

24 April 2013

Company Announcements Office
Australian Securities Exchange
Level 4, Rialto North Tower
525 Collins Street
Melbourne Vic 3000.

AVJENNINGS LIMITED

(ASX: AVJ)

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

This notice is given by AVJennings Limited ACN 004 327 771 (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by Australian Securities and Investments Commission Class Orders 08/35 and 07/571 (the **Class Orders**).

The Company has announced a 2 for 5 pro-rata non-renounceable entitlement offer of approximately 109.8 million ordinary shares, each at an issue price of \$0.375 per share (**Entitlement Offer**). Shareholders eligible to participate in the Entitlement Offer are those who are registered as holding shares in the Company as at 7.00 pm (Melbourne time) on the record date of 3 May 2013 and who have a registered address in Australia, New Zealand or Singapore or any other shareholders in other jurisdictions to whom the Company decides to make offers.

The issue of shares pursuant to the Entitlement Offer is conditional on the Company being able to raise the minimum subscription amount of \$32.9 million (**Minimum Subscription**) under the Entitlement Offer (representing 87,868,382 new shares). No new shares will be issued or allotted under the Entitlement Offer unless and until the Minimum Subscription amount is raised.

The Company gives notice that:

- 1 The Company will offer the shares under the Entitlement Offer without disclosure to investors under Part 6D.2 of the Corporations Act as notionally modified by the Class Orders.
- 2 As at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) section 674 of the Corporations Act.
- 3 As at the date of this notice, there is no excluded information (as defined in section 708AA(8) of the Corporations Act as notionally modified by the Class Orders) which is required to be disclosed by the Company.
- 4 SC Global Developments Ltd and its subsidiaries (**SC Global**), the Company's major shareholder, has notified the Company of its intention to take up its entitlements under the Entitlement Offer. SC Global currently hold 50.03% of the Company's shares. SC Global is associated with and controlled by interests associated with the Chairman of the Company, Mr Simon Cheong. There is no guarantee that SC Global will take up its full Entitlement.
- 5 The remainder of the Entitlement Offer is underwritten by Bell Potter Securities Limited (the **Underwriter**) up to approximately 54.9 million new shares (approximately 49.97% of the Entitlement Offer). The Underwriter has entered into sub-underwriting agreements with a number of parties in respect of its entire underwriting obligation.

- 6 The potential effects that the Entitlement Offer may have on control of the Company are as follows:
- (a) if all of the Company's shareholders take up their entitlements under the Entitlement Offer, each shareholder's percentage interest in the total issued share capital of the Company will remain the same and will not be diluted, with the Entitlement Offer having no effect on the control of the Company;
 - (b) if no shareholders other than SC Global take up their entitlements under the Entitlement Offer, the maximum shareholding that the Underwriter could acquire in the Company is approximately 14.28%. The Underwriter has entered into sub-underwriting agreements with a number of parties in respect of its entire underwriting obligation. Accordingly, the underwriting arrangements of the Entitlement Offer are unlikely to have an effect on the control of AVJ; and
 - (c) if SC Global takes up its full entitlement, other shareholders take up their entitlements only to the extent necessary to achieve the Minimum Subscription and the underwriting agreement with the Underwriter is terminated, SC Global's voting power in the Company would potentially increase from 50.03% to 53.06%.
- 7 The consequences of the effects on control described in each of paragraphs 6(a), (b) and (c) are that SC Global is likely to continue to be in a position to control the composition of the Company's Board and therefore the strategic direction of the Company. This may have an impact on the trading price of the shares in the Company.
- 8 No existing shareholder in the Company (other than SC Global in the circumstances described in paragraph 6(c)) will increase their shareholding in the Company above 20% as a result of the Entitlement Offer.

Yours faithfully

AVJennings Limited



Carl Thompson

Company Secretary