



Armidale Investment
CORPORATION

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Armidale Investment Corporation Limited

ACN 100 854 788

Rights Issue Offer Document

Pursuant to *S708AA(2) Corporations Act 2001*

(Cth)

A non-renounceable rights issue to existing Shareholders of Armidale Investment Corporation Limited of 1 New Share at an issue price of \$0.09 each for every 2 Shares held to raise up to approximately \$11,698,000 before costs of the Offer.

Important notice

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

The Offer is not underwritten.

Important Information

It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance.

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the Definitions and Glossary in section 7.

Money as expressed in this Offer Document is in Australian dollars or else as indicated.

Key dates for investors

Record Date for determining entitlements under the Offer:	20 March 2015
Offer Opens:	26 March 2015
Offer Expected to Close:	7 April 2015
Expected Date for Despatch of New Shareholding statements:	14 April 2015
Commencement of trading of New Shares on ASX:	15 April 2015

Further details regarding the timetable for the Offer are set out in section 1.7. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible.

Offer statistics

Number of New Shares to be issued:	up to 129,986,069
Issue Price:	\$0.09

Important notice

The Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (***Corporations Act***)) of the Company. This rights issue Offer Document is not a disclosure document for the purposes of Chapter 6D of the *Corporations Act*. The Company is offering the securities under this Offer Document without disclosure to investors under Chapter 6D of the *Corporations Act* pursuant to section 708AA of the *Corporations Act*. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 25 March 2015 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set forth in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of Chapter 2M of the *Corporations Act*, as they apply to the Company; and
- section 674 of the *Corporations Act*.

No excluded information

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 708AA (8) and (9) of the *Corporations Act*.

Foreign Shareholders

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, in which the Company's Shareholders may reside. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The Company has decided that it is unreasonable to make offers under the Offer to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand.

New Zealand

In making this offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act (Overseas Companies) Exemption Notice 2013* by virtue of which this Offer Document is not required to be registered in New Zealand.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Deciding to Accept the Offer

No person named in this Offer Document, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 5. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's and ASX's websites:

<http://armidaleinvestmentco.com.au/index.html>

<http://www.asx.com.au/asx/statistics/announcements.do>

Chairman's letter

25 March 2015

Dear Shareholder,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Armidale Investment Corporation Limited (**the Offer**).

The Company is making a non-renounceable rights issue of 1 New Share at \$0.09 per New Share for every 2 ordinary shares held in Armidale Investment Corporation Limited on the Record Date, to raise up to approximately \$11,698,000 before the costs of this Offer.

It is proposed that the funds raised from the Offer will be applied for the purposes of funding of leases under Hal Data Services Pty Ltd (Hal), development of further funding avenues (including its costs of establishment) and other investment acquisition opportunities. Funds raised will also be used to cover the costs of the Issue and to provide working capital. If acquisitions do not occur in a timely manner, proceeds from the offer can be used to increase the quantum of leases funded by Hal. These additional leases can then be "on sold" to other funders should cash need to be realised for a subsequent acquisition.

In relation to investment acquisition opportunities, the company announced on 23 March 2015 a potential acquisition in order to comply the Section 708AA of the Corporations Act 2001.

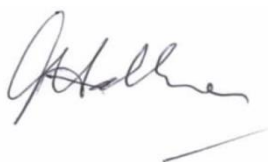
The Offer is not underwritten.

The Offer provides Eligible Shareholders with the opportunity to increase their investment in Armidale Investment Corporation Limited. Of the three Directors who are Eligible Shareholders, Mr Grant and Mr White (or their director related entities) intend to take up all or some of their Entitlement to New Shares.

Pursuant to the Corporations Act, Armidale Investment Corporation Limited is not required to prepare a prospectus for the Issue. A summary of the key information with respect to the Offer is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is also attached to this Offer Document. If you are an Eligible Shareholder and you wish to accept your Entitlement pursuant to the Offer, you will need to complete the Entitlement and Acceptance Form and return it together with the appropriate application money to the Company's Share Registry before the closing date of 7 April 2015.

Yours sincerely,



Bruce Hatchman

Chairman

1. Offer details

1.1 The Offer

This Offer Document is for the non-renounceable rights issue of approximately 129,986,069 New Shares at an issue price of \$0.09 per New Share, on the basis of 1 New Share for every 2 Shares held by Eligible Shareholders as at the Record Date.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 14 April 2015.

