

ASX Announcement

17 June 2019

Sandon completes acquisition of stake in Mercantile Sets exchange ratio for proposed takeover offer for Mercantile

The independent non-executive directors of Sandon Capital Investments Limited (ASX:SNC) (**Sandon**), Peter Velez and Melinda Snowden, provide the following update in relation to the acquisition of shares in Mercantile Investment Company Limited (ASX: MVT) (**Mercantile**).

Acquisition of Siblow shares in Mercantile

On Friday 14 June 2019, Sandon completed the acquisition of 52,980,782 fully paid ordinary shares in Mercantile (**Mercantile Shares**) (representing 18.8% of the issued share capital of Mercantile) from Siblow Pty Limited (**Siblow**) announced on 3 June 2019 and issued to Siblow 10,823,974 fully paid ordinary shares in Sandon (**Sandon Shares**).

An Appendix 3B, notice under section 708A(5)(e) of the Corporations Act and Listing Rule 7.1A information relating to the issue of these Sandon Shares will be released today.

Exchange ratio set

The pre-tax NTAs of each of Sandon and Mercantile as at 31 May 2019 have now been released on ASX. The exchange ratio for Sandon's acquisition of the stake in Mercantile (as discussed above) and proposed takeover offer to acquire all of the shares in Mercantile that it does not own (on the terms set out in its announcement of 3 June 2019) (**Offer**) has been calculated to be 0.2043 Sandon Shares for every Mercantile Share, as set out below.

	Sandon	Mercantile
Announced pre-tax NTA as at 31 May 2019	\$0.9507	\$0.1942
Exchange ratio (per Mercantile Share)	0.2043 shares	1 share
Exchange ratio (per Sandon Share)	1 share	4.8948 shares

If Sandon completes the acquisition of all of the Mercantile Shares under the Offer, it will issue approximately 46,523,036 Sandon Shares (subject to rounding) which, when combined with the 10,823,974 Sandon Shares issued to Siblow, will represent approximately 54% of the expanded capital of Sandon.

Takeover update

Sandon is continuing to prepare the bidder's statement for the Offer and expects to serve it on Mercantile and release it to the market by the end of this month. Sandon is also continuing to prepare a notice of meeting to its shareholders to seek the required approvals for the Offer to proceed and expects to finalise this shortly.

Contact

Enquiries regarding the Offer should be directed to Peter Velez, independent non-executive director who can be reached at 02 8014 1188.

If you have any questions regarding the Company or its investments, please call Gabriel Radzynski on 02 8014 1188.

If you have questions regarding your shareholding, please contact Link, whose details appear below.

Further information:

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