the price or manner in which any sale is made.

Any interest earned on the proceeds of the sale of these Rights will firstly be applied against expenses of such a sale, including brokerage, and any balance will accrue to the Company.

The proceeds of sale (if any) of all Rights of Ineligible Shareholders will be aggregated and distributed in Australian dollars to the Ineligible Shareholders for whose benefit the Rights have been sold in proportion to their shareholdings at the Record Date (after deducting brokerage, commission and other expenses).

Neither the Company nor Berne will be liable for a failure to sell Rights or to sell Rights at any particular price. If there is no viable market for the Rights of Ineligible Shareholders, their Rights will be allowed to lapse and the relevant New Shares will revert to the Underwriter to be dealt with under the terms of the Underwriting Agreement.

1.10 Handling fee

The Underwriter will pay out of its own funds to participating organisations of ASX a handling fee of 1% of the total value of Valid Applications made by private clients and lodged by the participating organisations (capped at \$150.00).

1.11 Taxation consequences

The taxation consequences of any investment in New Shares will depend upon your particular circumstances.

Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

1.12 Privacy

The information about Applicants included on an Entitlement and Acceptance Form is used for the purposes of processing the Entitlement and Acceptance Form and to administer the Applicant's holding of New Shares. By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Underwriter, the Share Registry and the Company's related bodies corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities. Some of the third parties to whom the Company may disclose your personal information may be located outside Australia.

The Corporations Act requires the Company to include information about each Shareholder (including name, address and details of the Shares held) in the Register. The information contained in the Register must remain there even if that person ceases to be a Shareholder. Information contained in the Register is also used to facilitate payments and corporate communications (including the Company's financial results, annual reports and other information that the Company wishes to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

Under the *Privacy Act 1988* (Cth), you may request access to or correction of your personal information held by, or on behalf of, the Company or the Share Registry. A fee may be charged for access. You can request access to your personal information, or make a complaint about how your personal information is handled, by telephoning or writing to the Share Registry as follows:

Computershare Investor Services Pty Limited
GPO Box 2975, Melbourne, VIC, 3000

1.13 Not investment advice

The Rights Issue to which this Information relates complies with the requirements of section 708AA of the Corporations Act.

This Offer Document is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not investment advice and does not take into account your investment objectives, financial situation, tax position and particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to invest.

1.14 Future performance and forward looking statements

Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Document.

The forward looking statements in this Offer Document are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Offer Document.

This Offer Document details some important factors and risks that could cause the Company's actual results to differ from the forward looking statements in the Offer Document.

Past share price performance of the Company provides no guidance as to its future share price performance.

1.15 Governing law

This Offer Document, the Rights Issue and the contracts formed on acceptance of Applications are governed by the laws applicable in Queensland, Australia.

1.16 Interpretation

Some capitalised words and expressions used in this Offer Document have defined meanings which are explained in **section 4**.

A reference to time in this Offer Document is to the local time in Brisbane, Australia, unless otherwise stated. All financial amounts in this Offer Document are expressed in Australian dollars, unless otherwise stated.

2 How to participate

2.1 What you may do – choices available

Before taking any action you should read this Offer Document in its entirety.

The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance form. If you are an Eligible Shareholder you may:

Option	See section
Take up your Entitlement in full or in part	2.2
Sell all or some of your Rights on ASX	2.5
Transfer all or some of your Rights to another person other than on ASX	2.6
Allow some or all of your Rights to lapse	2.7

2.2 If you wish to accept your Entitlement in full or in part

Either:

- Complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up in accordance with the instructions on the form. Return your completed form in the enclosed reply paid envelope, together with the Application Money to the Share Registry at the address set out in **section 2.4**. It must be received by no later than 5.00 pm (Sydney time) on Friday, 20 October 2017.

OR:

- Make a payment of \$3.85 for each New Share you wish to apply for by BPAY in accordance with the instructions on the Entitlement and Acceptance Form by no later than 5.00 pm (Sydney time) on Friday, 20 October 2017.

2.3 Payment for New Shares

The issue price of \$3.85 per New Share is payable in full on application.

All payments are to be made in Australian currency by cheque drawn on and payable at any Australian bank or by BPAY.

Cheques should be made payable to "MotorCycle Holdings Limited" and crossed "Not Negotiable".

