

PUBLIC HOLDINGS (AUSTRALIA) LIMITED

[ABN 65 000 332 918]

PROSPECTUS

A non-renounceable pro-rata Rights Issue of 1 new Share for every 1 Share held on the Record Date at an issue price of 2 cents (\$0.02) each to raise up to approximately \$299,580 before costs of the issue.

Shareholders eligible to participate in the Rights Issue may apply for additional new Shares from the shortfall (if any).

The Rights Issue is not underwritten.

The Rights Issue closes at 5.00pm (Melbourne time) on 10 February 2015 (which date may change without notice).

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

If you do not understand its contents, you should consult your stockbroker, accountant or other professional adviser without delay.

The securities offered under this Prospectus are considered speculative.

CORPORATE DIRECTORY

Directors

Mt Bryan Frost (Chairman, Managing Director)
Mr Oreste Biziak (Deputy Chairman, Non-Executive Director)
Mr Clayton Dodd (Non-Executive Director)
Mr Peter Chapman (Non-Executive Director)

Company Secretary

Mr David McBain
Telephone: +61 3 9817 0700

Registered Office

Level 1, 123 Whitehorse Road
Balwyn, Victoria, 3103

Share Registry

Link Market Services Limited
Level 1, 333 Collins Street, Melbourne, Victoria, 3000

Postal Address for Return of Acceptances

Public Holdings (Australia) Limited
C/- Link Market Services Limited
Reply Paid Box 3560
Sydney NSW 2001

ASX Code

PHA

IMPORTANT NOTE

This Prospectus is dated 15 January 2015. A copy of the Prospectus was lodged with the Australian Securities & Investments Commission on the same date. Neither ASIC nor ASX nor their respective officers take any responsibility as to the contents of the Prospectus.

This Prospectus contains and applies to the offer of new Shares under the Rights Issue (including the offer enabling non-shareholders to apply for new Shares from the shortfall before the Closing Date), and the offer (if any) of new Shares from the shortfall during the 3 months after the Closing Date.

You should read this document carefully before you make a decision to apply for new Shares. An investment in the Company has risks, which you should consider before making a decision to invest. The new Shares offered under this Prospectus should be considered speculative.

PROPOSED TIMETABLE

| | |
|--|------------------|
| Announcement of Rights Issue and Lodgement of Prospectus | 15 January 2015 |
| "Ex" date - existing Shares quoted ex rights. | 19 January 2015 |
| Record date to identify shareholders entitled to participate in the Rights Issue (the Record Date), at 7pm (Melbourne time) | 21 January 2015 |
| Prospectus sent to shareholders entitled to participate in the Rights Issue | 27 January 2015 |
| Closing Date 5pm (Melbourne time) | 10 February 2015 |
| Deferred settlement trading of securities begins | 11 February 2015 |
| Notice of under subscriptions given to ASX | 13 February 2015 |
| Issue date. Deferred settlement trading of securities ends | 17 February 2015 |

*The above dates should be regarded as **indicative only**. Subject to the Corporations Act 2001 (Cth) (**Corporations Act**), the ASX Listing Rules and other applicable laws, the Company reserves the right to change the above dates, to close the Rights Issue before the date stated above, to extend the Closing Date and subsequent dates, or not to proceed with the Rights Issue described in this Prospectus.*

No securities will be issued on the basis of this Prospectus after 14 February 2016, being the expiry date of this Prospectus.

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KEY INVESTMENT RISKS - SUMMARY

Please read and consider this Prospectus in full in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before making any decision regarding your entitlement to new Shares or investment in the Company, including deciding whether to accept your entitlement to Shares. In particular, the risks described in Section 4 include risk areas considered specific to the Company including:

- risks associated with the inactivity of the Company and the liquidity of its Shares (refer Section 4.1(a));
- execution, completion and dilution risks associated with the Company's pursuit and implementation of the acquisition of a new business opportunity (refer Sections 4.1(b) and 4.1(c));
- risk that the shareholding in the Company of Shareholders who do not take up their entitlements pursuant to the Rights Issue will be diluted (Section 4.1(c));
- risks of reliance on key personnel (Section 4.1(e));
- the speculative nature of investment in the Company;

as well as other risks specific to the Company and risks of a more general nature, such as general economic and market conditions.

ABOUT THE RIGHTS ISSUE OFFER - SUMMARY

The following summary provides only a limited overview. Further detail is set out on this Prospectus. Please read and consider this Prospectus in full before making any decision regarding your entitlement to new Shares or investment in the Company.

| <i>Topic</i> | <i>Summary</i> | <i>For more information see:</i> |
|---|--|---|
| What is the offer? | The offer (called the Rights Issue) is a pro-rata, non-renounceable offer made to eligible Shareholders to acquire up to a specified number of new Shares. | Section 2.1 |
| What is my entitlement to new Shares? | If you are an eligible Shareholder, you are entitled to acquire 1 new Share for every 1 Share you hold (as at the as at 7.00 pm (Melbourne time) on the Record Date, 21 January 2015), on and subject to the terms of this Prospectus. If you are an eligible Shareholder, your entitlement to new Shares is set out in a personalised Entitlement and Acceptance Form accompanying this Prospectus. | Section 2.1 and the personalised Entitlement and Acceptance Form accompanying this Prospectus |
| What is the offer price? | 2 cents (\$0.02) per new Share. | Section 2.1 |
| Am I an eligible shareholder? | Eligible Shareholders are shareholders of the Company registered as holders of Shares as at 7.00 pm (Melbourne time) on the Record Date (21 January 2015) whose address in the Company's register of members is in Australia or New Zealand. | Section 2.1 |
| What if I am not an eligible shareholder? | If you are not an eligible shareholder, no offer is made to you and the new Shares to which you would otherwise have been entitled may be sold by a nominee appointed by the Company, Peregrine Corporate Limited [AFSL 237 858]. If those Shares are sold, the proceeds less costs of the sales will be distributed among all non-qualifying foreign shareholders in proportion to their respective shareholdings. If not sold, the new Shares that would have been represented by the non-qualifying foreign shareholders' entitlements will form part of the shortfall. | Section 2.3 |

