

7 February 2020

**ASX RELEASE**

**NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES**

**Notification to ineligible shareholders**

Attached is a sample of the letter that will be provided to any shareholders who are ineligible to participate in the 1 for 2.35 non-renounceable entitlement offer of fully paid ordinary shares in PTB Group Limited, which was announced on Friday, 31 January 2020.

This announcement has been authorised for release to ASX by the Board of Directors of PTB Group Limited.

**If you have any queries, please contact:**

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Dear Shareholder

**PTB Entitlement Offer – Notification to ineligible shareholders**

On 31 January 2020, PTB Group Limited (**PTB** or the **Company**) announced an equity raising (**Equity Raising**) of approximately \$34.9 million via a 1 for 2.35 non-renounceable entitlement offer of fully paid ordinary shares in PTB (**New Shares**) to eligible shareholders to raise approximately \$22 million (**Entitlement Offer**) and a fully committed placement to raise approximately \$12.9 million.

PTB also announced its proposed acquisition of 100% of the equity interests in Prime Turbines, LLC, and certain PT6 engines and parts from subsidiaries of VSE Corporation (NASDAQ: VSEC) (**Acquisition**).

The proceeds of the Equity Raising will be used by PTB to fund its proposed acquisition of 100% of the equity interests in Prime Turbines, LLC, provide additional working capital and pay costs of the Equity Raising and Acquisition.

Morgans Corporate Limited and Veritas Securities Limited are acting as joint lead managers and underwriters of the Entitlement Offer, subject to the terms of an underwriting agreement.

**This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

**What is the Entitlement Offer?**

The Entitlement Offer involves an offer to Eligible Shareholders (as defined below) to subscribe for 1 New Share for every 2.35 existing PTB ordinary shares held at 7.00pm (Sydney time) on Wednesday, 5 February 2020 (**Record Date**) at an offer price of \$0.69 per New Share. The Entitlement Offer is being made by the Company in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Act**) as modified by Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issue) Instrument 2016/84, meaning that no prospectus or other disclosure document under the Act needs to be prepared.

Documents relating to the Entitlement Offer were lodged with ASX on 7 January 2020 and are being mailed to Eligible Shareholders.

Shareholder approval is not required for PTB to make the offer under the Entitlement Offer.

**Who is eligible to participate in the Entitlement Offer?**

The Entitlement Offer is only available to Eligible Shareholders.

An Eligible Shareholder means a holder of PTB shares at 7.00pm (Sydney time) on the Record Date who:

- has a registered address in Australia, New Zealand, Singapore or Japan, or is a shareholder that PTB has otherwise determined is eligible to participate;
- is not in the United States and is not a nominee, custodian or other person acting for the account or benefit of a person in the United States; and
- is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

**Why am I not eligible to participate in the Entitlement Offer?**

As our records indicate you do not satisfy the criteria for eligibility, PTB is unfortunately unable to extend the Entitlement Offer to you. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) Corporations Act, PTB gives you this notice that you are not an Eligible Shareholder and are ineligible to apply for New Shares under the Entitlement Offer.

The restrictions upon eligibility are due to several factors, including the legal limitations in some countries, the relatively small number of shareholders there, the small number and value of existing shares they hold and the potential cost of complying with regulatory requirements in those countries. PTB has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3) Corporations Act, that it would be unreasonable to make offers to shareholders in all countries in connection with the Entitlement Offer.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible.

New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Shareholder will be allocated to Eligible Shareholders who subscribe for New Shares in excess of their entitlement under the Entitlement Offer or in accordance with the underwriting and sub-underwriting arrangements.

**Further information**

If you have any queries, please call 1300 730 659 (inside Australia) or +61 1300 730 659 (outside Australia) between 8:30am and 5:30pm (Sydney time) Monday to Friday during the offer period or, alternatively, consult your professional adviser.

On behalf of the Directors, I thank you for your continued support of PTB.



Stephen Smith  
Managing Director  
**PTB Group Limited**

## Important information

This letter is to inform you about the Entitlement Offer. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to apply for, retain or purchase any entitlements or securities in PTB in any jurisdiction. You are not required to do anything in response to this letter.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not consider your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the entitlements and the New Shares under the Entitlement Offer in any jurisdiction outside Australia and New Zealand. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to, persons in the United States unless they have been registered under the U.S. Securities Act (which PTB has no obligation to do so or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.