



9 November 2012

Dear Shareholder,

On behalf of Oldfields Holdings Ltd (**Oldfields**), I am pleased to invite you to participate in the non-renounceable one for one (1 : 1) rights issue at an offer price of \$0.10 per New Share (**Offer Price**) to raise up to approximately \$5.6million (before expenses) (**Offer**).

Shareholders in Oldfields that are eligible to participate in the Offer are those persons who are registered holders of fully paid ordinary shares in Oldfields (**Shares**) as at 5.00pm AEDT on Monday, 5 November 2012 and whose registered address is in Australia or New Zealand (**Eligible Shareholder**). The new Shares issued under the Offer (**New Shares**) will be fully paid ordinary shares which will rank equally with existing Shares on issue.

In addition to the Offer Eligible Shareholders may subscribe for New Shares not otherwise taken up in the Offer (**Shortfall Shares**) at the same Offer Price (**Shortfall Offer**). The Company may subsequently issue any Shortfall Shares not subscribed for by Eligible Shareholders under the Shortfall Offer to institutions, sophisticated and professional investors. Completed entitlement and acceptance forms must be received by 5.00pm AEDT on Friday 30 November 2012 or such other date as Oldfields' board of directors (**Board**), in its absolute discretion, may determine, subject to compliance with the applicable regulatory requirements.

As recently announced on the Australian Securities Exchange (**ASX**), a key term of Oldfields' new facility agreement with its bank (**Facility Agreement**) is to make a payment of \$5 million to the bank to repurchase \$10 million of Oldfields' debt. The funds raised from issue of New Shares will be used to make this payment. The Board believes the capital restructure resulting from this payment will position Oldfields for a return to sustainable profitable growth. In order to make the payment and cover the cost of the Offer, Oldfields will need to raise a minimum of \$5 million net of transaction costs (**Minimum Raise**) through the issue of New Shares. The Board reserves the right to withdraw all or part of the Offer (and Shortfall Offer) if the Minimum Raise is not raised. The Offer is not underwritten.

A key risk of Oldfields not raising at least the Minimum Raise is that Oldfields may not be able to make the \$5 million payment to its bank and will be in breach of its Facility Agreement. If Oldfields defaults under the Facility Agreement, the bank may be able to enforce its security over Oldfields and its assets, and the value of your investment in Oldfields will be diminished. Other key risk factors, including the key risks of an investment in Oldfields, are outlined on page 16 of the accompanying Company Presentation and, before deciding to invest, Eligible Shareholders and other prospective investors should consider all risk factors carefully.

Oldfields received feedback from certain shareholders that they would appreciate an opportunity to participate in a capital raising. The Offer has been made to provide all Eligible Shareholders with an equal opportunity to participate in the future of Oldfields. Over the past year your management team and Board have been working to transform Oldfields - some details of the progress achieved to date are included in the accompanying Company Presentation.



Further details of the Offer are set out in the accompanying "Offer Information" document and Oldfields Company Presentation released to ASX on Friday, 26 October 2012 (these documents together with this letter form the **Offer Booklet**). This Offer Booklet should be read carefully and in its entirety before deciding whether or not to participate in the Offer. In particular, you should consider the key risk factors outlined in the Company Presentation. I also encourage you to read the recent ASX announcements and annual report which provide more information. You should consult your stockbroker, accountant or other independent professional advisor to evaluate whether or not to participate in the Offer and Shortfall Offer.

A personalised Entitlement and Acceptance Form which details your entitlement will be sent to all Eligible Shareholders with the Offer Booklet on Friday, 9 November 2012. Please complete it in accordance with the instructions on the form and the information contained in this Offer Booklet.

Thank you for your continued support of Oldfields. We encourage you to support the offer to enable you to participate in the continued growth and success of Oldfields.

Please contact me on 0411 262 470 if you would like further information regarding the Offer or any other matter associated with your investment in Oldfields.

Yours faithfully

A handwritten signature in black ink, appearing to read "Julie Garland McLellan".

