



4 October 2017

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

Dear Manager

Centuria Capital Group (ASX: CNI): Cleansing notice in respect of pro-rata non-renounceable entitlement offer and cleansing notice in respect of Incentive Securities issued under the Executive Incentive Plan

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

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

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

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

Further details regarding the Entitlement Offer are set out in the ASX announcement and Investor Presentation released today.

Background

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

Centuria has today announced an accelerated pro-rata non-renounceable entitlement offer of Stapled Securities to raise approximately \$60 million (before costs) (**Entitlement Offer**).

Under the Entitlement Offer the Issuers are offering 1 new Stapled Security (**New Security**) for every 4.9 Stapled Securities held by eligible CNI securityholders as at 7.00 pm on 6 October 2017 (**Eligible Securityholders**), at an issue price of \$1.28 per New Security.

The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) seeks to raise approximately \$38 million (before costs). The retail component of the Entitlement Offer (**Retail Entitlement Offer**) seeks to raise approximately \$22 million (before costs).

Cleansing notice in respect of the Entitlement Offer

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

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

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

Potential effect on the control of Centuria of the Entitlement Offer

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

Substantial holder	Voting power
Moelis Australia Holdings Pty Ltd and its associates	11.14%
Ellerston Capital Limited and its associates	6.89%
Investors Mutual Limited and its associates	6.78%

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

Shortfall (after any issues pursuant to a shortfall facility)	No. of New Securities Underwriter obliged to subscribe for	No. of New Securities sub-underwritten	Balance of Underwriter's commitment	Total voting power of Underwriter post Entitlement Offer (on a diluted basis)
0%	Nil	Nil	Nil	If the Underwriter does not take up its entitlement: 9.1% If the Underwriter takes up all of its entitlement: 11.14%
50%	23,450,586	241,188	23,209,398	17.5%
100%	46,901,171	241,188	46,659,983	20% plus the obligation to obtain subscribers for an additional 6%

If all Eligible Securityholders take up their entitlements under the Entitlement Offer (ie the shortfall is 0%), then the Entitlement Offer will have no significant effect on the control of Centuria, and all Eligible Securityholders will hold the same percentage interest in Centuria as before the Entitlement Offer.

The Underwriter has at the date of this notice received sub-underwriting commitments for 0.5% of the New Securities to be issued under the Entitlement Offer.

Under the terms of the Underwriting Agreement between the Underwriter and CNI, the Underwriter is not required to subscribe for New Securities if, as a result, the Underwriter would hold more than 20% of the total number of Stapled Securities that will be on issue following the Entitlement Offer (and after the take up of any shortfall New Securities under the Underwriting Agreement). In respect of any underwritten New Securities in excess of the 20% (**Excess New Securities**), the Underwriter must pay to CNI an amount equal to the number of Excess New Securities multiplied by \$1.28 and it must procure Eligible Securityholders as subscribers for the Excess New Securities. The subscription money for those Excess New Securities must be paid by CNI to the Underwriter.

If an Eligible Securityholder does not take-up its Entitlement under the Entitlement Offer, its percentage holding in CNI will be diluted.

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

Cleansing notice in respect of Incentive Security issues under the Executive Incentive Plan

This notice is also given in respect of Stapled Securities issued on 3 October 2017 following the vesting of performance rights issued to certain executives of CNI with the approval of securityholders (**Incentive Securities**).

With respect to the Incentive Securities, the Issuers advise that:

- (a) the Incentive Securities were offered without disclosure under Part 6D.2 of the Corporations Act and without giving a product disclosure statement under Part 7.9 of the Corporations Act for the New Securities;
- (b) this notice is being given under sections 708A(5)(e) and 1012DA(5)(e) of the Corporations Act;
- (c) as disclosing entities, the Issuers are subject to regular reporting and disclosure obligations;
- (d) as at the date of this notice, the Issuers have complied with:
 - (1) the provisions of Chapter 2M of the Corporations Act as they apply to each of the Fund and the Company respectively; and
 - (2) section 674 of the Corporations Act as it applies to each of the Fund and the Company respectively;
- (e) as at the date of this notice, there is no excluded information of the type referred to in sections 708A(7), 708A(8), 1012DA(7) or 1012DA(8) of the Corporations Act; and
- (f) the issue of the Incentive Securities does not have any material impact on the control of Centuria.

Yours faithfully,



James Lonie
Company Secretary

Important notice regarding future performance

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