Applicants are asked not to forward cash. Receipts for payments will not be issued.

BPAY payments should be made in accordance with the instructions on the Entitlement and Acceptance Form using the BPAY Biller Code and unique Customer Reference Number shown on the form. You are not required to return the Entitlement and Acceptance Form if you use BPAY to pay the Application Money.

Application money will be held in trust in a subscription account until allotment. Any interest earned on Application Money will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

2.4 Address details and enquiries

Completed Entitlement and Acceptance Forms (including payment of Application Money) should be forwarded to the Company's Share Registry by mail in the enclosed prepaid envelope or delivered to the following address:

Computershare Investor Services Pty Limited
GPO Box 505, Melbourne, VIC, 3001

For further information on your Entitlement or what your choices are in relation to it, please contact your financial adviser or the MotorCycle Holdings Limited Rights Issue Offer Information Line on 1300 552 270 (within Australia) or +61 3 9415 4000 (outside Australia).

2.5 If you wish to sell Rights on ASX

If you wish to sell all or some of your Rights on ASX, provide instructions to your stockbroker as soon as possible.

Trading of Rights on ASX will commence on Friday, 6 October 2017 and sale of your Rights must be completed on or before Friday, 13 October 2017, when Rights trading ceases. Brokerage may be payable to your stockbroker in connection with the sale of Rights on ASX.

There is no guarantee that Eligible Shareholders wishing to sell Rights on ASX will be able to do so.

In dealing with the sale of Rights, your stockbroker will act on your behalf. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions.

Buyers of Rights on ASX will need to pay the Issue Price of the New Shares to take them up and should follow the directions of their stockbroker.

2.6 If you wish to transfer all or part of your Entitlement to another person other than on ASX

If your Existing Shares are held on the issuer sponsored subregister, send a completed renunciation and transfer form (obtainable from your stockbroker or the Share Registry) together with the transferee's cheque for any Application Moneys in relation to the transferred Rights, to the Share Registry at the address set out in **section 2.4** by no later than 5.00 pm (Sydney time) on Friday, 20 October 2017. Renunciations must be signed by both buyer and seller before being lodged with the Share Registry.

If your Existing Shares are held on the CHESS subregister, you will need to contact your stockbroker for further instructions.

If you wish to transfer part of your Rights to another person as described above, but also want to take up some or all of the balance of your Rights, you will need to complete the Entitlement and Acceptance Form in respect of the Rights you wish to take up before lodging it, and you will also need to pay the Issue Price per New Share in respect of the Rights you are taking up.

If the Share Registry receives both a completed renunciation form and a completed Entitlement and Acceptance Form in respect of the same Rights, the renunciation will be given priority over the acceptance.

Buyers of Rights who apply for New Shares will need to pay the Issue Price of the New Shares to take them up.

2.7 If you do not wish to accept all or any part of your Entitlement

The Rights to which you are entitled may be valuable. If you take no action in relation to your Rights, they will lapse. **If you decide not to take up all or part of your Rights, you should consider selling your Rights rather than allowing them to lapse. You will receive no benefit for Rights which lapse.** Accordingly it is important that you consider taking action either to accept or sell your Rights.

Rights not accepted will revert to the Underwriter in accordance with the terms of the Underwriting Agreement.

3 Risk factors

References to the Company in this section include its subsidiaries.

Applicants should be aware that there are risks associated with an investment in the Company. These can be categorised as general risks (that is, matters that relate to business in general) and specific risks (those that relate directly to the Company's business). Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many are outside the control of the Company and cannot be mitigated.

The New Shares carry no guarantee in respect of profitability, return of capital or the price at which they will trade on ASX.

3.1 General risk factors

Share price fluctuations

The price the Company's shares are traded on ASX could fluctuate due to various factors including recommendations by brokers and analysts, domestic and international economic conditions, general movements in local and international stock markets, exchange rates and interest rates. These risks apply generally to any investment on the stockmarket. In addition, the prices of a listed entity's securities are affected by factors that might be unrelated to its operating performance, such as general market sentiment.

Economic risks

The Company and the Target Business's operational and financial performance is affected by the Australian and other international economies. General and business conditions, inflation, interest rates, monetary and fiscal policy and political circumstances are all matters which may affect the Company's operating and financial performance.

Businesses such as the Company that borrow money are potentially exposed to adverse interest rate movements that may affect the cost of borrowing, which in turn would impact on earnings.