Julie Garland McLellan

Chairman

[julie.garlandmclellan@oldfields.com.au](mailto:julie.garlandmclellan@oldfields.com.au)

# **oldfields**

## **Oldfields Holdings Limited**

### **Offer Information**

## IMPORTANT INFORMATION

This Offer Booklet has been prepared by Oldfields and is dated 9 November 2012. This Offer Booklet is not a prospectus or other disclosure document under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with the Australian Securities and Investment Commission (**ASIC**). The Offer and Shortfall Offer contained in this Offer Booklet is being made without disclosure in accordance with section 708AA of the Corporations Act, as modified by ASIC Class Order 08/35. Neither ASIC nor ASX, nor any of their officers or employees takes responsibility for the Offer, Shortfall Offer or the merits of the investment to which these relate.

The Offer Booklet does not constitute financial product advice and has been prepared without taking into account Eligible Shareholders' investment objectives, financial circumstances or particular needs. The Offer Booklet does not purport to contain all the information that Eligible Shareholders may require to make an informed investment decision regarding, or about the rights attaching to, the New Shares. Before deciding whether to apply for New Shares, each Eligible Shareholder should consider whether Oldfields is a suitable investment for them in light of their own investment objectives and financial circumstances and should seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether or not to invest.

### **Investment Risks**

There are a number of risk factors that could potentially impact on Oldfields and its operations. For information about these risks, please refer to the "Risks" section of the Company Presentation at page 16. The potential tax effects of the Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

### **Future performance and forward looking statements**

Applicants for New Shares should note that the past Share price performance of Oldfields provides no guidance as to its future Share price performance. Any financial information provided in this Offer Booklet is for illustrative purposes only and is not represented as being indicative of Oldfields' future financial performance. Any forward looking statements in this Offer Booklet are based on Oldfields' current expectations about future events. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Oldfields and the Board, which could cause actual results, performance and achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Offer Booklet.

### **Foreign jurisdictions and restrictions on the distribution of this Offer Booklet**

This Offer Booklet and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place outside Australia or New Zealand. The distribution of this Offer Booklet and the accompanying Entitlement and Acceptance Form outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Offer Booklet and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws. By applying for New Shares under this Offer Booklet you represent and warrant that there has been no breach of such laws.

Oldfields disclaims all liabilities to such persons. Eligible Shareholders who are not resident in Australia or New Zealand are responsible for ensuring that taking up New Shares under the Offer does not breach the selling restrictions set out in this Offer Booklet or otherwise violate the securities laws in the relevant overseas jurisdictions. In particular, the Offer and Shortfall Offer have not been, and will not be, registered under the Securities Act of 1933 (US) or the securities laws of any State of the United States and is not being made in the United States or to persons resident in the United States.

*Neither the information in this Offer Booklet nor the accompanying Entitlement and Acceptance Form constitutes an offer of securities for sale in the United States or to persons that are, or are acting for the account or benefit of, a U.S. Person. Neither this information nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons in the United States or that are, or are acting on behalf of or for the account or benefit of, a U.S. Person, or otherwise distributed in the United States.*

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of Oldfields with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Offer Booklet and the accompanying Entitlement and Acceptance Form have not been registered, filed or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Offer Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

No action has been taken to register or qualify this Offer Booklet, the New Shares, or the Offer or Shortfall Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia and New Zealand.

### **Disclaimer**

No person is authorised to give any information, or to make any representation, in connection with the Offer or Shortfall Offer not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by Oldfields, or its related bodies corporate, in connection with the Offer or Shortfall Offer. Except as required by law, and only to the extent so required, neither Oldfields, nor any other person, warrants the future performance of Oldfields or any return on any investment made under this Offer or Shortfall Offer.

Statements made in this Offer Booklet are made only as the date of this Offer Booklet. The information in this Offer Booklet remains subject to change without notice.

### **Governing law**

This document, the Offer and the contracts formed on acceptance of applications are governed by the laws of New South Wales, Australia. Each applicant submits to the exclusive jurisdiction of the courts of that state.

