



# Armidale Investment CORPORATION

## ASX Company Announcements

23 March 2015

The Manager  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

### DUE DILIGENCE TO COMMENT ON POTENTIAL PARTIAL ACQUISITION

Armidale Investment Corporation Limited ("AIK") has been in confidential discussions with a potential vendor ("Potential Vendor") which may lead to a partial acquisition of an asset finance business.

A non binding Expression of Interest ("EOI") has today been agreed with the Potential Vendor. AIK has an opportunity, on an exclusive basis for 6 weeks, to conduct appropriate due diligence ("DD") on the target business. With consent of the potential vendor the DD can be extended on an exclusive basis for a further 6 weeks.

AIK is announcing the execution of the EOI to satisfy the requirements of Section 708AA of the Corporations Act 2001 (Cth) (for the upcoming Offer Document relating to the rights issue announced on 16 March 2015). At this time there is no guarantee that the proposed transaction will proceed.

The following information is provided with respect to the proposed transaction:

- The Potential Vendor is an asset finance broker/aggregator providing motor vehicle and equipment finance to consumer and commercial markets;
- Total loans written exceed \$600 million per annum;
- AIK would take a 60% equity stake on certain components of the target business for \$18.46 million;
- The purchase consideration would be a combination of cash and in AIK scrip in a 70:30 ratio;
- \$10.17 million of the cash component would be payable at time of settlement with the balance, being \$2.75 million, payable after 12 months subject to satisfaction of warranties;
- In relation to the AIK scrip which would be issued to the vendor at settlement, 50% will be held in voluntary escrow for one year;
- The pricing of the AIK scrip would be calculated as the mid point between its most recent Net Tangible Asset value, which is February 2015 and an average share price for the three months prior to the signing of the EOI; and
- The current principals and key staff will be engaged by AIK from settlement on new employment contracts.

The current intention is that part of the proceeds from the proposed Rights Issue (and any follow on placement) will be used to finance the proposed transaction. The balance of any necessary funding would be sourced from re-finance of the Hal Data Services lease book and borrowings.

AIK notes that it may not enter into binding transaction documentation with respect to the potential transaction for a number of reasons (including as a result of its DD inquiries).



# **Armida Investment**

C O R P O R A T I O N

Further information relating to the progress of this potential acquisition will be released to the ASX as it comes to hand.

For further information please contact:

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