Taxation

Future changes in Australian taxation laws, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in the Company's shares, or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted may impact upon the future tax liabilities of the Company.

Dividends

The payment of future dividends will be at the discretion of the Board and will depend, amongst other things, on the financial performance and other relevant circumstances at the time. There can be no guarantee regarding the likelihood, timing, franking or quantum of future dividends from the Company.

Change in accounting policy

Changes to the Australian Accounting Standard could affect the Company's reported earnings and its financial position from time to time.

3.2 Specific risk factors

Specific risks that may affect the Company include the following:

Underwriting risk

The Company has entered into an underwriting agreement under which the Underwriters have agreed to fully underwrite the Rights Issue, subject to the terms and conditions of the underwriting agreement between the parties. If certain events occur, the underwriter may terminate the underwriting agreement. Such "termination events" are set out in **schedule 1**.

Termination of the underwriting agreement would have an adverse impact on the availability of the proceeds raised under the Rights Issue. In such a case, the Company may not have sufficient equity funding for the Acquisition and a defeating condition under the transaction documentation will have been triggered.

Rights trading on ASX

The price at which Rights to New Shares may be sold on ASX during the Rights trading period may rise and fall. A Shareholder who sells Rights on ASX during the Rights Issue period may receive a higher or lower price than a Shareholder who sells Rights at a different time during the Rights trading period.

There is no guarantee that there will be a viable market during, or on any particular day in, the Rights trading period, on which to sell Rights on ASX. If you are an Eligible Shareholder and you do not exercise your Rights to new Shares under the Rights Issue, there is no guarantee that you will be able to sell your Rights on ASX.

Dilution

You should also note that if you sell, or do not take up, all or part of your Entitlement, then your percentage shareholding in the Company will be diluted by not participating to the full extent in the Rights Issue and you will not be exposed to future increases or decreases in the Company's share price in respect of the New Shares which would have been issued to you had you taken up all of your Entitlement.

Retail environment and general economic conditions in Australia may deteriorate

As the products sold by the Company are discretionary items for many customers, the Company is particularly exposed to a deterioration in general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to consumer credit, government fiscal, monetary and regulatory policies and oil prices. A prolonged deterioration in general economic and business conditions could be expected to have an adverse impact on the Company's financial performance.

Contractual relationships with manufacturers and distributors

The Company's right to sell new motorcycles, and therefore the Company's ability to conduct its business, derives exclusively from the rights granted to it pursuant to franchise agreements with manufacturers and distributors.

The terms of the relationships with manufacturers and distributors under the franchise agreements can be restrictive, eg some (but not all) of the franchise agreements grant the Company the exclusive right to sell motorcycles manufactured by the relevant manufacturer in a designated area. The failure by the Company to comply with the terms of a franchise agreement or the breakdown of a relationship with a manufacturer or distributor, may result in the termination or nonrenewal of one or more franchise agreements by the manufacturer or distributor.

A small number of franchise agreements may be terminated by the manufacturer without cause and certain franchise agreements include terms which permit the distributor to terminate the relevant franchise agreement where the supply of motorcycles from the manufacturer to the distributor ends.

Any failure to renew franchise agreements on favourable terms, or breakdown or termination of a manufacturer relationship under a franchise agreement, or cessation of supply of new motorcycles, will adversely affect the Company's financial performance, particularly if the associated relationship contributes a material proportion of the Company's revenue.

Reliance on key personnel

The Company's success is dependent to a significant degree upon the efforts of key members of management. The Company relies on a high quality management team with significant experience in the motorcycle industry. The loss of the services key members of management, or the failure to attract additional key individuals to key management roles, could have a material adverse effect on the Company's operations, including its relationships with manufacturers.

Certain franchise agreements include terms that require David Ahmet, the Company's Founder, Managing Director and Chief Executive Officer, to be involved in the Company's business.

Interruption of the supply of motorcycles

The Company is reliant on manufacturers and distributors to supply new motorcycles for sale. In certain circumstances the quality of inventory of new motorcycles available to the Company for sale is restricted under the franchise agreements or may be limited at the manufacturer's or distributor's discretion. If the Company is not able to meet demand for its products due to interruption of supply from manufacturers or distributors, the Company's financial performance may be adversely affected.