## 1. The Offer

Under the Offer, Eligible Shareholders are invited to subscribe for one New Share for every one Share held at 5.00pm AEDT on Monday, 5 November 2012 (**Record Date**) at the Offer Price of 10 cents per New Share.

The number of New Shares to which you are entitled to subscribe for is shown on the accompanying Entitlement and Acceptance Form. The Offer is not underwritten.

## 2. Eligible Shareholder

Eligible Shareholders are those persons who are registered holders of Shares as at the Record Date and whose registered address is in Australia or New Zealand. Oldfields reserves the right to determine whether a shareholder is an Eligible Shareholder.

Oldfields has determined that it is not practical for holders of Shares with registered addresses in other jurisdictions to participate in the Offer, having regard to the number and value of New Shares they would be offered and the costs of complying with the regulatory requirements in those places. To the extent that a person holds Shares on behalf of another person resident outside Australia or New Zealand, it is that person's responsibility to ensure that any acceptance complies with all applicable foreign laws.

## 3. Use of funds

If all New Shares are subscribed under the Offer, Oldfields will raise approximately \$5.6million.

A key term of the Facility Agreement is to make a payment of \$5 million to the bank to repurchase \$10 million of Oldfields' debt. The Board intends to use the funds raised from the issue of New Shares to make this \$5 million payment to the bank and satisfy its obligations under the Facility Agreement. In order to make the payment and cover the cost of the Offer, Oldfields will need to raise a minimum of \$5 million net of the transaction costs of the Offer (**Minimum Raise**) through the issue of New Shares. Any amount raised above the Minimum Raise, will form part of Oldfield's working capital.

If Oldfields does not raise the Minimum Raise, Oldfields will consider raising funds through the issue of debt. However, there is no guarantee that Oldfields will be able to raise additional debt funding. In the event Oldfields is able to raise the debt funding required, Oldfields will continue to operate but may not achieve the same performance it could have achieved if at least the Minimum Raise was raised under the Offer. If Oldfields does not raise the Minimum Raise, the Board reserves the right to withdraw all or part of the Offer.

A key risk of Oldfields not raising at least the Minimum Raise under the Offer or by any debt fundraising, is that Oldfields will not be able to make the \$5 million payment to its bank and will be in breach of its Facility Agreement. If Oldfields' defaults under the Facility Agreement, the bank may be able to enforce its security over Oldfields and its assets and the value of your investment in Oldfields will be diminished.

## 4. Proposed timetable

The dates in the timetable below are indicative only and are subject to change. Oldfields reserves the right, subject to the Corporations Act and the listing rules of the ASX (**Listing Rules**), to amend the proposed timetable. Any changes to the proposed timetable will be lodged with ASX.

Announcement of the Offer and release of cleansing notice and Appendix 3B to ASX	Friday, 26 October 2012
Notice sent to existing shareholders	Monday, 29 October 2012
“Ex” date  (date from which securities commence trading without entitlement to participate in the Offer)	Tuesday, 30 October 2012
Record Date	5.00pm AEDT on Monday, 5 November 2012
Offer Booklet dispatched to Eligible Shareholders and the Offer opening date	Friday, 9 November 2012
Closing Date  (final date by which Entitlement and Acceptance Forms, and payments must be received)	5.00pm AEDT on Friday, 30 November 2012
Securities quoted on a deferred settlement basis	Monday, 3 December 2012
ASX notified of under subscriptions (if any)	Wednesday, 5 December 2012
Dispatch holding statements	Monday, 10 December 2012
Normal trading resumes  (securities are no longer trading on a deferred settlement basis)	Tuesday, 11 December 2012

## 5. Shortfall Offer and oversubscriptions

Eligible Shareholders may also apply for Shortfall Shares at the same time they apply for New Shares under the Offer. Eligible Shareholders must also provide application money to cover the Offer Price for the Shortfall Shares applied for. Shortfall Shares will only be issued under the Shortfall Offer if the Offer is undersubscribed, and will only be issued to the extent necessary to make up any shortfall in subscriptions.