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all application monies (without interest) within 28 days of giving notice of such withdrawal.

The Offer is not underwritten.

1.2 Eligibility of Shareholders

The Entitlement Offer is being offered to all Eligible Shareholders only.

Eligible Shareholders are Shareholders on the Record Date who have a registered address in Australia and New Zealand or who are Shareholders that the Company has otherwise determined are eligible to participate.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

In particular this Entitlement Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

1.3 Minimum subscription

There is no minimum subscription to the Offer.

1.4 New Share terms

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.5 Acceptance of Entitlement to New Shares

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted by Eligible Shareholders in full or in part or in excess of their Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

1.6 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer for the funding of leases under Hal Data Services Pty Ltd (Hal), development of further funding avenues (including its costs of establishment) and other investment acquisition opportunities. Funds raised will also be used to cover the costs of the Issue and to provide working capital. If acquisitions do not occur in a timely manner, proceeds from the offer can be used to increase the quantum of leases funded by Hal. These additional leases can then be “on sold” to other funders should cash need to be realised for a subsequent acquisition.

The proceeds from the Offer (assuming it is fully subscribed) is proposed to be allocated in the following manner:

Proposed use of funds	
Costs of Issue*	\$65,000
Corporate Advisory fee payable to Avenue Consulting Pty Ltd *	\$116,987
Funding leases	\$3,000,000
Funding structuring and establishment costs of new lease finance facilities	\$1,000,000
Working capital, including Company overheads	\$500,000
Available balance for potential acquisition **	\$7,016,759
Total (Maximum raising)	\$11,698,746

* Assumes that the Offer is fully subscribed, and does not take account of Corporate Advisory fee for the placement of any Shortfall (if any) discussed at section 6.3

** Refer to ASX release dated 23 March 2015 for potential acquisition and section 3

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

1.7 Important dates

Announcement and application for official quotation of New Shares	16 March 2015
Section 708AA notice given to ASX	16 March 2015
Notice provided to Shareholders	17 March 2015
Ex-Date	18 March 2015
Record Date for the Offer	20 March 2015 7.00 pm (Sydney time)
Lodge Offer Document with ASX	25 March 2015
Dispatch of Offer Document and Acceptance Form	25 March 2015
Opening Date of Offer	26 March 2015 at 9:00am (Sydney time)
Closing Date of Offer	7 April 2015 at 5:00pm (Sydney time)
Securities quoted on deferred settlement basis	8 April 2015
ASX notified of under subscriptions	10 April 2015
Allotment of New Shares	14 April 2015
Lodgement of section 708A Notice	14 April 2015
Despatch of New Shares holding statements	14 April 2015
Commencement of trading of New Shares on ASX	15 April 2015

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the *Corporations Act* and the Listing Rules, without notice. The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- withdraw the Offer without prior notice; or
- vary any of the important dates set out in this Offer, including extending the Offer.

1.8 Directors' intentions in respect of Entitlements

As at the date of this Offer Document, some of the Directors have either a direct or indirect interest in Shares. Of the three Directors who are Eligible Shareholders, Mr Grant and Mr White (or their director related entities) intend to take up all or some of their Entitlement to New Shares.

1.9 Underwriting

The Offer is not underwritten.

1.10 Fees and commissions of the Rights Issue

The Company's corporate adviser, Avenue Consulting Pty Ltd, will be paid a corporate advisory fee by the Company of 1% (plus GST) of funds raised from New Shares issued from the rights issue and Shortfall. Payment of such fee is subject to agreement with the Company and subject to the receipt of a valid tax invoice by the Company from the capital adviser.

1.11 Additional shares

There is no entitlement or facility where Eligible Shareholders may, in addition to their Entitlements, apply for New Shares over and above their Entitlement at the Issue Price (**Additional Shares**).

1.12 Placement of Shortfall

In the event that there is a Shortfall in subscriptions under the Issue, the Directors reserve the right to issue the Shortfall at their discretion so as to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will as a consequence of taking up their Entitlement and being issued any Shortfall be in breach of Chapter 6 of the Corporations Act.

Any Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Issue Price.

Any Shortfall will be issued without a disclosure document in accordance with an exemption contained in Chapter 6D of the Corporations Act.

