



10 October 2018

The Manager
ASX Market Announcements
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Manager

Centuria Capital Group (ASX: CNI): Cleansing notice in respect of pro-rata non-renounceable entitlement offer

Notice under sections 708AA(2)(f) and 1012DAA(2)(f) of the *Corporations Act 2001* (Cth)

This notice is given by Centuria Capital Limited ACN 095 454 336 (**Company**) and Centuria Funds Management Limited ACN 607 153 588 (**CFML**) as responsible entity of the Centuria Capital Fund ARSN 613 856 358 (**Fund**).

In this notice, the Company and CFML (as responsible entity of the Fund) are referred to as the **Issuers** or **CNI**.

This notice is given in accordance with sections 708AA(2)(f) and 1012DAA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**), as modified by Australian Securities and Investments Commission's Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Legislative Instrument**).

Further details regarding the Entitlement Offer (as defined below) are set out in the ASX announcement and Investor Presentation released today by CNI.

Background

Each unit in the Fund is stapled to 1 share in the Company and the unit and share trade as a stapled security (**Stapled Security**).

CNI has today announced an accelerated pro-rata non-renounceable entitlement offer of Stapled Securities to raise approximately \$79.7 million (before costs) (**Entitlement Offer**).

Under the Entitlement Offer, the Issuers are offering 1 new Stapled Security (**New Stapled Security**) for every 5 Stapled Securities held by eligible CNI securityholders as at 7.00 pm on 12 October 2018 (**Eligible Securityholders**), at an issue price of \$1.30 per New Stapled Security.

The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) seeks to raise approximately \$57.2 million. The retail component of the Entitlement Offer (**Retail Entitlement Offer**) seeks to raise approximately \$22.5 million.

CNI is also undertaking an institutional placement of approximately \$20.3 million (**Placement**).

Cleansing notice in respect of the Entitlement Offer

With respect to the Entitlement Offer, the Issuers advise that:

- (a) the New Stapled Securities will be offered without disclosure to investors under Part 6D.2 of the Corporations Act and without a product disclosure statement under Part 7.9 of the Corporations Act for the New Stapled Securities being prepared;
- (b) this notice is being given under sections 708AA(2)(f) and 1012DAA(2)(f) of the Corporations Act, as modified by the Legislative Instrument;

- (c) as disclosing entities, the Issuers are subject to regular reporting and disclosure obligations;
- (d) as at the date of this notice, the Issuers have complied with:
 - (1) the provisions of Chapter 2M of the Corporations Act as they apply to each of the Fund and the Company respectively; and
 - (2) section 674 of the Corporations Act as it applies to each of the Fund and the Company respectively;
- (e) as at the date of this notice, there is no excluded information in respect of the Issuers of the type referred to in sections 708AA(8), 708AA(9), 1012DAA(8) or 1012DAA(9) of the Corporations Act; and
- (f) the potential effect of the issue of the New Stapled Securities pursuant to the Entitlement Offer on the control of CNI and the consequences of that effect will depend on a number of factors, including the extent to which Eligible Securityholders take up New Stapled Securities under the Entitlement Offer and are described below.

Potential effect of the Entitlement Offer on the control of CNI

The Company is a "financial sector company" for the purposes of the Financial Sector (Shareholdings) Act 1998 (Cth) (**FSSA**). The FSSA regulates the acquisition of interests in financial sector companies and, in particular, generally limits the "stake" that a person may have in a financial sector company to 15%, which, in turn is defined by reference to the direct control interests of the person and their associates (which is broadly defined). Accordingly, under the FSSA, without the Commonwealth Treasurer's consent, the control of a stapled securityholder in CNI will be limited to 15%.

