

20 June 2013

## **NSX RELEASE**

Issuer: Hamilton Securities Limited (NSX Code: HSE)

### **RIGHTS ISSUE CLEANSING NOTICE UNDER SECTION 708AA(2)(f) CORPORATIONS ACT**

Hamilton Securities Limited (**Hamilton Securities**) announced on 28 March 2013 that it will undertake a non-renounceable rights issue of approximately 327,534 Class "A" non-voting fully paid shares each together with two "B" Class 30 November 2019 Options (**Rights Issue**).

Eligible shareholders will be entitled to subscribe for one Class "A" non-voting share (**New Shares**) and two new Class "B" 30 November 2019 options (**New Options**) for every 7 Class "A" non-voting shares and Class "B" voting shares held at the Record Date, being 18 June 2013, with each such share and accompanying two options being issued at a price of \$1.00 to raise approximately \$327,534 (**Offer**).

Hamilton Securities will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) of the *Corporations Act 2001* (**Corporations Act**) as notionally modified by ASIC Class Order 08/35 (**CO 08/35**).

Further details regarding the Offer are set out in the letter that will be dispatched to shareholders and that has been released through the market announcement system today.

#### **Details of the securities to be issued**

<b>Class of securities:</b>	Class "A" non-voting shares and Class "B" 30 November 2019 Options
<b>NSX Code of the securities:</b>	HSEA, HSEOB
<b>Date of the issue or expected issue of the securities:</b>	12 July 2013
<b>Total number of securities issued or expected to be issued:</b>	327,534 Class "A" non-voting fully paid shares and 655,068 "B" Class 30 November 2019 Options

For the purpose of section 708AA(7) of the Corporations Act, Hamilton Securities advises the following.

1. The New Shares and New Options will be issued without disclosure under Part 6D.2 Corporations Act as notionally modified by CO 08/35.
2. This notice is given under section 708AA(2)(f) of the Corporations Act as notionally modified by CO 08/35.
3. As at the date of this notice, Hamilton Securities has complied with:
  - (a) the provisions of Chapter 2M of the Corporations Act; and
  - (b) section 674 of the Corporation Act.

4. As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act; and
5. The issue of New Shares and New Options pursuant to the Rights Issue is not expected to have any material effect or consequence on the control of Hamilton Securities, but is dependent on a number of factors including investor demands. However:
- (a) if all shareholders take up their rights for New Shares, the Rights Issue will have no effect on the control of Hamilton Securities; and
  - (b) to the extent that any shareholder fails to take up their rights for New Shares under the Rights Issue, that shareholder's percentage holdings in Hamilton Securities will be diluted by those other shareholders who take up some, or all of their rights.

The Rights Issue is fully underwritten by Samuel Terry Management Pty Ltd as trustee for The Samuel Terry Absolute Return Fund. The following table sets out the number of shares and options and approximate percentage of share holdings and option holdings of the Underwriter (and its related bodies corporate) after completion of the Rights Issue, assuming different levels of acceptances by Eligible Shareholders and that no options are exercised prior to the Record Date.

<b>100% of Rights Issue entitlements taken up i.e. no Shortfall (Scenario 1)</b>	<b>50% of Rights Issue entitlements taken up (Scenario 2)</b>	<b>0% of Rights Issue entitlements taken up (i.e. all New Shares are taken up by the Underwriter under the Underwriting Agreement) (Scenario 3)</b>
<p>There will be no Shortfall and the Underwriter will not be required to take up any New Shares or New Options under the Rights Issue except the Underwriter's pro-rata entitlement as a shareholder.</p>	<p>The Underwriter will be required to take up 163,767 New Shares and 327,534 New Options on completion of the Rights Issue (being approximately 21.8% of the "A" Class non-voting Shares on issue after completion of the Rights Issue and 44.8% of the Company's "B" Class 2019 Options on issue after completion).</p> <p>Including its existing shares, the Underwriter will have the following total shares and options in this scenario:</p> <p><b>"A" Class non voting shares:</b> 371,840</p> <p><b>"B" Class voting shares:</b> 222,799</p> <p><b>Options:</b> 731,426</p>	<p>The Underwriter will be required to take up 327,534 New Shares and 655,068 New Options on completion of the Rights Issue (being approximately 29.2% of the "A" Class non-voting Shares on issue after completion of the Rights Issue and 64.1% of the Company's "B" Class 2019 Options on issue after completion).</p> <p>Including its existing shares, the Underwriter will have the following total shares and options in this scenario:</p> <p><b>"A" Class non voting shares:</b> 618,616</p> <p><b>"B" Class voting shares:</b> 222,799</p> <p><b>Options:</b> 1,046,103</p>

In addition, the directors of Hamilton Securities have previously announced to the market their intention to put a resolution to shareholders to consider whether "A" Class non-voting Shares and "B" Class voting Shares should be converted to or replaced with ordinary voting shares.

After the Rights Issue there will be 2,118,274 "A" Class non-voting shares and 1,632,565 "B" Class 2019 Options in existence.

If 0% of the rights are taken up and the underwriter takes all of these and if the "A" Class non-voting shares are in the future converted to voting shares on a one for one basis and each of the "B" Class 2019 Options are exercised, the Underwriter will have 1,887,518 voting shares out of a total of 2,620,274 voting shares (or a 72% shareholding). The percentage could be greater if other option holders choose not to exercise their "B" Class 2019 Options.

We note that the Company would need to seek shareholder approval prior to converting "A" Class non-voting shares to voting shares.

Further details regarding the Rights Issue are set out in the letter to shareholders.

Signed for and on behalf of Hamilton Securities:



**Fred Woollard**  
**Director**  
**Hamilton Securities Limited**