If Oldfields receives applications for Shortfall Shares under the Shortfall Offer that would result in the Offer being oversubscribed, then the Board will scale back

applications for the Shortfall Shares in proportion to the number of Shortfall Shares subscribed for. There is no guarantee that Eligible Shareholders will receive the Shortfall Shares they apply for in excess of their entitlement under the Offer. If the scale back results in fractions of Shortfall Shares, any such fractions will be rounded up to the nearest whole Shortfall Share.

The Board reserves the right to allot to an Eligible Shareholder who applies for Shortfall Shares a lesser number of Shortfall Shares than the number for which the Eligible Shareholder applied for, or to reject an application, or to not proceed with placing the Shortfall Shares. If you do not receive all of the Shortfall Shares you applied for, the excess application moneys will be returned to you without interest.

Shortfall Shares under the Shortfall Offer will be issued to Eligible Shareholders at the same time as the issue of New Shares under the Offer. All Eligible Shareholders who intend to participate in the Shortfall Offer should note that participation will be subject to compliance with the Takeover Provisions (Chapter 6) of the Corporations Act).

## **6. How to apply**

A personalised 'Entitlement and Acceptance Form' accompanies this Offer Booklet. If you wish to apply for New Shares, please complete the Entitlement and Acceptance Form in accordance with the instructions on the form. You will need to fill in the details in the spaces provided of the number of New Shares you wish to accept and, if you wish to participate in the Shortfall Offer, the number of Shortfall Shares you wish to apply for. Completed Entitlement and Acceptance Forms must be accompanied by a cheque drawn on an Australian bank, bank draft or money order made payable in Australian currency for the appropriate application money, and made payable to "Oldfields Holdings Ltd".

Please return your completed Entitlement and Application Form and payment to Oldfields' share registry in accordance with the instructions of the form. Your completed Entitlement and Acceptance Form and payment must be received by Oldfields' share registry by the Closing Date.

By applying for New Shares, you are taken to:

- (a) agree to be bound by the terms and conditions set out in this Offer Booklet and the accompanying Entitlement and Acceptance Form;
- (b) acknowledge that investments in Oldfields are subject to risk, including the risks outlined in this Offer Booklet;
- (c) meet the criteria for being an Eligible Shareholder as set out in this Offer Booklet;
- (d) agree to be bound by Oldfield's constitution; and
- (e) authorise Oldfields to register you as the holder of the New Shares allotted to you, and authorise Oldfields and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you.

## **7. ASX listing**

Application for official quotation by ASX of the New Shares offered pursuant to this Offer has been made. If approval is not obtained from ASX before the expiration of three (3) months after the date of this Offer (or such period as varied by the ASIC) Oldfields will not issue any New Shares and will repay all application monies for the



New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of Oldfields or the New Shares.

## 8. Holding statements

Oldfields will not be issuing certificates to Eligible Shareholders. Instead, Eligible Shareholders will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer (and the Shortfall Offer, if any). The notice will also advise holders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures under the Clearing House Electronic Subregister System (CHES), which the ASX electronic transfer and settlement system, and issuer sponsorship.

## 9. Undersubscription of Shortfall Offer (and Offer)

Any Shortfall Shares not subscribed for by Eligible Shareholders under the Shortfall offer may be subsequently placed at the Board's absolute discretion to institutional investors, and other prospective sophisticated and professional investors in accordance with Listing Rule 7.2, Exception 3.

In accordance with the above exception to Listing Rule 7.1, Oldfields may issue any Shortfall Shares which are not subscribed for by Eligible Shareholders under the Shortfall Offer at the Board's discretion, provided that:

- (a) the price at which these Shortfall Shares are issued is not less than the Offer Price; and
- (b) these Shortfall Shares will be issued within three months of the Closing Date.