| Topic | Summary | For more information see: |
|---|---|----------------------------------|
| What is the purpose of the offer and how will the funds raised be used? | <p>The Company is undertaking the offer to raise capital to:</p> <ul style="list-style-type: none"> • fund the anticipated costs associated with identifying and assessing new business opportunities; • fund the anticipated costs associated with implementing the acquisition of any new business opportunity; • for working capital; and • to pay the costs of the Rights Issue. | Section 3 |
| How much will be raised by the offer? | The offer will raise up to approximately \$299,500 (before costs). | Section 2.1 |
| Is the offer underwritten? | No, the Rights Issue is not underwritten. | Section 2.4 |
| Are there any risks associated with an investment in the Company? | <p>There are risks associated with an investment in the Company. These include risks relating to the Company's, risks relating to the offer and risks associated with financial investment generally.</p> <p>Please carefully consider the risks and the information contained in this Prospectus in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before making any decision regarding your entitlement to new Shares or investment in the Company, including deciding whether to accept your entitlement to Shares.</p> | Page 3 and Section 4 |
| What can I do with my entitlement? | <p>You can do any of the following:</p> <ul style="list-style-type: none"> • take up all of your entitlement (by accepting the offer in full); • take up all of your entitlement and apply for additional shares from the shortfall • take up part of your entitlement (by accepting part of the offer) and allow the balance to lapse (and the balance will form part of the shortfall); • do nothing, in which case all your entitlement will lapse and form part of the shortfall. | Section 7.1 |
| Can I trade my entitlement? | No, the offer is non-renounceable. | Section 2.3 |
| What happens if I do not take my entitlement, or take up only part of my entitlement? | Not taking up your entitlement in full will result in your interest in the Company being diluted. If you do not take up all of your entitlement by the Closing Date the new Shares to which you were entitled will form part of the shortfall. | Sections 2.5, 2.6 and 4.1(c) |

| Topic | Summary | For more information see: |
|--|--|----------------------------------|
| How do I take my entitlement (accept the offer)? | <p>If you wish to take up (accept the offer for) all or part of your entitlement you must either:</p> <p>(a) pay by BPAY using the BPAY details in the personalised Entitlement and Acceptance Form, so payment is received by no later than 5.00 pm (Melbourne time) on the Closing Date (10 February 2015).</p> <p>(b) complete and return the personalised Entitlement and Acceptance Form to the Share Registry together payment by cheque, bank draft or money order so the form and payment are received by the Share Registry by no later than 5.00 pm (Melbourne time) on the Closing Date (10 February 2015).</p> <p>The amount payable if you are taking up your full entitlement is set out in the personalised Entitlement and Acceptance Form.</p> <p>If taking up less than your full entitlement, the amount payable is calculated by multiplying the number of new Shares you wish to take up by 2 cents (\$0.02).</p> | Section 7.2 |
| Is there a minimum subscription amount? | There is no minimum subscription amount. Shares will be issued in response to all valid acceptances of entitlements received. | |
| What are the tax implications of participating in the offer? | Taxation implications will vary depending upon the specific circumstances of shareholders. You should obtain your own professional advice as to the particular taxation treatment that will apply to you. | Section 12 |
| How and when will I know if my acceptance was successful? | A holding statement confirming the issue of your new Shares will be sent to you on or about 17 February 2015. | Section 7.3 |
| Where can I find more information about the Company? | For more information on the Company please see the Company's ASX announcements (available on the ASX's website www.asx.com.au). | Section 9 |
| What if I have any questions about the offer or how to accept or deal with my entitlement? | <p>You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding your entitlement to new Shares or investment in the Company, including deciding whether to accept your entitlement to Shares.</p> <p>If you have any questions concerning the Rights Issue or how to complete and return the Entitlement and Acceptance Form, please contact the Company Secretary, David McBain on +61 3 9817 0700 or email: dmc bain@mcbainmccartin.com.au.</p> | Section 19 |

* All dates are subject to change without notice – see the timetable on page 2 for the anticipated timetable for the Rights Issue and further information about dates.

1. Chairman's Letter

Dear Shareholder,

NON-RENOUCEABLE PRO RATA RIGHTS OFFER

On behalf of Public Holdings (Australia) Limited (**ASX: PHA**), I am pleased to invite you to participate in the offer under this Prospectus of new Shares in recognition of your ongoing support as a Shareholder in the Company.

The Rights Issue is a non-renounceable offer to eligible Shareholders of one (1) new Share for every one (1) Share held by Shareholders registered at 5.00pm (Melbourne) on the Record Date at an issue price of \$0.02 (2 cents) per New Share.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of approximately 14,979,000 new Shares will be issued to raise up to up to approximately \$299,5080 before costs of the issue.

As you will be aware, with the approval of shareholders obtained at the Company's general meeting on 8 September 2014, the Company recently completed an equal capital return to its ordinary shareholders. The capital return was conducted as a precursor to the sale of the shares held by the Company's controlling shareholder and a change in the Company's Board and management. The new Board intends to actively investigate new business opportunities for the Company and, with this in mind, the capital return enabled shareholders to receive a return on their investment before the Company pursued any such new business opportunity.

It was the Board's stated intention that, if further capital was required by the Company, it would seek to give existing shareholders an opportunity to reinvest in the Company - the Rights Issue gives shareholders that opportunity.

Funds raised under the Rights Issue will be used as noted in the following:

- fund the anticipated costs associated with identifying and assessing new business opportunities;
- fund the anticipated costs associated with implementing the acquisition of any new business opportunity;
- for working capital; and
- to pay the costs of the offer.

This Prospectus and personalised Entitlement and Acceptance Form should be read carefully and in their entirety before deciding whether or not to participate in the offer. In particular eligible Shareholders should consider the risk factors described in Section 4 of this Prospectus.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your past and ongoing support for Public Holdings (Australia) Limited.