1.13 How to accept your Entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part.

The number of New Shares to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Shareholders take no action in respect of their Entitlement they will have no right to subscribe for the New Shares pursuant to this Offer. If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Offer may be placed by the Directors to third parties.

(a) Payment by cheque or bank draft

Entitlements to New Shares can be accepted in full or in part of the Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Share Registry by no later than 5.00pm (Sydney time) on the

Closing Date. Payment may be made by cheque or bank draft. The Issue Price of \$0.09 per New Share is payable in full on acceptance of part or all of your Entitlement.

Cheques should be in Australian currency and made payable to "Armidale Investment Corporation Ltd - Rights Issue Acc" and crossed "not negotiable".

Completed Forms and accompanying cheques should be lodged at or forwarded to the following address:

Mailing Address	Hand Delivery
Armidale Investment Corporation Limited Offer c/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001	Armidale Investment Corporation Limited Offer c/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2038 [Please do not use this address for mailing purposes]

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

(b) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form, which includes the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form, but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Acceptance Money.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

(c) Administration of applications for New Shares

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on Acceptance

will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any Acceptance Money received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded as soon as practicable following the Closing Date. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

1.14 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

1.15 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, the Directors reserve the right to issue any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

1.16 ASX listing

The Company applied for the listing and quotation of the New Shares on the ASX on 16 March 2015. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

1.17 Investment risks

Investors should carefully read the section on Risk Factors outlined in section 5. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

1.18 CHESS

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

1.19 No rights trading

Entitlements to New Shares pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

1.20 Option Holders

There are no Options on issue as at the date of this Offer Document.

1.21 Overseas shareholders

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside Australia or New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form. The distribution of this Offer Document and the accompanying form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe those

restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand.

In particular the Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

Notice to nominees and custodians

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

2. The Company and its operations

2.1 Operations

The principal activities of the Company are:

- Investment in fixed interest securities; and
- Debt and equity investment activities.

The key investment of the Company is as follows:

Hal Data Services Pty Ltd (Hal)

The Company invests in debt and equity in Hal. Hal continues to increase its origination of leases written in the half year ended 31 December 2014. Funding of these leases is through:

- Drawdowns on loan funds from the Company; or
- Principal and agency agreements of which at present, there are three external parties with which Hal has these agreements in place; or
- Sale of receivables agreements of which, at present, there is one external party with which Hal has such an agreement in place; or
- Raising of debt funding via the issue of debentures by a special purpose vehicle within the Hal Group; or
- Using working capital of Hal.

Riverwise Pty Ltd (Riverwise)

The Company holds equity in Riverwise. Riverwise is the sole shareholder of Leading Edge Group Limited (LEG). LEG operates as a telecommunication distribution services and also operates buying groups. LEG:

- Owns two Telstra Business Centres, one in Victoria and one in New South Wales,
- Operates retail and business to business distribution for Spark New Zealand, formerly Telecom New Zealand; and
- Is a significant British Telecom distributor in the United Kingdom.

LEG's buying group members have over 950 retail shop-fronts throughout Australia.

2.2 **Board**

The Board of the Company is currently comprised of:

- (a) Bruce Hatchman, Chairman;
- (b) Andrew Grant, Executive Director;
- (c) Mark Smith, Non-executive Director; and
- (d) Stephen White, Non-executive Director.

3. **Use of Funds**

The capital raised will be used for the purpose of funding of leases under Hal Data Services Pty Ltd (Hal), development of further funding avenues (including its costs of establishment) and other investment acquisition opportunities. Funds raised will also be used to cover the costs of the Issue and to provide working capital. If acquisitions do not occur in a timely manner, proceeds from the offer can be used to increase the quantum of leases funded by Hal. These additional leases can then be "on sold" to other funders should cash need to be realised for a subsequent acquisition.

The proceeds from the Offer (assuming it is fully subscribed) is proposed to be allocated in the following manner:

Proposed use of funds	
Costs of Issue*	\$65,000
Corporate Advisory fee payable to Avenue Consulting Pty Ltd *	\$116,987
Funding leases	\$3,000,000
Funding structuring and establishment costs of new lease finance facilities	\$1,000,000

Proposed use of funds	
Working capital, including Company overheads	\$500,000
Available balance for potential acquisition **	\$7,016,759
Total (Maximum raising)	\$11,698,746

* Assumes that the Offer is fully subscribed, and does not take account of Corporate Advisory fee for the placement of any Shortfall (if any) discussed at section 6.3

** Refer to ASX release dated 23 March 2015 for potential acquisition

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

In relation to the potential acquisition announced on 23 March 2015, the Company 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 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 announced the execution of the EOI to satisfy the requirements of Section 708AA of the Corporations Act 2001 (Cth) (for this Offer Document relating to the rights issue). 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 midpoint 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).