Bailment financing risk

The Company depends on bailment financing arrangements to fund the supply of new motorcycles from manufacturers. Any change in the terms of the bailment financing arrangements may impact the Company's business model. Certain bailment financing arrangements permit the financier to terminate the bailment financing arrangement without cause or to suspend the provision of bailment finance. If a bailment financier stopped providing finance to the Company for any reason, the Company's ability to manage its capital would be adversely affected and may require the Company to seek financing from alternative sources.

Occupational health and safety

The Company's employees are at risk of workplace accidents and incidents (particularly in relation to staff in repair centres and staff involved in the movement of motorcycles). In the event that one of the Company's employees is injured in the course of their employment, the Company may be liable for penalties or damages. Such workplace accidents and incidents have the potential to harm both the reputation and financial performance of the Company.

Operations subject to regulation

Legislative or regulatory changes, in particular changes in relation to the sale of consumer finance and consumer insurance, could have an adverse impact on the Company. The financial services industry has been, and is likely to continue to be, the subject of significant changes to the regulatory environment in which it operates.

ASIC has proposed restrictions on financiers paying commissions to motor dealers that are funded by the borrower (ie because they form part of the amount of credit provided) or commissions that vary depending on the interest rate payable under the finance contract. Further, following a recent ASIC review into add-on insurance products,

premiums and commission structures for various insurance products distributed by the Company will be significantly reduced in the future. Any changes required to be made to the business model of the Company as a result of any legislative or regulatory changes, may result in a material loss of revenue for the Company and to the extent that fixed costs cannot be reduced and/or costs could not be passed on to customers, reduce the profitability of the Company.

Acquisitions and expansion of dealerships

The Company's growth strategy relies in part on increasing the size of its dealership network, which it intends to do partly through acquisitions. If suitable acquisition targets are not able to be identified, or acquisitions are not able to be made on acceptable terms, then this may limit the Company's ability to realise its growth strategy.

Further, acquisitions that are made may prove not to be as successful as the Company anticipates, including failure of due diligence to identify issues, negatively impacting the Company's financial performance, its growth strategy and its capacity to pursue further acquisitions.

The ability of the Company to expand its existing dealerships by adding additional manufacturers to those dealerships may be restricted because certain franchise agreements restrict the ability of the Company to sell products manufactured by multiple manufacturers in a single dealership.

Customer preferences may change

Unforeseen changes in customer preferences including increased demand for fuel efficient motor vehicles or adoption of motor vehicle sharing schemes may reduce demand for motorcycles and may impact the Company's future financial performance.

Impact of competition via the internet

The Company's ability to sell used motorcycles may be disrupted by the increased occurrence of direct private-to-private sales of used motorcycles, facilitated by the internet, impacting the inventory of used motorcycles available for sale and, consequently financial performance.

In addition, the Company's ability to sell accessories and parts may be adversely affected by competition from online retailers. If consumers purchase accessories and parts from online retailers instead of from the Company, the financial performance of the Company may be adversely affected.

Information technology systems and infrastructure

The Company relies on third party software products and services for its management information systems and the delivery of point of sale services to customers. Any significant interruptions to these systems could impair the ability of the Company to sell motorcycles and other products to customers and have an adverse effect on the Company's financial performance.

Warranty and extended warranty risk

The Company sells extended warranties covering new motorcycles as well as warranties covering used motorcycles.

The sale of warranties covering used motorcycles and extended warranties covering new motorcycles exposes the Company to risks to which it would not otherwise be exposed as a retailer. For example, the sale of warranties and extended warranties exposes the Company to risks associated with the performance of the new and used motorcycles to which the warranties and extended warranties relate. In addition, any

increase in the number of claims on the extended warranty and warranty products in comparison to the number of claims for which provision is made by the Company may have an adverse effect on the Company's expenses and result in a deterioration in the Company's financial performance.

The Company may, in the ordinary course of business, be involved in litigation and disputes (for example, as a result of accidents during test rides). Any litigation or dispute could be costly and damaging to the Company's reputation and business relationships, which could have an adverse effect on its financial performance and industry standing.

Exposure to litigation

The Company may in the ordinary course of business be involved in litigation and disputes (for example, as a result of accidents during test rides). Any litigation or dispute could be costly and damaging to the Company's reputation and business relationships, which could have an adverse effect on its financial performance and industry standing.