Yours faithfully



Bryan Frost
Director

2. Details of the offer

2.1 Rights Issue Offer

Public Holdings (Australia) Limited (**the Company** or **PHA**) offers its shareholders, as recorded on the share registry records on the Record Date and who are otherwise eligible to accept the Rights Issue offer made under this Prospectus (each an **Eligible Shareholder**), the right to participate in a non-renounceable rights issue of 1 new fully paid ordinary share (**Share**) for every 1 Share held at the Record Date at an issue price of 2 cents (\$0.02) (**the Rights Issue**). The Rights Issue will raise up to \$299,580 (before costs).

Fractional entitlements to Shares will be rounded up.

2.2 No Rights Trading

Entitlements to Shares pursuant to the Rights Issue are not renounceable and accordingly, there is no ability to trade rights on ASX or elsewhere.

2.3 Non-qualifying Foreign Shareholders

Only shareholders with addresses in the Company's register of members in Australia and New Zealand are eligible to participate in the Rights Issue. The Company has appointed Peregrine Corporate Limited [ABN 40 062 478 997] [AFSL No. 237 858] to sell the Shares that would otherwise have been offered to shareholders with addresses outside of Australia and New Zealand (**Non-qualifying Foreign Shareholders**). The Company has applied to ASIC and obtained approval for Peregrine Corporate Limited's appointment as nominee pursuant to section 615 of the Corporations Act. Further detail is provided in Section 13.1.

A total of 179,268 Shares (1.19% of existing issued Shares) are held by 255 Non-qualifying Foreign Shareholders, equivalent to entitlements to 179,268 New Shares (\$3,585.36 at the 2 cent issue price). If the entitlements to Non-qualifying Foreign Shareholders' shares are not sold, those Shares will form part of the shortfall.

2.4 No Underwriting

The Offer is not underwritten.

2.5 Shortfall

Any part of your entitlement to new Shares under this Prospectus not taken up will form part of the shortfall.

If you are a Shareholder eligible to participate in the Rights Issue and you apply for your full entitlement you may also apply for more New Shares than the number shown on your Entitlement and Acceptance Form. To do this please complete the 'Additional Shares' section in the Entitlement and Acceptance Form.

The issue of additional Shares in response to applications for additional new Shares will depend on there being sufficient shortfall new Shares available after all valid acceptances of entitlements are fulfilled. Each Eligible Shareholder who applies for shares under the shortfall will be allocated their pro-rata share of the shortfall having regard to their shareholdings at the Record Date and the allocation process would be repeated in rounds until either the entire shortfall has been allocated or all shortfall applications from Eligible Shareholders have been satisfied in full. No shareholder will be allocated shares from the shortfall that would result in the relevant interest of the shareholder (and its associates) exceeding 20% of the issued capital of the Company. The Company will seek to place any unallocated shortfall shares remaining after all shortfall applications from Eligible Shareholders are filled with third-party investors who are not related parties of the Company. The number of new Shares which you receive as a result of a shortfall application (if any) will depend on the extent to which Eligible Shareholders accept their entitlements to the Rights Issue.. Additional new Shares will not be issued to Shareholders or others from the shortfall where to do so would involve a breach of the ASX Listing Rules, the Corporations Act (Cth) or any applicable law.

After allocating shortfall shares to shortfall applications received from Eligible Shareholders, the Company reserves the right to offer and issue any remaining shortfall new Shares at its discretion within 3 months after the Closing Date. The offer of new Shares from the shortfall is an offer of the new Shares offered under the Rights Issue not issued in response to Eligible Shareholder's acceptances and applications for additional new Shares made during the offer period.

2.6 ASX Listing

The Company will apply to ASX for admission of the new Shares to official quotation. The fact that ASX may grant official quotation to the new Shares is not to be taken in any way as an indication of the merits of the Company or the new Shares.

If ASX does not grant permission for the Official Quotation of the new Shares within three months after the date of issue of this Prospectus (or such period as is permitted by the Corporations Act), the Company, in its absolute discretion, will either repay the acceptance monies to applicants without interest or (subject to any necessary ASIC or ASX waivers or consents being obtained) issue a supplementary or replacement Prospectus and allow applicants one month to withdraw their acceptances and be repaid their acceptance monies without interest.

3. Purpose of the offer

Funds raised by the Rights Issue will be used as detailed below:

- fund the anticipated costs associated with identifying and assessing new business opportunities (including the costs associated with engaging advisors and consultants in connection with legal, financial and technical due diligence investigations of the Company);
- fund the anticipated costs associated with implementing the acquisition of any new business opportunity including the costs associated with negotiating and executing acquisition contracts and costs of seeking shareholder and regulatory approvals (for example, preparation of experts' reports and a notice of meeting);
- for working capital, which may include costs incurred in connection with the Company's annual audit; and
- to pay the costs of the Rights Issue.

4. Risks

The Company's business activities are subject to a range of risks that may affect the performance of the Company and the value of existing or new Shares in the future.

The summary below represents some of the major risk factors to be aware of in evaluating the Company and the risks of an investment in the Company before making any decision regarding accepting or dealing with entitlements to new Shares. The summary is not exhaustive. All information contained in this Prospectus should be considered, in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements, and professional advisors consulted before making any decision regarding entitlements to new Shares or investment in the Company including deciding whether to accept entitlements to new Shares.

The new Shares offered under this Prospectus are considered speculative.

4.1 Company specific

(a) Inactivity and Liquidity Risk

The Company has recently completed an equal capital return to its ordinary shareholders which was preceded by the sale of the majority of its investments in securities of ASX-listed companies. Accordingly, as at the date of this Prospectus, the Company has sold its remaining investments and is therefore largely inactive. As previously disclosed, the Board's present focus is on seeking to identify a new business opportunity for the Company. Until such time as a new business opportunity or new undertaking is identified and acquired the Company is expected to remain largely inactive.

Although the Company and its securities are listed and quoted on ASX, there has been limited trading in the Company's shares for an extended period of time. At the present time there is a relatively illiquid market for the Company's Shares. It is not expected that there will be a liquid market for the Company's Shares prior to the acquisition of a new business or undertaking. Further, even if the Company completes an acquisition of a new business or undertaking, there can be no guarantee that a liquid market for the Company's Shares will develop at any time, or at all.