As at the date of this notice, the substantial holdings notified to CNI are as follows:

Substantial holder	Voting power
ESR Pte. Ltd, ESR Cayman Limited and each of its associates, WP OCIM ONE LLC, Warburg Pincus Private Equity X, LP, WP X Investment VI Ltd and Warburg Pincus X, LP and their associates	14.90%
Magic TT Pty Ltd, Andrew Pridham and their associates	14.00%
Moelis Australia Limited and its associates	12.60%
Ellerston Capital Limited and its associates	8.67%
Investment Administration Services Pty Ltd	7.10%
Affinity Managed Accounts	7.08%
BlackRock Group and its associates	5.44%

The potential effect of the Entitlement Offer on control is summarised below:

- (1) If all Eligible Unitholders take up their entitlements under the Entitlement Offer only, then new investors¹ will receive 15.6 million New Units (being 4% of units on issue in CMA following the

¹ Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Placement and Entitlement Offer.

Placement and Entitlement Offer) and the interests of those Eligible Unitholders who do not take-up their entitlements under the Entitlement Offer will only be marginally diluted;

- (2) If 50% of Eligible Unitholders take up their entitlements under the Entitlement Offer only, then new investors² will receive 46.3 million New Units (being 12% of units on issue in CMA following the Placement and Entitlement Offer) and the interests of those Eligible Unitholders who do not take-up their entitlements under the Entitlement Offer will be diluted accordingly;
- (3) If 25% of Eligible Unitholders take up their entitlements under the Entitlement Offer only, then new investors³ will receive 61.6 million New Units (being 16% of units on issue in CMA following the Placement and Entitlement Offer) and the interests of those Eligible Unitholders who do not take-up their entitlements under the Entitlement Offer will be diluted accordingly; and
- (4) If no Eligible Unitholders take up their entitlements under the Entitlement Offer only, then new investors⁴ will receive 76.9 million New Units (being 20% of the units on issue in CMA following the Placement and Entitlement Offer) and the interests of all Eligible Unitholders will be diluted accordingly.

CNI expects that the proposed Entitlement Offer will have a relatively small impact on control of CNI having regard to:

- (a) the FSSA and the maximum "stake" of 15% that a person may hold in CNI;
- (b) the existing spread of substantial holders referred to above; and
- (c) the offer ratio of 1:5 and the relatively small Placement.

The Underwriter has at the date of this notice received sub-underwriting commitments for 16.3% of the New Stapled Securities to be issued under the Entitlement Offer.

Under the terms of the Underwriting Agreement between the Underwriter and CNI, the Underwriter is not required to subscribe for New Stapled Securities if, as a result, the Underwriter would hold more than 15% of the total number of Stapled Securities that will be on issue following the Entitlement Offer (and after the take up of any shortfall New Stapled Securities under the Underwriting Agreement). In respect of any underwritten New Stapled Securities in excess of the 15% (**Excess New Stapled Securities**), the Underwriter must pay to CNI an amount equal to the number of Excess New Stapled Securities multiplied by \$1.30 and it must procure Eligible Securityholders as subscribers for the Excess New Stapled Securities. The subscription money for those Excess New Stapled Securities must be paid by CNI to the Underwriter.

CNI Securityholders who are not Eligible Securityholders (being foreign Securityholders to whom an Entitlement Offer will not be made) are not entitled to participate in the Entitlement Offer and their percentage holding in CNI will be diluted.

Yours faithfully,



Anna Kovarik

Company Secretary of Centuria Capital Limited
and Centuria Funds Management Limited (as
responsible entity of the Centuria Capital Fund)

² Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Placement and Entitlement Offer.

³ Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Placement and Entitlement Offer.

⁴ Potentially including the Underwriters and certain sub-underwriters appointed in relation to the Placement and Entitlement Offer.

Important notice regarding future performance

This Notice contains certain 'forward-looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as "anticipate", "likely", "expect", "intend", "should", "could", "may", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. To the extent that certain statements contained in this Notice may constitute a 'forward-looking statement' or statements about forward-looking matters, then the information reflects CNI's (and no other party's) intent, belief or expectations as at the date of this Notice. Forward looking statements, opinions and estimates provided in this Notice are inherently uncertain and are based on assumptions and estimates which are subject to certain risks, uncertainties and change without notice, as are statements about market and industry trends, which are based on interpretation of market conditions. Actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risk such as changes in market conditions and in regulations. Investors should form their own views as to these matters and any assumptions on which any of the forward looking statements are based and not place reliance on such statements. To the maximum extent permitted by law, CNI and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.