4 Definitions

Additional New Shares	The meaning given to this term in section 2.2
Announcement Date	The date referred to as the Announcement Date in the Timetable
Applicant	A person who makes an Application
Application	An application to subscribe for New Shares under this Offer Document
Application Money	Money payable by Applicants in respect of Applications
Acquisition	The acquisition of all of the Shares in the Target Business
ASIC	The Australian Securities and Investments Commission
ASIC Modification	Any exemption, modification or variation of the Corporations Act granted by ASIC in respect of the Offer which is necessary to make the Offer in the manner contemplated by this document
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as applicable
ASX Market Rules	The official market rules of ASX as waived or modified by ASX
Board	The board of Directors of the Company
Business Day	A day on which: (a) ASX is open for trading in securities; and (b) banks are open for general banking business in Brisbane
Closing Date	5.00 pm (Sydney time) Friday, 20 October 2017
Company	Motorcycle Holdings Limited ABN ACN 150 386 995
Constitution	The constitution of the Company as amended from time to time
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Corrective Statement	In respect of an Offer Cleansing Notice which is Defective, a notice given to ASX in accordance with section 708AA(10) of the Corporations Act to correct that Cleansing Notice
Defective	The meaning given to that term in section 708AA(11) of the Corporations Act
Director	A director of the Company
Eligible Shareholder	A Shareholder as at 7.00 pm (Sydney time) on the Record Date and who is not an Ineligible Shareholder

Eligible Rights Holder	A person in whose favour an entitlement to receive New Shares under the Rights Issue is renounced and who has an address in Australia and New Zealand or in a jurisdiction outside Australia, New Zealand and the United States, where the Directors are satisfied that an offer of Shares may be made to that person without the need for material lodgement, registration or approval with or by a Government Agency and decide to offer in that jurisdiction and who is not a US Person
Entitlement	The entitlement to 11 for 24 Existing Shares purchased before the Ex Date and held at 7.00 pm (Sydney time) on the Record Date. The entitlement of each Eligible Shareholder is shown on the Entitlement and Acceptance Form
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Offer Document
Existing Shares	Shares on issue at the Record Date
Ex Date	Friday, 6 October 2017
Government Agency	Any government or any government department, governmental, semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission, authority, tribunal, agency, stock exchange or entity in any jurisdiction relevant to the Rights Issue, including ASX, ASIC and the Takeovers Panel
Ineligible Shareholder	A Shareholder with an address in the Register outside Australia and New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board, in its sole discretion, regards as acceptable and not unduly onerous
Issue Price	\$3.85 per New Share
Listing Rules	The official listing rules of ASX, as amended or waived by ASX from time to time
Management Questionnaire	A set of questions relevant to the content of the Offer Materials and reasonably satisfactory to the Underwriter
New Shares	Shares offered under the Rights Issue
Offer Document	This offer document
Offer Issue Date	The date referred to as the Offer Issue Date in the Timetable
Offer Materials	<ul style="list-style-type: none"> (a) The Offer Cleansing Notice; (b) the completed Appendix 3B in relation to the Rights Issue; (c) all announcements released to ASX by the Company in connection with the Rights Issue; (d) this Offer Document, including the Entitlement and Acceptance Form; and (e) all correspondence delivered to Shareholders in respect of the Rights Issue and approved by the Company (or on its behalf with its consent)