Prospective investors should be aware that the price (if any) they may be able to sell Shares at may be less than the price at which new Shares are offered under this Prospectus. There is no guarantee in respect of profitability, dividends, return of capital or the price at which the Shares may be able to be traded. External factors such as general economic outlook, movements in interest or inflation rates, currency fluctuations, commodity prices, investor confidence and other factors, may affect whether, and if so what, Share prices may be able to be obtained.

(b) Completion/Execution Risk

Although the Board's present focus is on seeking to identify a new business opportunity for the Company there can be no guarantee that the Company will be able to identify or complete the acquisition of any such opportunity in a timely manner, or at all. If the Company is unable to complete a transaction involving the acquisition of a new business and undertaking in a timely manner, the ASX has indicated that it would suspend the Company's Shares from trading on ASX. In these circumstances, the Company's shares would remain suspended until it was able to re-comply with Chapters 1 and 2 of the Listing Rules.

Any transaction involving the acquisition of a new business or undertaking will be accompanied by risks commonly encountered in making such acquisitions which include risks associated with breaches of contract, obtaining regulatory and shareholder approvals. The acquisition of a new business would also expose the Company to risks associated with any industry or sector in which the new business operates (which may, for example, include risks associated with operating in foreign jurisdictions). As at the date of this Prospectus, the Board has not formed a view of the nature of the business or undertaking which it will seek to pursue. Accordingly, there is a risk that the Company may pursue a business or undertaking in an industry or sector which may not be suitable or desirable for all shareholders/investors.

Any change in activities of the Company will require shareholder approval and the Company will be required to re-comply with Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the Official List of ASX. The Company's Shares will likely be suspended from trading on ASX from the date on which shareholders approve a transaction involving the acquisition of a new business proposal until it completes the relevant transaction and re-complies with Chapters 1 and 2 of the Listing Rules.

(c) Dilution

The percentage shareholding in the Company of Shareholders who do not take up all of their rights pursuant to the Rights Issue will be diluted (refer section 6.1 for more detail).

Any acquisition of a new business by the Company, although subject to shareholder approval, would be expected to be on terms which resulted in a significant dilution to the percentage shareholding in the Company of existing Shareholders.

(d) Asset Position

As a result of completion of the Company's recent equal capital return the Company's assets have been significantly reduced. As announced to the ASX on 15 December 2014, the net asset backing of the Company's Shares at 30 November 2014 was \$0.01 per share (which is less than the price at which Shares are offered under this Prospectus).

(e) Reliance on key personnel

The ability of the Company to identify, assess and complete the acquisition of a new business depends substantially on reliance on the expertise and experience of its Board. There can be no assurance given that there will be no detrimental impact on the Company if one or more of the Board members were to resign or be removed from office.

(f) Additional requirements for capital

The Company's capital requirements depend on numerous factors including, for example, the time taken to identify an opportunity for a new business, the number of opportunities assessed by the Company and the nature of due diligence undertaken to assess such opportunities. The availability of equity funding is subject to market risk at the time and there is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

4.2 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company including its ability to negotiate the terms of an acquisition of a new business or undertaking on terms acceptable to the Company, or at all.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

4.3 Above risk factors not exhaustive

The above risk factors should not 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 Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisors before making any decision regarding entitlements to new Shares or investment in the Company including deciding whether to accept entitlements to new Shares.

5. Effect of the offer on the Company

The effect of the Rights Issue on the Company will be to:

- provide the funds to undertake the activities described in Section 3; and

- alter the capital structure of the Company as described in Section 6.

6. Effect on the Capital Structure of the Company

6.1 Shares

Capital Structure:

The tables below sets out the existing capital structure of the Company and the effect on the Company's capital structure of issuing the new Shares offered under this Prospectus.

SHARES

| | |
|--------------------------------------|-------------------|
| Existing issued ordinary shares | 14,979,000 |
| Shares offered under this Prospectus | 14,979,000 |
| TOTAL | 29,958,000 |

The Company does not currently have any options on issue.

Dilution:

Shareholders who take up their rights pursuant to the Rights Issue will not be diluted, and will maintain (or, in the event the that the Rights Issue and any shortfall offer are not fully subscribed, increase) their existing proportional (percentage) interest in the Company.

The percentage shareholding in the Company of shareholders who do not take up their rights pursuant to the Rights Issue will be diluted. Examples of the impact of dilution on existing holdings where a shareholder does not take up its entitlement are set out below.

| Shareholder (example) | Holding at the Record Date | % at the Record Date | 1 for 1 entitlement under the Rights Issue | Holding if entitlement not taken up | As % of total Shares on issue after the Rights Issue |
|-----------------------|----------------------------|----------------------|--|-------------------------------------|--|
| A | 50,000 | 0.33% | 50,000 | 50,000 | 0.16%% |
| B | 100,000 | 0.66% | 100,000 | 100,000 | 0.33% |
| C | 500,000 | 3.33% | 500,000 | 500,000 | 1.66% |
| D | 1,000,000 | 6.66% | 1,000,000 | 1,000,000 | 3.33% |

Note: The table above assumes that any shortfall is taken up in full and that the total issued capital of the Company following completion of the Rights Issue is 29,958,000 Shares

Substantial holders existing interests in securities and participation in Rights Issue

The effect of the offer on the direct and indirect share holdings of substantial holders, assuming that each substantial holder and each Director (or Director related entity) and assuming that no other Shareholders take up the Offer and no shortfall shares are issued is as set out below. The post-issue percentage will be less if the substantial shareholders do not take up to the offer, if other Shareholders take up the Offer and/or if shortfall Shares are issued.

| Substantial Holder (and/or associate(s)) | Existing | | Post Issue | |
|---|-----------|--------|------------|--------|
| | Shares | % | Shares | % |
| Mr Bryan Frost | 2,900,000 | 19.36% | 5,800,000 | 23.98% |
| Mr Clayton Dodd | 2,000,000 | 13.35% | 4,000,000 | 16.54% |

| | | | | |
|---|-----------|--------|-----------|--------|
| Mr Peter Chapman and Mrs Dianne Chapman | 2,000,000 | 13.35% | 4,000,000 | 16.54% |
| Chifley Portfolios Pty Ltd | 1,500,000 | 10.01% | 3,000,000 | 12.40% |
| Penleigh Banner Pty Ltd | 800,000 | 5.34% | 1,600,000 | 6.61% |

6.2 Pro-Forma Statement of Financial Position of the Company

Set out over the page is the pro-forma Statement of Financial Position of the Company as at 30 November 2014.

