

6 April 2017

Companies Announcements Office
ASX Limited
Level 40, Central Park
152 St Georges Terrace
Perth WA 6000

Dear Sir or Madam

Notice under Section 708AA of the Corporations Act 2001 (Cth)

Pioneer Credit Limited (**Company**) has today announced a non-renounceable rights issue to shareholders whose registered addresses are in Australia and New Zealand and who are registered on the record date of 7.00pm (EST) on Tuesday, 11 April 2017 (**Eligible Shareholders**), on the basis of 1 fully paid ordinary share (**New Share**) for every 20 fully paid ordinary shares held (an **Entitlement**), at an issue price of \$2.00 per share to raise a total of approximately \$5 million (before costs) (**Rights Issue**).

In accordance with section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**), the Company gives notice that:

1. The Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
2. The Company is giving this notice under section 708AA(2)(f) of the Corporations Act.
3. 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.
4. As at the date of this notice, there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (b) that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares.
5. The issue of the New Shares may affect the control of the Company. The potential effect the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor

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demand. However, given the structure of the Rights Issue as a pro rata issue and the absence of any existing holders with voting power of close to or greater than 20%, the Rights Issue is not expected to have any material effect or consequences on the control of the Company.

The potential effect of the Rights Issue on the control of the Company is as follows:

- a) If all Eligible Shareholders take up their Entitlements under the Rights Issue, then the Rights Issue will have no significant effect on the control of the Company.
- b) If some Eligible Shareholders do not take up all of their Entitlements under the Rights Issue, then the interests of those Eligible Shareholders will be diluted.
- c) The proportional interests of Ineligible Foreign Shareholders (being those shareholders whose registered addresses are not in Australia and New Zealand) will be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the Rights Issue.
- d) Shareholders that apply for additional shares (under which any shortfall between Applications received and the number of New Shares proposed to be issued under the Rights Issue may be applied for by those who have accepted their Entitlements in full) may increase their interests beyond their Entitlement. This could result in the dilution of holdings of those who did not accept their Entitlements in full and those who did not apply for additional shares.
- e) The Rights Issue is fully underwritten by Bell Potter Securities Limited (**Underwriter**). If no Eligible Shareholder takes up their Entitlement under the Rights Issue then the Underwriter would be required to take up its full commitment under the terms of the Underwriting Agreement between the Underwriter and the Company which would result in the Underwriter, subject to any sub-underwriting arrangements it has entered into, acquiring a maximum of 2,486,219 New Shares under the Offer resulting in a maximum voting power in the Company of 4.2% (following the Placement).

The Company has also today announced a placement of 7,458,658 new fully paid ordinary shares to sophisticated and professional investors who are not related parties of the Company at \$2.00 per share to raise approximately \$15 million (**Placement**). Settlement of the Placement is expected to occur on 12 April 2017, after the Record Date for the Rights Issue. So, participants in the Placement will not be entitled to participate in the Rights Issue. A Shareholder's interest in the Company will be diluted by approximately 13% by the Placement.

The table below sets out the impact of the Rights Issue (as well as the Placement) on the capital structure of the Company:

Shares	Number
Existing Shares as at 6 April 2017	49,724,388
Maximum number of New Shares issued pursuant to the Rights Issue (assuming no options exercised prior to the Record Date)	2,486,219
Total issued Shares following completion of the Rights Issue	52,210,607
Shares to be issued under the Placement	7,458,658
Total issued Shares following completion of the Rights Issue and the Placement	59,669,265

Yours faithfully



Sue Symmons
Company Secretary