Public Information	Any press releases, presentation materials, or public or media statement or other public disclosure made (on or after the Announcement Date and up to and including the Shortfall Settlement Date) in relation to the Rights Issue, including amendments or updates to or supplementary disclosure in respect of any Offer Materials, or in relation to bids or applications received for New Shares or the progress or results of the Rights Issue, in each case by the Company (or on its behalf)
Record Date	7.00 pm (Sydney time) Monday, 9 October 2017
Register	The register of Shareholders required to be kept under the Corporations Act
Related Body Corporate	The meaning given by that term in the Corporations Act
Rights Issue	The renounceable offer of 11 New Shares for 24 Existing Shares registered and entitled to participate at 7.00 pm (Sydney time) on the Record Date at the Issue Price
Rights	The right to subscribe for a New Share under this Offer Document
Share	A fully paid ordinary share in the Company
Share Registry	Computershare Investor Services Pty Limited ABN 48 078 279 277
Shareholder	A holder of Shares
Shortfall Settlement Date	The date referred to as the Shortfall Settlement Date in the Timetable
Subsidiary	In relation to an entity, the meaning given to that term in the Corporations Act
Takeovers Panel	The body established under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth) as the primary forum for resolving disputes about takeovers
Target Business	Cassons Pty Limited ACN 000 651 525
Terminate	The termination by the Underwriter of all further obligations of the Underwriter under this document including the obligation to subscribe or cause the subscription for shortfall Shares), and Termination has a corresponding meaning
Termination Events	The events specified in schedule 1
Timetable	The timetable set out in this Offer Document
Top Up Facility	The facility described in section 2.2 under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement
Trading Day	A day determined by ASX to be a trading day in accordance with the ASX Market Rules
Underwriter	Morgans Corporate Limited ABN 32 010 539 607
Underwriting Agreement	The underwriting agreement between the Company and the Underwriter, a summary of which is contained in section 1.8

Valid Application	<p>In respect of the Rights Issue:</p> <ul style="list-style-type: none"> (a) a completed Entitlement and Acceptance Form received by the Company or Share Registry with payment of the Issue Price (in cleared funds) for each New Share applied for; or (b) payment of the Issue Price for each New Share applied for by BPAY (in which case completion of an Entitlement and Acceptance Form is not required), <p>by:</p> <ul style="list-style-type: none"> (c) an Eligible Shareholder or an Eligible Rights Holder by 5.00 pm on the Closing Date; or (d) the Underwriter or a person who the Underwriter causes to apply by 4.00 pm on the Shortfall Settlement Date.
US person	The meaning given in Regulation S under the US Securities Act

Corporate Directory

Directors

David Foster, David Ahmet, Peter Henley, Warren Bee, Rick Dennis

Registered Office

68 Moss Street, Slacks Creek, QLD, 4127

Underwriter

Morgans Corporate Limited

Lawyers

Corrs Chambers Westgarth
L 42, 111 Eagle Street, Brisbane, QLD, 4000

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975, Melbourne, VIC, 3000

Website

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

Schedule 1

Underwriting Agreement - Termination Events

1 Right of Termination

The Underwriter may, by notice given to the Company on or before 8.00 am on the Offer Issue Date, and without Cost or liability to the Underwriter, immediately Terminate if any one or more of the Termination Events below occurs or has occurred after the date of this document and on or before 8.00 am on the Offer Issue Date (unless otherwise stated) and:

- (a) **(Unqualified)** that Termination Event is not marked with an '*'; or
- (b) **(Qualified)** that Termination Event is marked with an '*' and the Underwriter has bona fide and reasonable grounds to believe or actually believes that the event:
 - (i) has had, is having or is reasonably likely to have a material adverse effect on:
 - (A) the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of the Company or a Subsidiary either individually or taken as a whole; or
 - (B) the success or outcome of the Offer, the market price of Offer Shares or the Shares or the ability of the Underwriter to market, promote or settle the Offer (including matters likely to have an effect on a decision of an investor to invest in Offer Shares or Shares);
 - (ii) leads (or is, in the Underwriter's opinion, reasonably likely to lead) to the Underwriter's obligations under this document becoming materially more onerous than those which exist at the date of this document; or
 - (iii) leads (or is, in the Underwriter's opinion, reasonably likely to lead) to the contravention, or involvement in a contravention of, or a liability under the Corporations Act or any other applicable law.
- (c) **(Offer Materials)** a statement contained in the Offer Materials is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the Offer Materials omit any information they are required to contain (having regard to section 708AA of the Corporations Act and any other applicable requirements), or there are no reasonable grounds in accordance with section 728(2) of the Corporations Act for the making of any statement in the Offer Materials relating to future matters;
- (d) **(listing)** ASX announces that the Company will be removed from the official list or that any New Shares will be delisted or suspended from quotation by ASX for any reason;
- (e) ***(trading halt)** ASX suspends trading of the Shares for any period of time, other than any trading halt or suspension made with the prior agreement of the Underwriter (not to be unreasonably withheld or delayed);
- (f) **(market fall)** at any time the S&P/ASX All Ordinaries Index falls to a level that is 90% or less of the level as at the close of trading on the Business Day before the

date of this document and stays at or below that level for more than three Trading Days;