The financial information provided in the pro-forma Statement of Financial Position has been extracted from the Interim Financial Report and Appendix 4D for the half-year ended 30 June 2014 lodged with the Australian Stock Exchange on 29 September 2014 and the unaudited management accounts dated 30 November 2014..

The pro-forma Statement of Financial Position assumes two outcomes:

- The Rights Issue is fully subscribed (refer further below for Pro Forma adjustments) and raises \$263,580 less the estimated costs of the Rights Issue.
- The Rights Issue is partially subscribed by only the Directors of the Company (refer below for Pro-Forma adjustments) and raises \$102,040 less estimated costs of the rights issue.

PUBLIC HOLDINGS (AUSTRALIA) LIMITED
PRO-FORMA STATEMENT OF FINANCIAL POSITION

**Pro-Forma Statement of
Financial Position after Rights
Issue at 30/11/2014 Unaudited**

| | Interim Financial Report half year ended 30 June 2014 | Management Accounts Unaudited 30/11/2014 | Full subscription | Subscription with only Directors accepting |
|------------------------------------|--|---|------------------------------|---|
| | Actual | Actual | Pro-Forma | Pro-Forma |
| | \$ | \$ | \$ | \$ |
| Assets | | | | |
| Cash and Cash equivalents | 450,550 | 87,558 | 351,138 | 189,598 |
| Trade and other receivables | 3,560 | - | - | - |
| Financial assets held for sale | 797,340 | 77,300 | 77,300 | 77,300 |
| Liabilities | | | | |
| Trade creditors and other payables | (24,902) | (4,600) | (4,600) | (4,600) |
| Net Assets | 1,226,548 | 160,258 | 423,838 | 262,298 |
| Equity | | | | |
| Issued capital | 1,872,375 | 876,812 | 1,140,392 | 978,852 |
| Share revaluation Reserve | 269,804 | 61,246 | 61,246 | 61,246 |
| Accumulated Losses | (915,631) | (777,800) | (777,800) | (777,800) |
| Total Equity | 1,226,548 | 160,258 | 423,838 | 262,554 |
| | Number | Number | Number | Number |
| Ordinary shares on issue | 14,979,000 | 14,979,000 | 29,958,000 | 21,881,000 |

Note to Pro-Forma Statement of Financial Position

The Interim Financial Report for the half year ended 30 June 2014 was lodged with ASX on 29 August 2014. An Independent Auditor's Review Report to the members of the Company was attached to these financial statements.

At a General Meeting of the Company held on 8 September 2014, it was resolved to make an equal capital return to its ordinary shareholders of an amount equal to 85% of its net assets. This capital return amounted to \$995,563 and explains the reduction in assets and issued capital disclosed in the management accounts at 30 November 2014.

Basis of Preparation

The above pro forma Statement of Financial Position has been prepared in accordance with the draft ASIC Guide to Disclosing Pro Forma Financial Information (issued July 2005).

The Interim Financial Report for the half year ended 30 June 2014 has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Interim Financial Report for the six months ended 30 June 2014 contains historical financial information including the directors' report and financial statements of the type issued by Australian public companies, and the auditor's review report. The auditor's review report contains a going concern emphasis of matter. The 30 June 2014 half year financial report is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may

request a copy of the 30 June 2014 half year Interim Financial Report during the application period of this Prospectus, which the Company will provide free of charge. In addition, a copy may be downloaded from company announcements which are published on the ASX web site.

The Pro-Forma Statement of Financial Position is based on actual financial figures at 30 November 2014 and has been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company following the rights issue.. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The Statement of Financial Position at 30 November 2014 as then been adjusted to reflect the following pro-forma adjustments.

Pro-forma Adjustments

- Receipt of proceeds of the Rights Issue assuming full subscription, net of capital raising costs, being \$263,580 (gross proceeds of the Rights Issue would be \$299,580, subject to rounding, and estimated capital raising costs associated with the rights issue are \$36,000). The Company's total number of ordinary shares on issue would be 29,958,000.
- Receipt of proceeds of the Rights Issue assuming subscription by only the Directors, net of capital raising costs, being \$102,040 (gross proceeds of the Rights Issue would be \$138,040 subject to rounding, and estimated capital raising costs associated with the rights issue are \$36,000). The Company's total number of ordinary shares on issue would be 21,881,000.

6.3 Costs of the offer

The estimated anticipated costs of the Rights Issue (if fully subscribed) are as follows:

| Particulars | Amount (\$) |
|---|--------------------|
| Legal, printing, postage and administrative | \$31,200 |
| ASIC and ASX Fees | \$4,800 |
| TOTAL | \$36,000 |

7. Acceptance Instructions

7.1 Choices available under Rights Issue

Eligible Shareholders may:

- exercise their rights to participate in the Rights Issue (and take up their Rights Issue entitlement) in full; or
- exercise their rights to participate in the Rights Issue (and take up their Rights Issue entitlement) in full and apply for additional shares from the shortfall; or
- exercise their rights to participate in the Rights Issue (and take up their Rights Issue entitlement) in part; or
- take no action under this Offer, and allow their Rights Issue entitlement to lapse.

Shares represented by Rights Issue entitlements not taken up will become part of the shortfall.

7.2 Completing an Entitlement and Acceptance Form

Unless paying by BPAY®* (see below), all acceptances of entitlements to new Shares must be made on the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set out in on the form.

* ® Registered to Bpay Pty Ltd ABN 69 079 137 518

For payments by cheque, money order or BPAY:

Your acceptance of entitlements to new Shares or payment may not be effective if received after 5:00pm (Melbourne time) on the Closing Date or such later date as the Company may specify, in which case no Shares would be issued to you in respect of your acceptance or payment, and any payment received will be refunded to you after the date of allotment in accordance with the Corporations Act, without interest.

The amount payable on acceptance will be deemed not to have been received until the Company is in receipt of cleared funds. Payments in cash will not be accepted.

