mdsFinancial GROUP LIMITED

11 Jul 2014

ASX Announcement & Media Release

MDS Financial Group Limited
ACN 091 744 884

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ASX Code: MWS

Directors

Peter Stirling
Chairman and Non-Executive Director
Richard Symon
Executive Director
Jamie Khoo
Independent Non-Executive Director

Secretariat

Andrew Phillips
Company Secretary

515.1 million listed shares

Notification of Under-subscriptions for the Non-Renounceable Rights Issue

MDS Financial Group Ltd (the “Company” or “Group”) advises that its 1 for 1 Rights Issue at $0.002 per new fully paid ordinary share (“Rights Issue”) closed at 5pm (AEST) on Friday 4 July 2014.

The Company notes the following in relation to the Rights Issue:

1. The offer comprised a 1 for 1 non-renounceable Rights Issue.
2. The Rights Issue was available only to Australian and New Zealand shareholders. These shareholders are deemed to be “Eligible”.
3. Any shareholders outside these countries are deemed to be “Ineligible” to participate in this Rights Issue (“Foreign Holders”).
4. An additional offer was made available, under which Eligible Shareholders could apply for additional shares.
5. A shortfall issue, under which any new shares not subscribed for under the Rights Issue or the additional issue, may be placed at the discretion of the Company, including the Foreign Holders within three months of the Rights Issue closing date.

The following table sets out the number of new shares subscribed for by Eligible Shareholders under both the Rights Issue and the additional issue, and the offer shortfall or number of under-subscriptions to the Right Issue.

Offer Details	No. of New Shares	Gross Proceeds ($)	Percentage of Maximum Offered (%)
Maximum number of new shares that could have been issued under the Rights Issue as per the Offer Document	515,083,001	1,030,166	100.0%
Less: “Ineligible” Foreign Holders	53,893,047	$107,786	10.5%
Total new shares available to be issued under the Rights Issue to “Eligible” Holders	461,189,954	$922,380	89.5%
Less: Rights Issue Acceptances	214,991,732	$429,983	41.7%
Less: Additional Rights Issue subscriptions	162,695,603	$325,391	31.6%
Total new shares issued under the Rights Issue	377,687,335	$755,375	73.3%
Total Shortfall on maximum number of new shares able to be issued	137,395,666	$274,791	26.7%

The above figures assume none of the subscription proceeds received by cheque are dishonoured between the time of this announcement and the allotment and issue of the New Shares.

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The Issue Shortfall amount stated above (137,395,666) represents the maximum number of New Shares which the Company can now issue under the shortfall issue at its discretion within three month of the Rights Issue closing date.

Expressions of interest from a number of foreign based "ineligible" shareholders and Australian-based parties have been made to the Company, providing the Company with confidence in its ability to reach the full allotment of shares within the three-month shortfall period.

The Company also has its placement capacity under ASX Listing Rule 7.1 & 7.1A available should there be overwhelming interest in the placement of shares. Any issue of shares under 7.1 & 7.1A may not be at the same prices as the Rights Issue and is available at the discretion of the Board.

The allotment and issue of the New Shares noted above under the Rights Issue is likely to occur on Friday 11 July 2014 Entry of the New Shares into the shareholder holdings and despatch of holding statements will also occur on this date.

It is anticipated that normal trading of the New Shares will commence on 14 July 2014.

Peter Stirling
Chairman and Non-Executive Director

END

ABOUT MDS FINANCIAL GROUP

MDS Financial Group is a full-service corporate advisory and capital markets specialist with clients in Australia and the Asia-Pacific region. The Company is listed on the Australian Securities Exchange Ltd (ASX), and has three licensed subsidiaries. One of its licensed subsidiaries is an ASX market participant, with institutional and third-party wholesale brokerage facilities underpinned by substantial retail online trading and market data services.

For more information please contact:

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