(g) **(notification)** any of the following notifications are made:

- (i) an application is made by ASIC or another person for an order under Part 9.5 of the Corporations Act, or to any other Government Agency, in relation to the Offer Materials or the Rights Issue;
- (ii) ASIC or any other Government Agency commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Rights Issue or any of the Offer Materials or prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company,

and in either case:

- (iii) where the Government Agency is the Takeovers Panel, the application is not withdrawn or the Takeovers Panel has not declined to conduct proceedings or declined to make a declaration of unacceptable circumstances within five Business Days of the date of the application or by the Shortfall Settlement Date; or
 - (iv) where the Government Agency is not the Takeovers Panel, such application, notice or proceeding becomes public or is not withdrawn within two Business Days after it is made or by the Shortfall Settlement Date;
- (h) **(proceedings)** a person (including ASIC or any Government Agency) commences any enquiry, investigation or proceedings, or takes any regulatory action or seeks any remedy, in connection with the Company, or any of its directors in their capacity as director of the Company, the Rights Issue or the Offer Materials and such enquiry, investigation or proceedings is not addressed, disposed of or withdrawn (to the Underwriter's reasonable satisfaction) on or before the fifth Business Day following commencement, the taking of the action or seeking of remedy or, if the Shortfall Settlement Date occurs prior to that fifth Business Day, before 10.00 am on the Shortfall Settlement Date;
- (i) **(Consents)** any person (other than the Underwriter) who has previously consented to the inclusion of their name or any statement in the Offer Materials withdraws that consent;
 - (j) **(quotation)** unconditional approval (or conditional approval, provided that the conditions would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success or settlement of the Rights Issue) by the ASX for official quotation of the New Shares is refused, or not granted by the Shortfall Settlement Date or is withdrawn on or before the Shortfall Settlement Date;
 - (k) **(capital structure)** the Company alters its capital structure without the consent of the Underwriter, other than by issuing securities required as a consequence of Rights Issue;
 - (l) ***(Timetable)**
 - (i) subject to schedule 1(j)(ii) below, any event specified in the Timetable is delayed by the Company for more than two Business Days without the prior written consent of the Underwriter; or

- (ii) the Announcement Date, Shortfall Settlement Date and Offer Issue Date is delayed by the Company, in any way, without the prior written consent of the Underwriter;
- (m) **(withdrawal)** the Company withdraws the Rights Issue;
- (n) **(Certificate)** any certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required (other than as permitted under schedule 1(j)(i) above);
- (o) ***(Statement)** a statement in a certificate furnished by the Company under this document is untrue or incorrect in a material respect;
- (p) **(insolvency)** any one of the following occurs:
 - (i) the Company (or any of its Subsidiaries):
 - (A) being or stating that it is unable to pay its debts as and when they fall due; or
 - (B) failing to comply with a statutory demand;
 - (ii) any step being taken which will or is likely to result in any of the following:
 - (A) the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other similar official in relation to, or to any property of, the Company (or any of its Subsidiaries); or
 - (B) the Company (or any of its Subsidiaries) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an assignment for the benefit of its creditors or any class of them;
 - (C) circumstances existing which would permit a presumption of insolvency in relation to the Company (or any of its Subsidiaries) under section 459C(2) of the Corporations Act; or
 - (D) anything analogous or having a substantially similar effect occurring in relation to the Company (or any of its Subsidiaries); or
 - (E) an order or an application is made, or a resolution is passed, for the winding-up, dissolution, deregistration or administration of the Company (or any of its Subsidiaries);
- (q) **(conduct)** the Company or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent, misleading or deceptive conduct or activity whether or not in connection with the Rights Issue;
- (r) ***(director)**:
 - (i) a change in the directors of the Company occurs;
 - (ii) a director or senior manager of the Company (in that capacity) is charged with an indictable offence, or any Government Agency or regulatory body commences any public action against a director or senior manager of the Company (in that capacity) or announces that it intends to take any such action;
 - (iii) any regulatory body commences (or threatens to commence) any action against any of the directors of the Company; or