If the amount of payment received is insufficient to pay in full for the number of Shares you have accepted or is more than required for the number of Shares you have accepted you will be taken to have accepted the lesser of your entitlement or such whole number of Shares which is covered in full by your payment.

If you pay for Shares in excess of your entitlement the relevant overpayment will be deemed to be an application for additional new Shares from the shortfall. If additional new Shares from the shortfall are not issued to you (or less than the number for which you are deemed to have applied are issued to you) the difference will be refunded to you after the date of allotment in accordance with the Corporations Act, without interest.

If paying by BPAY:

To accept your entitlement and pay via BPAY, you should:

- read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- make your payment via BPAY for the number of Shares you wish to subscribe for (being the Rights Issue offer price of 2 cents (\$0.02) per new Share multiplied by the number of Shares for which you are accepting your entitlement plus any additional Shares from the shortfall you wish to apply for) so that it is received no later than 5:00pm (Melbourne time) on the Closing Date, or such later date as the Company may specify. You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution.

If you choose to pay via BPAY you are not required to submit the Entitlement and Acceptance Form.

If your BPAY payment is received by 5:00pm (Melbourne time) on the Closing Date or such later date as the Company may specify, Shares accepted are anticipated to be issued to you on or before the date set out in the timetable on page 2 of this Prospectus (which date may change without notice).

You should be aware that your financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit. The Company and Link Market Services Limited (**the Share Registrar**) accept no responsibility for unsuccessful, delayed, incomplete BPAY payments.

If you have multiple holdings you will have multiple BPAY reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any new Shares that you wish to accept your entitlement for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be treated as an application for additional new Shares from the shortfall as referred to above.

If paying by cheque or money order:

To accept your entitlement and pay by cheque or money order, you should:

- read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- complete the personalised Entitlement and Acceptance Form which accompanies this Prospectus (instructions for completing and returning the Entitlement and Acceptance Form are set out on the form); and

- return the completed Entitlement and Acceptance Form together with a cheque or money order for the applicable amount (being the Rights Issue offer price of 2 cents (\$0.02) per Share multiplied by the number of Shares for which you are accepting your entitlement plus any additional Shares from the shortfall you wish to apply for) to:

Public Holdings (Australia) Limited
C/- Link Market Services Limited
Reply Paid Box 3560
Sydney NSW 2001

so that it is received by no later than 5:00pm (Melbourne time) on the Closing Date (which is set out in the timetable on page 2 of this Prospectus), or such later date as the Company may specify. The Company and the Share Register accept no responsibility for delayed or misdelivered Entitlement and Acceptance Forms or payments.

If you choose to pay by cheque or money order you must submit the completed Entitlement and Acceptance Form.

Cheques should be made payable to "Public Holdings Australia Limited" and crossed "Not Negotiable". Cheques must be payable in Australian dollars, drawn on an Australian branch of an Australian bank.

7.3 Further Information

If you have any questions about your entitlement, please contact the Company Secretary, David McBain on +61 3 9817 0700 or email: dmc bain@mcbainmccartin.com.au. Alternatively, contact your stockbroker or other professional adviser.

The issue of new Shares is expected to occur after the Rights Issue has closed on or before the date set out in the timetable on page 2 of this Prospectus (which date may change without notice). Thereafter statements of Share holdings will be despatched. It is the responsibility of recipients to determine their allocation prior to trading in Shares. Recipients trading Shares before they receive their statements will do so at their own risk.

The Company may reject an acceptance where payment of the acceptance amount is not received or a cheque is not honoured, or without prejudice to its rights, issue Shares in response to the acceptance and recover outstanding acceptance amount from the recipient. If your 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 a form as valid and how to construe, amend or complete the form is final. The Company accepts no responsibility for failure by your stockbroker or other third parties to carry out your instructions.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia and New Zealand should consult their professional advisers as to whether any governmental or other consent are required or whether formalities need to be observed to enable them to acquire new Shares. Return of an Entitlement and Acceptance Form or payment will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Rights Issue offer, or to acquire new Shares or other securities of the Company.

8. Continuous Disclosure Obligations

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that

the relevant securities are in a class of securities that were quoted enhanced disclosure securities at all times during the 12 months before the date of this Prospectus.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information if such information:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and
 - the rights and liabilities attaching to the securities being offered.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the Prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

As previously disclosed, the Company is seeking to identify and assess opportunities for a new business or undertaking and, as such, is in discussions on an ongoing basis in respect of such opportunities. There is no certainty that any arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such discussions or negotiations in accordance with its disclosure obligations as developments occur.

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASX and ASIC in relation to the Company may be obtained from or inspected by accessing the respective web sites.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus. Such documents are also available on-line from the ASX web site.

- (a) the Interim Financial Report of the Company for the half year ended 30 June 2014 (lodged with ASIC on 29 August 2014).
- (b) the Annual Financial Report of the Company for the financial year ended 31 December 2013 (lodged with ASIC on 27 March 2014), being the most recent annual financial report of the Company before the lodgement of this Prospectus with ASIC;
- (c) any continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report referred to in (b) above before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report to the date of this Prospectus are listed in Section 9 of this Prospectus.

9. ASX Announcements

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its audited financial statements (Annual Financial Report) for the year ended 31 December 2013:

| Date | Headline |
|------------|---|
| 15/12/2014 | Net Tangible Asset Backing |
| 14/11/2014 | Net Tangible Asset Backing |
| 14/10/2014 | Net Tangible Asset Backing |
| 24/09/2014 | Ceasing to be a substantial holder |
| 22/09/2014 | Final Director's Interest Notice |
| 22/09/2014 | Initial Director's Interest Notice |
| 19/09/2014 | Letter to Shareholders |
| 19/09/2014 | Letter to Shareholders |
| 08/09/2014 | Results of Meeting |
| 08/09/2014 | Chairman's Address to Shareholders |
| 29/08/2014 | Half Year Accounts |
| 01/08/2014 | Notice of General Meeting/Proxy Form |
| 07/07/2014 | Header Correction: Becoming a substantial holder |
| 07/07/2014 | Header Correction: Becoming a substantial holder |
| 07/07/2014 | Header Correction: Becoming a substantial holder |
| 07/07/2014 | Becoming a substantial holder |
| 07/07/2014 | Becoming a substantial holder |
| 07/07/2014 | Becoming a substantial holder |
| 07/07/2014 | Initial Director's Interest Notice |
| 07/07/2014 | Initial Director's Interest Notice |
| 20/06/2014 | Change of Director's Interest Notice |
| 28/05/2014 | Results of Meeting |
| 28/05/2014 | Chairman's Address to Shareholders |
| 22/05/2014 | Proposal for Capital Return and Atlas Share Placement |
| 13/05/2014 | Change of Director's Interest Notice |
| 17/04/2014 | Notice of Annual General Meeting/Proxy Form |
| 28/03/2014 | Closing Date for Nomination of Directors |
| 27/03/2014 | Full Year Statutory Accounts |

