



23 August 2017

The Manager
Market Announcements Office
ASX Limited
Level 4, Rialto North Tower
525 Collins Street
Melbourne VIC 3000

Dear Sir/Madam

FUNTASTIC LIMITED - NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 (CTH) AS MODIFIED BY ASIC CORPORATIONS (NON-TRADITIONAL RIGHTS ISSUES) INSTRUMENT 2016/84

This notice is given by Funtastic Limited (ACN 063 886 199) (**Funtastic**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (the **Act**) as notionally modified by Australian Securities and Investment Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Instrument**).

Funtastic has announced a pro rata renounceable entitlement offer (**Entitlement Offer**). Under the Entitlement Offer, eligible shareholders with a registered address in Australia and New Zealand are invited to subscribe for 11 ordinary shares (**New Shares**) for every 5 existing ordinary shares held as at the record date (**Entitlement**), being 7.00pm Tuesday, 29 August 2017 (Melbourne time).

An offer booklet will be dispatched to eligible shareholders on Friday, 1 September 2017.

Funtastic advises that:

- 1 The New Shares will be offered without disclosure to investors under Part 6D.2 of the Act and without a prospectus for the New Shares being prepared.
- 2 This notice is being given under section 708AA(2)(f) of the Act as notionally modified by the Instrument.
- 3 As at the date of this notice, Funtastic has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to Funtastic; and
 - (b) section 674 of the 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 Act which is required to be disclosed under section 708AA(7)(d) of the Act.
- 5 The potential effect that the issue of the New Shares will have on the control of Funtastic, and the consequences of that effect, will depend on a number of factors, including investor demand. There are various possible scenarios in relation to the Entitlement Offer that may



arise each with varying impacts on the control of Funtastic. However, given the structure of the Entitlement Offer as a pro rata issue, and subject to paragraph 6 below, the Entitlement Offer is not expected to have any material effect or consequence on the control of Funtastic.

- 6 The Entitlement Offer is being underwritten by the parties listed in the table at Schedule 1 to this announcement (**Underwriters**). Each Underwriter has committed to underwrite their respective proportion of the total \$8,000,000 being underwritten pursuant to an underwriting agreement (**Respective Proportion**). The Underwriters that are also Shareholders have also provided an irrevocable commitment to participate in their pro rata share of the Entitlement Offer. The table in the Schedule illustrates the effect of the Entitlement Offer on the control of Funtastic in two scenarios, being that:

- (a) all eligible shareholders take up their Entitlements; and
- (b) only the Underwriters that are also shareholders take up their Entitlements.

Yours sincerely

Grant Mackenzie
Company Secretary
Funtastic Limited

Important Information

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States, or in any other jurisdiction in which such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit an offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered, sold or resold to, persons in the United States or to persons who are acting for the account or benefit of a person in the United States, unless such Entitlements or New Shares have been registered under the Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, lawyer, tax adviser, stockbroker, financial adviser or other professional advisor.



SCHEDULE - TABLE OF UNDERWRITERS

Underwriter	Respective Proportion of underwritten amount	Percentage of Funtastic shareholding of each Underwriter if:	
		all current shareholders exercise their Entitlements	only Underwriters that are shareholders exercise their Entitlements
Regal Funds Management Pty Ltd as trustee for the Regal Emerging Companies Fund ABN 30 107 576 821	25.00%	0.00%	15.11%
Wilson Asset Management (International) Pty Ltd ACN 081 047 118	18.75%	0.00%	11.33%
Arrow Financial Group Pty Ltd ACN 138 545 696	9.38%	0.00%	5.67%
G Harvey Nominees Pty Ltd as trustee for the Harvey 1995 Discretionary Trust ACN 001 021 236	12.50%	5.30%	12.86%
Shane Tanner and Lisa Wheeler as trustees for Tanner Superannuation Fund	5.00%	0.13%	3.15%
Heath Nominees (Aust) Pty Ltd ACN 083 018 491	2.50%	0.62%	2.13%
Northern Star Nominees Pty Ltd ACN 086 208 951	2.50%	0.00%	1.51%
Ashaw Pty Ltd as trustee for the Whitehead Superfund ABN 59 797 806 048	3.13%	0.00%	1.89%
James Newell Gordon as trustee for the JSG Nominees Family Trust ABN 56 343 835 907	2.50%	0.00%	1.51%
Jason Sourasis	6.25%	3.99%	7.77%
Liverpool Holdings Pty Ltd as trustee for the Lim Family Trust ACN 161 421 923	1.88%	0.00%	1.13%
Professional & Sophisticated Investors Pty Ltd ACN 138 753 947	2.50%	0.00%	1.51%
Bodie Investments Pty Ltd ACN 007 264 477	1.88%	0.00%	1.13%
Grant Mackenzie	6.25%	2.04%	5.82%
TOTAL	100.00%	12.08%	72.52%