



AJ Lucas Group Limited  
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7 November 2019

The Manager  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Via electronic lodgement

Dear Sir/Madam

**Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)**

This notice is given by AJ Lucas Group Limited (ACN 060 309 104) (ASC Code: AJL) ("**AJL**") under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (the "**Corporations Act**") as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 ("**CI 2016/84**").

AJL has announced a pro rata non-renounceable entitlement offer ("**Offer**") of 19 fully paid ordinary shares in AJL ("**New Shares**") for every 20 AJL fully paid ordinary shares held as at 7:00pm (Sydney time) on Monday, 11 November 2019 by eligible shareholders at an issue price of A\$0.065 per New Share. The Offer comprises a retail component, to be offered to retail shareholders with a registered address in Australia and New Zealand ("**Eligible Retail Shareholders**") and an institutional component, to be offered to institutional shareholders in Australia, New Zealand, Hong Kong, Singapore, Cayman Islands and the United Kingdom.

A Retail Offer Booklet in relation to the retail component of the Offer with personalised entitlement and acceptance forms is expected to be despatched to Eligible Retail Shareholders on or around Thursday, 14 November 2019.

AJL confirms that:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by CI 2016/84;
- (c) as at the date of this notice, AJL has complied with:
  - (i) the provisions of Chapter 2M of the Corporations Act as they apply to AJL; and
  - (ii) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no "excluded information" of the type referred to in sections 708AA(8) or 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7)(d) of the Corporations Act; and
- (e) the potential effect that the Offer will have on the control of AJL, and the consequences of that effect, will depend on a number of factors, including investor demand. However, given the size of the Offer, the composition of AJL's share register and the structure of the AJL as a pro rata offer, AJL does not expect the Offer to have



any material effect or consequence on the control of AJL. The potential effect that the Offer will have on the control of AJL is as follows:

- (i) if all eligible shareholders take up their rights under the Offer, there will be no effect on the control of AJL (subject to paragraph (e)(iii) below);
- (ii) to the extent that any eligible shareholder fails to take up their rights under the Offer, that eligible shareholder's percentage holdings in AJL will be diluted by those other eligible shareholders who take up some or all of their entitlement;
- (iii) Kerogen Investments No. 1 (HK) Limited ("**Kerogen**"), which is AJL's largest shareholder with voting power of approximately 53.32% in AJL's ordinary shares as at the date of this notice, has indicated that it will take up to its full pro rata entitlement under the Offer. To the extent that no persons other than Kerogen take up their rights under the Offer as described above, Kerogen's voting power will increase to a theoretical maximum of approximately 69.0%. Any increase in Kerogen's voting power in AJL will have minimal practical impact on the control of AJL as Kerogen is already its controlling shareholder; and
- (iv) the proportional interests of shareholders who are not eligible shareholders (who are estimated to hold less than approximately 0.3% of AJL's issued shares) will be diluted because those shareholders are not entitled to participate in the Offer.

The impact of the Offer, announced to the market, on substantial holders (including Kerogen) is set out in the Offer announcement and accompanying materials.

Yours sincerely

A handwritten signature in black ink, appearing to read "M. Swierkowski", written in a cursive style.

**Marcin Swierkowski**

Company Secretary

AJ Lucas Group Limited