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website, www.asx.com.au. Copies of announcements can also be obtained from the Company upon request. Prospective investors are advised to refer to ASX's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus it is noted that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

10. Terms of Securities Offered

10.1 Shares

The Shares will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as the existing issued shares of the Company. The rights attaching to the Company's shares are set out in the Company's Constitution, the Listing Rules of ASX and the Corporations Act. The Company's Constitution has been lodged with ASIC. The Constitution contains provisions of the kind common for public companies in Australia and is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the Constitution during the application period of this Prospectus, which the Company will provide free of charge.

11. Directors' Interests

11.1 Securities

Directors' existing interests in securities and participation in the Rights Issue

The Directors' direct and indirect interests in Shares of the Company as at the date of this Prospectus are as set out in the following table.

The Directors are entitled to participate in the Rights Issue without the need for shareholder approval.

Each of the Directors has informed the Company that he and/or the entities associated with him will accept their full entitlements. Directors and their associates are not permitted to take up shortfall Shares.

The Company has not issued options and the Directors hold no options in the Company.

The effect of the offer on the direct and indirect share holdings of Directors, assuming no other Shareholders take up the Offer and no shortfall Shares are issued is as set out below. The post-issue percentage will be less if other Shareholders take up the Offer and/or shortfall Shares are issued.

| Director/Shareholder (and/or associate(s)) | Existing | | Post Issue | |
|---|-----------|--------|------------|--------|
| | Shares | % | Shares | % |
| Mr Bryan Frost | 2,900,000 | 19.36% | 5,800,000 | 26.51% |
| Mr Oreste Biziak | 2,000 | 0.013% | 4,000 | 0.018% |
| Mr Peter Chapman | 2,000,000 | 13.35% | 4,000,000 | 18.28% |
| Mr Clayton Dodd | 2,000,000 | 13.35% | 4,000,000 | 18.28% |

11.2 Remuneration & Payments to Directors

Fees and other remuneration

Given the Company's current inactivity, the current Directors have agreed to forego any entitlements to directors' fees from the date of the change in the Company's board (24 September 2014) until such time as the Company has identified a new target business. Details of the remuneration paid to Directors to 31 December 2013 are set out in the financial statements of the Company for the financial year ended 31 December 2013.

None of the current Directors have received any fees or service remuneration from the company in the 2 year period prior to lodgement of this Prospectus, with the exception of Mr Oreste Biziak.

Amounts paid to the current Directors over the past two years are set out in the following table. The financial year of the Company ends 31 December.

| Director | Current Year 1 January 2014 to date | Year ended 31 December 2013 | Year ended 31 December 2012 |
|------------------|--|--------------------------------|--------------------------------|
| Mr Bryan Frost | Nil | Nil | Nil |
| Mr Oreste Biziak | \$26,250 | \$35,000 | \$35,000 |
| Mr Peter Chapman | Nil | Nil | Nil |
| Mr Clayton Dodd | Nil | Nil | Nil |

Other

Except as disclosed in this Prospectus:

- (a) no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of the Company or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Rights Issue.
- (b) no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in:
 - the formation or promotion of the Company; or
 - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
 - the Rights Issue.

12. Taxation

Recipients of the Rights Issue offer should seek and obtain their own taxation advice before accepting entitlements to Shares so that they may first satisfy themselves of any taxation implications associated with acquiring Shares.

13. Overseas Shareholders

13.1 Overseas Investors

This Prospectus and the accompanying Entitlement and Acceptance Form do not constitute an Offer in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

Shareholders holding Shares on behalf of persons who are resident overseas (except in New Zealand) are responsible for ensuring that taking up the Rights Issue offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form or payment will be taken by the Company to constitute a representation that there has been no breach of such regulations. Shareholders who are nominees are therefore advised to seek independent advice as to how they should proceed. The Rights Issue offer has not been, and will not be, registered under the US Securities Act and has not been made in the United States of America or to persons resident in the United States of America.

The Company is of the view that it is unreasonable to make the Rights Issue offer to Shareholders outside of Australia and New Zealand having regard to:

- (a) the number of Shareholders registered outside of Australia and New Zealand;
- (b) the number and value of securities to be offered to Shareholders registered outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in overseas jurisdictions.

Accordingly, the Company is not required to make the Rights Issue offer to Non-qualifying Foreign Shareholders (Shareholders with addresses on the Company's register of Members outside of Australia and New Zealand).

The Company has appointed Peregrine Corporate Limited [ABN 40 062 478 997] [AFSL No. 237 858], as nominee for Non-qualifying Foreign Shareholders to arrange the sale of the Shares which would have been offered to the Non-qualifying Foreign Shareholders (**Rights Issue Entitlements**). Peregrine is a company associated with Mr Bryan Frost, a Director of the Company. The Company will transfer the Rights Issue Entitlements of the Non-qualifying Foreign Shareholders to the nominee who will account to the Company's Share Registry who will then despatch the net proceeds of sale (if any) to each individual Non-qualifying Foreign Shareholders. The nominee will have absolute and sole discretion to determine the timing and the price of at which the Rights Issue Entitlements may be sold and the manner of any such sale. Neither the Company nor the nominee will be subject to any liability for failure to sell the Rights Issue Entitlements that would have been offered to Non-qualifying Foreign Shareholders or to sell them at a particular price. The nominee will not charge a fee in connection with its appointment, however is entitled to deduct its costs in connection with sales.