## 10. Impact of Offer on your shareholding and on control

If all Eligible Shareholders take up their rights to subscribe to New Shares under the Offer, an Eligible Shareholder's percentage holding in Oldfields will not be diluted. However, to the extent that any Eligible Shareholder fails to take up their rights for New Shares under the Offer, that Eligible Shareholder's percentage holding in Oldfields will be diluted by those Eligible Shareholders who take up some or all of their rights to New Shares, and are issued with Shortfall Shares.

Oldfields' major shareholder, Mr Lewis Timms (shares held through Randell Management Services Pty Ltd ATF the Timms Superannuation Fund) (**Major Shareholder**) currently holds 35.14% of Shares. The Major Shareholder has indicated to Oldfields' that it intends to take-up its full entitlement under the Offer. The Major Shareholder has indicated that it does not intend to subscribe for any shares under the Shortfall Offer. Mr Lewis Timms is also a director of Oldfields.

The possible outcomes of the Major Shareholder's and other substantial shareholder's holdings in Oldfields at the conclusion of the Offer are as detailed in the following table (assuming the other substantial shareholders also take up their full entitlement):

	Current shareholding	Shareholding if Major Shareholder and other substantial shareholders take up 100%, but other eligible shareholders entitlement take up is (and no shortfall shares are taken up):				
		100%	75%	50%	25%	0%
<b>Major Shareholder</b>	35.14%	35.14%	37.28%	39.71%	42.47%	45.65%
<b>Mr John Westwood</b> (shares held through UFBA Pty Ltd)	10.24%	10.24%	10.87%	11.57%	12.38%	13.31%
<b>Mr Christopher Hext</b> (shares held through his personal shareholding, Lymgrange Pty Ltd, Hext Family Investments Pty Ltd and Nepean Car & Truck Repairs Pty Ltd)	8.57%	8.57%	9.09%	9.68%	10.36%	11.13%

Oldfields considers that any such increase in the voting power of the Major Shareholder in Oldfields may have a material effect on the control of Oldfields as the Major Shareholder would, in these circumstances, be likely to have a greater degree of influence when voting on resolutions to be considered at shareholder meetings. Notwithstanding this, the Board considers that such an effect is acceptable in the circumstances, as all Eligible Shareholders have an equitable opportunity to participate in the Offer, and to take up Shortfall Shares which will minimum increase in the Major Shareholders' voting power.

## 11. Directors interest and participation

Each member of the Board's relevant interest (direct or indirect) in the Shares at the date of this Offer Booklet and the number of New Shares they are entitled to subscribe for under the Offer is set out in the table below:

Director	Existing Shares	Entitlement
Ms Julie Garland McLellan	0	0
Mr Christopher Giles	700,000	700,000
Mr Lewis Timms	19,692,264	19,692,264

Christopher Giles and Lewis Timms intend to take up at least part of their entitlement to subscribe for New Shares under the Offer.

## 12. Not participating in the Offer

If you choose not to participate in the Offer, you do not have to take any action. However, your shareholding in Oldfields will most likely be diluted.

## 13. Withdrawal of Offer

The Board reserves its rights to withdraw all or part of the Offer in the event of the

Offer closes without at least the Minimum Raise being raised. In the event the Board decides to withdraw the Offer, Oldfields will refund (without interest) application moneys received from Eligible Shareholder for the New Shares.

#### **14. No rights trading**

The Offer is made on a non-renounceable basis, and accordingly, Eligible Shareholders may not sell, trade or transfer all or part of their right under the Offer.

#### **15. No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

#### **16. Dividends**

Oldfields has not paid dividends since 2009. The Board and management have changed in the past two years and have refocused Oldfields on its core businesses. The funds raised under the Offer and Shortfall Offer will recapitalise the businesses and the Board and management expect Oldfields to trade profitably after the rights issue has been completed and the interest payments are reduced to a manageable amount. The Board expects that when Oldfields is trading profitably, Oldfields may pay a dividend. There is no guarantee that Oldfields will make a dividend payment, however, returning Oldfields to profitability such that it is able to pay a dividend is one of the Board's priorities.