



ASX ANNOUNCEMENT
ASX CODE: BUG

16 February 2017

**Notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) – rights issue
cleansing notice**

Buderim Group Limited (**BUG**) has today announced that it will undertake a 1 for 2 renounceable pro-rata entitlement issue of 24,933,777 fully paid ordinary shares at an issue price of \$0.36 per share (**New Shares**) to raise approximately \$9 million (**Offer**).

The Offer is fully underwritten by Asia Mark Development Limited (**Underwriter**). The Underwriter currently holds a relevant interest of 13.04% in BUG.

The Offer will be open to each shareholder of BUG as at 7pm (Brisbane time) on 21 February 2017 who:

- has a registered address on the BUG share register in Australia or New Zealand or Hong Kong if that registered shareholder is a “professional investor” as defined under the relevant laws of Hong Kong;
- is not in the United States and is not a person (including nominee or custodian) 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 Offer without any requirement for a prospectus to be lodged or registered,

(Eligible Shareholder).

In the event that Eligible Shareholders do not take up all of their entitlements in full, a shortfall facility will be available to provide an opportunity for those Eligible Shareholders that have taken up their full entitlements to apply for additional New Shares (**Additional Shares**). The allocation of any Additional Shares under the shortfall facility will be at the discretion of the directors, in consultation with the Underwriter.

Further details regarding the Offer are set out in the information booklet released to the market today.

This notice is given by BUG under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84).

For the purposes of section 708AA(7) of the Act, BUG advises that:

- (a) the New Shares will be issued without disclosure to investors under Part 6D.2 of the Act;

- (b) this notice is being given under section 708AA(2)(f) of the Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84);
- (c) as at the date of this notice, BUG has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to BUG; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice; and
- (e) the potential effect the Offer will have on the control of BUG, and the consequences of that effect, will depend on a number of factors, including Eligible Shareholders' interest in taking up their entitlements as well as the level of participation of Eligible Shareholders in taking up Additional Shares under the shortfall facility. While it is not possible for the directors to predict the outcome of these factors, a non-exhaustive list setting out the likely effect on control is as follows:
 - (i) the percentage interests of shareholders that are not Eligible Shareholders will be diluted;
 - (ii) if all Eligible Shareholders take up their entitlements for New Shares, all Eligible Shareholders will hold the same percentage interest in BUG as before the Offer;
 - (iii) if some Eligible Shareholders do not take up their full entitlement, those shareholders' percentage interests will be diluted;
 - (iv) any remaining New Shares not taken up in the shortfall facility will be issued to the Underwriter and the impact on control of BUG is represented in the table below:

Acceptance level of entitlements and Additional Shares	Percentage interest in BUG of shareholders other than the Underwriter	Percentage interest in BUG of the Underwriter
100%	86.96%	13.04%
75%	79.71%	20.29%
50%	72.46%	27.54%
25%	65.22%	34.78%
0%	57.97%	42.03%

Notes:

1. The Underwriter holds a 13.04% interest in BUG as a result of the placement completed on 28 December 2016, which was approved by shareholders at the general meeting held 20 December 2016.
2. Entitlements that would have been granted to shareholders that are not Eligible Shareholders will be issued to Bell Potter Nominees Limited to sell at its discretion. If these entitlements are unable to be sold, the New Shares relevant to the entitlements will be taken up by the Underwriter.

ENDS

For further information please contact:
 Steve Morrow, Chairman on 0408 363 161
 Roger Masters, CEO on 0418 777 346
 Andrew Bond, CFO and Company Secretary on 0400 912 023