If, in the reasonable opinion of the nominee, there is not a viable market for the Rights Issue Entitlements or a surplus over the expenses of sale cannot be obtained for the Rights Issue Entitlements that would have been offered to Non-qualifying Foreign Shareholders, then those Rights Issue Entitlements will form part of the shortfall.

13.2 New Zealand Regulatory Requirements

This Rights Issue to New Zealand investors is a regulated Rights Issue made under Australian and New Zealand Law. In Australia, this is Chapter 8 of the Corporations Act and Corporations Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008. This Rights Issue and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Corporations Regulations set out how the Rights Issue must be made.

The Company's address for service of documents in New Zealand in respect of the Rights Issue is care of its agent Tavendale and Partners Limited PO Box 442, Christchurch, New Zealand, 8140. Tavendale and Partners Limited has had no involvement in the preparation of any part of the Prospectus other than being named as New Zealand agent.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Rights Issue. If you receive this offer in New Zealand and need to make a complaint about this Rights Issue, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain as to whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial advisor.

The Rights Issue may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a financial market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from markets that operate in New Zealand.

13.3 Other Countries

This Prospectus does not constitute an offer for securities in any place where, or to any person whom, it would be unlawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law, and persons outside Australia and New Zealand who comes into possession of this Prospectus should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares or the Rights Issue or otherwise to permit a public offering of the securities in any jurisdiction outside Australia and New

Zealand. The Shares have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA. Any person accessing the electronic version of this Prospectus for the purpose of investing in the Company must only access it from within Australia and New Zealand.

14. Privacy

Personal information is collected on the Entitlement and Acceptance Forms by the Company and its Share Registrar for maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Acceptances might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like details of their personal information held by the Company or its Share Registrar, or who would like to correct information that is incorrect or out of date, should contact the Company Secretary at the address shown in the Corporate Directory on page 1 of this Prospectus. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the Share Registrar. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

15. Electronic Prospectus

This Prospectus is available in electronic format via the ASX website, www.asx.com.au.

Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by contacting the Company Secretary, David McBain on +61 3 9817 0700 or email: dmc bain@mcbainmccartin.com.au.

Acceptances of Rights Issue entitlements may only be made by BPAY or on the personalised Entitlement and Acceptance Form which accompanied or was attached to a copy of this Prospectus in its paper copy form or a print out of the form which formed part of or was accompanied by the complete and unaltered electronic version of this Prospectus. The *Corporations Act* prohibits any person from passing on to another person an Entitlement and Acceptance Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the complete and unaltered electronic version of this Prospectus.

16. Investment Decisions

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Rights Issue offer of shares pursuant to this Prospectus having regard to their own objectives, financial situation, tax position and needs.

17. Future Performance

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company, or any return on any investment made pursuant to this Prospectus. An investment in the securities offered by this Prospectus should be considered speculative.

18. Consents

Peregrine Corporate Limited has given and, as at the date hereof, not withdrawn, its written consent to being named as the nominee for Non-qualifying Foreign Shareholders in the form and context in which it is named. Peregrine Corporate Limited has had no involvement in the preparation of any part of the Prospectus other than being named as the nominee for Non-qualifying Foreign Shareholders. Peregrine Corporate Limited has not authorised or caused the issue of any part of the Prospectus and, to the extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus.

Link Market Services Limited has given and, as at the date hereof, not withdrawn, its written consent to be named as share registry in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of the Prospectus other than being named as share registry to the Company. Link Market Services Limited has not authorised or caused the issue of any part of the Prospectus and, to the extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus.

Tavendale and Partners Limited has given, and, as at the date hereof, not withdrawn, its written consent to be named as New Zealand agent to the Rights Issue in the form and context in which it is named. Tavendale and Partners Limited has had no involvement in the preparation of any part of the Prospectus other than being named as New Zealand

agent to the Rights Issue. Tavendale and Partners Limited has not authorised or caused the issue of any part of the Prospectus and, to the extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus.

19. Enquiries

You should contact your stockbroker, accountant or independent professional financial adviser before making any decision regarding your entitlement to new Shares or investment in the Company, including deciding whether to accept your entitlement to Shares.

If you have any questions regarding how to complete the Entitlement and Acceptance Form, please contact the Company Secretary, David McBain on +61 3 9817 0700 or email: dmbain@mcbainmccartin.com.au.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Directors' Authorisation Statement

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.



Bryan Frost
Director

Public Holdings (Australia) Limited

ABN 65 000 332 918

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
ASX Code: PHA
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as
at the Record Date, 7:00pm (AEDT)
on 21 January 2015:

Entitlement to New Shares
(on a 1 New Share for 1 basis):

Amount payable on full acceptance
at A\$0.02 per Share:

| | |
|--------------------------------|------------------|
| Offer Closes 5:00pm (AEDT): | 10 February 2015 |
|--------------------------------|------------------|

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 1 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.02 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Prospectus dated 15 January 2015. The Prospectus contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Prospectus. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus.

If you do not have a paper copy of the Prospectus, you can obtain a paper copy at no charge, by calling the Public Holdings (Australia) Limited Offer Information Line on +61 3 9817 0700.

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEDT) on 10 February 2015. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.



Billers Code: 444513

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

© Registered to BPAY Pty Ltd ABN 69 079 137 518

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEDT) on 10 February 2015.

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment

Public Holdings (Australia) Limited

ABN 65 000 332 918



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Number of additional New Shares

C Total number of New Shares accepted (add Boxes A and B)

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Public Holdings (Australia) Limited” and crossed “Not Negotiable”.

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

A\$

E CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

PUBLIC HOLDINGS (AUSTRALIA) LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Public Holdings (Australia) Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.02.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Public Holdings (Australia) Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Public Holdings (Australia) Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Public Holdings (Australia) Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Prospectus electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Public Holdings (Australia) Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Public Holdings (Australia) Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEDT) on 10 February 2015. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Public Holdings (Australia) Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Public Holdings (Australia) Limited Offer Information Line on +61 3 9817 0700.