- (iv) a director of the Company is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F, or 206G of the Corporations Act;
- (s) **(adverse change)** in the bona fide and reasonable opinion of the Underwriter, there is a material adverse change, or any one or more matters, events or circumstances occurs, is announced or disclosed or becomes known to the Underwriter (whether or not it becomes public) which individually or when aggregated with any other such matters, events or circumstances is likely to give rise to a material adverse change, in the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of the Company;
- (t) ***(hostilities)** there is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs (whether or not war has been declared) involving any one or more of Australia, the United States of America, the United Kingdom, the People's Republic of China, the Democratic People's Republic of Korea, the Republic of Korea or Japan or a major terrorist act is perpetrated against any diplomatic, military, commercial or political establishment or any of those countries anywhere in the world;
- (u) ***(breach of obligations)** the Company is in breach of any terms and conditions of this document (other than with respect to compliance with the Timetable);
- (v) ***(breach of other representations)** any of the representations or warranties made or given by the Company in the Underwriting Agreement is or becomes incorrect, untrue or misleading;
- (w) ***(information supplied to Underwriter)** the information supplied by or on behalf of the Company to the Underwriter for the purposes of the due diligence investigations undertaken for the Rights Issue taken as a whole is, or the Offer Materials are, false, misleading or deceptive (including by omission);
- (x) ***(change in law)** there is introduced, or there is an official public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of this document), any of which does or is likely to prohibit, restrict or regulate the Rights Issue, capital issues, the level or likely level of Valid Applications or stock markets;
- (y) ***(contravention of law)** a contravention by the Company of the Corporations Act, its Constitution, any of the Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any Government Agency;
- (z) **(compliance)** any aspect of the Offer does not comply with the Corporations Act or the Listing Rules;
- (aa) **(disruption in financial markets)** any of the following occurs:
 - (i) a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;

- (ii) any adverse change in the political or economic conditions or adverse effect on the financial markets in Australia, the United States of America or the United Kingdom, or in foreign exchange rates or any development involving a prospective change in political or economic conditions or financial markets in any of those countries or in foreign exchange rates;
 - (iii) trading in securities generally on ASX, the New York Stock Exchange, and/or the London Stock Exchange is suspended or limited in a material respect on two or more consecutive trading days;
- (bb) ***(suspension, modification or amendment)** any licence, permit, authorisation or consent which is material when considered in the context of the Offer Materials or necessary to conduct the business of the Company of any of its Subsidiaries is suspended, modified, withdrawn or amended in a manner unacceptable to the Underwriter (acting reasonably);
- (cc) **(refund)** any circumstance arising after the date of this document that results in the Company doing any of the following without the prior written consent of the Underwriter:
 - (i) repaying, or offering to repay, any monies the Company receives in relation to Valid Applications; or
 - (ii) offering one or more applicants an opportunity to withdraw their Valid Application(s);
- (dd) **(ASX Waiver and ASIC modifications)** ASX withdraws, revokes or amends the ASX Waivers, or ASIC withdraws, revokes or amends the ASIC Modifications;
- (ee) **(ASIC determination)** ASIC makes a determination under section 708AA(3) of the Corporations Act;
- (ff) ***(disclosures in Management Questionnaire)** the written responses to the Management Questionnaire or any other information supplied by or on behalf of the Company to the Underwriters in relation to the Group or the Offer is or becomes false or misleading or deceptive, including by way of omission;
- (gg) **(security interest)** the Company grants, or agrees to grant, a security interest over the whole or a substantial part of the business or property of Company or any of the Company's Related Bodies Corporate other than:
 - (i) as disclosed in the Offer Materials; or
 - (ii) any security interest that replaces a security interest that is existing as at the date of this document and in favour of the same secured party; or
 - (iii) as agreed with the Underwriter (acting reasonably);
- (hh) **(new information)** a new circumstance which is adverse to an investor arises (whether or not the Company announces it) that would have been required to be included in the Offer Materials (or otherwise to have been previously disclosed in the Public Information) had it arisen before the relevant Offer Materials were given to ASX;
- (ii) ***(unauthorised public statements)** the Company issues a public statement concerning the Rights Issue which has not been approved by the Underwriter, other than as permitted or required under this document or as required by law;
- (jj) ***(Corrective Statement)** in the opinion of an Underwriter (acting reasonably) the Company becomes required to give, or gives, a Corrective Statement; or

- (kk) ***(future matters)** any statement in an Offer Materials which relates to future matters or any forecast or forward looking statement is or becomes incapable of being met, or in the reasonable opinion of the Underwriter, unlikely to be met.