

10 September 2020

Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Kina Securities Limited (ASX: KSL)

Notice under Section 708AA(2)(f) of the Corporations Act 2001 (Cth) – Cleansing Statement

This notice is given by Kina Securities Limited (ARBN 606 168 594) (**Kina**) under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)*, as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (the **Corporations Act**).

Kina today announced an accelerated non-renounceable entitlement offer to eligible shareholders to subscribe for 1 new fully paid Kina share (**New Share**) for every 2 existing Kina shares held as at 7.00pm (AEST) on Monday, 14 September 2020 to raise up to approximately A\$70 million (**Entitlement Offer**). Each New Share will be issued at an issue price of A\$0.80.

Kina confirms that:

1. the New Shares will be offered for issue without disclosure under Part 6D.2 of the Corporations Act;
2. this notice is being given under section 708AA(2)(f) of the Corporations Act;
3. as at the date of this notice, Kina has complied with:
 - a. the provisions of Chapter 2M of the Corporations Act as they apply to Kina; and
 - b. section 674 of the Corporations Act;
4. 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
5. the potential effect that the Entitlement Offer will have on the control of Kina, and the consequences of that effect, will depend on a number of factors, including investor demand. However, given the size of the Entitlement Offer, the composition of Kina's share register and the structure of the Entitlement Offer as a pro rata offer, Kina does not expect the Entitlement Offer to have any material effect or consequence on the control of Kina. The potential effect that the Entitlement Offer will have on the control of Kina is as follows:
 - a. if all eligible shareholders take up their rights under the Entitlement Offer, there will be no material effect on the control of Kina;
 - b. to the extent that any eligible shareholder fails to take up their rights under the Entitlement Offer, that eligible shareholder's percentage holding in Kina will be diluted by the issue of the New Shares;
 - c. the percentage holding in Kina's shares of shareholders with registered addresses outside Australia and New Zealand (excluding any relevant eligible institutional shareholders) will be diluted as a result of the issue of New Shares; and

- d. although the issue of New Shares which are not taken up by eligible shareholders under the Entitlement Offer may result in an increase in the voting power in Kina of the underwriter of the Entitlement Offer (or eligible institutional investors who may be allocated New Shares via the bookbuild process to be conducted by the underwriter), it is not expected that such issue of New Shares will have a material effect on the control of Kina.

For and on behalf of the Board.

Yours sincerely



Chetan Chopra
Chief Financial Officer and Company Secretary
Kina Securities Limited

Authorised for lodgement: by order of the Board of Directors

For further information:

Greg Pawson
Chief Executive Officer and Managing Director
greg.pawson@kinabank.com.pg

Chetan Chopra
Chief Financial Officer and Company Secretary
chetan.chopra@kinabank.com.pg