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

4. Control issues arising from the offer on the Company

4.1 Present position

At the date of this Offer Document the Company is of the view that there is no one entity who controls the Company.

The top 20 shareholders of the Company as at 19 March 2015 are as follows:

Name	Shares	%
GEGM INVESTMENTS PTY LTD	85,525,085	32.88%
CITICORP NOMINEES PTY LIMITED	46,305,197	17.80%
ONE MANAGED INVESTMENT FUNDS LIMITED ACF SANDON CAPITAL	17,799,652	6.84%
MR ANDREW JOHN GRANT	9,330,000	3.59%
NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	8,300,000	3.19%
MR GEORGE JAMES MATIS	7,853,949	3.02%
NATIONAL NOMINEES LIMITED	7,255,909	2.79%
PRESMORE PTY LTD <SMITH MILLER FAMILY A/C>	6,137,905	2.36%
PRESMORE PTY LIMITED <SMITH MILLER FAMILY A/C>	5,170,629	1.99%
SCOTTOW PTY LTD <SCOTTOW SUPER FUND A/C>	4,500,000	1.73%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,597,620	1.38%
PRESMORE PTY LTD <SERENDIPITY TRUST A/C>	3,569,929	1.37%
LEZAK NOMINEES PTY LTD <LEZAK NOMINEES P/L S/F A/C>	2,857,143	1.10%
MR SIMON ROBERT EVANS + MRS KATHRYN MARGARET EVANS	2,627,066	1.01%

Name	Shares	%
INVIA CUSTODIAN PTY LIMITED <G & S DE GRAAFF FAMILY A/C>	2,487,438	0.96%
SIDNEY HO& ASSOCIATES PTY LTD <SIDNEY HO & ASS P/L S/F A/C>	2,486,218	0.96%
AUSTRALIAN EXECUTOR TRUSTEES LIMITED	2,444,759	0.94%
PALICAVE PTY LIMITED <RANOGAJEL FAMILY A/C>	2,175,000	0.84%
MALROD INVESTMENTS PTY LTD	1,771,600	0.68%
WATATO PTY LIMITED <HUMPHRYS FAMILY A/C>	1,655,920	0.64%
Total:	223,851,019	86.06%

4.2 Capital structure

Assuming full subscription under the Offer, the share capital structure of the Company immediately following the Issue will be as follows:

	Shares
Shares on issue at the date of the Offer Document	260,125,470
Maximum number of New Shares under the Offer Document	129,986,069
Total:	390,111,539

The above share capital structure is prior to the issue of any shares from the potential transaction as announced to the ASX on 23 March 2015 and outlined in section 3.

As at the date of this Offer Document, the Company does not have any Options on issue.

4.3 Potential effect of the Offer

The Offer is a pro-rata offer; if all Eligible Shareholders take up their Entitlements, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, the proportional shareholdings of Shareholders who are not resident in Australia or New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer. Additionally, if an Eligible Shareholder does not take up their entitlement in full, there is likely to be a dilutionary effect on that Shareholder's proportional shareholdings (which may occur as a result of the placement of the Shortfall by the Directors).

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

5. Risk factors

5.1 Introduction

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks, however, some are outside its control. The principal risk factors are described below.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Offer Document before you decide whether to accept New Shares.

5.2 Nature of investment

Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. An Applicant may not be able to recoup his or her initial investment. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment

5.3 Stock market

The New Shares may trade on the ASX at higher or lower prices than the Issue Price following listing. Investors who decide to sell their New Shares after listing may not receive the entire amount of their original investment.

The Shares are currently listed on the ASX. However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the New Shares will increase.

The price at which the New Shares trade on the ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

5.4 Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates,

access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

5.5 **Management actions**

The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

5.6 **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

5.7 **Additional capital requirements**

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

5.8 **Regulatory risk, Government policy**

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

5.9 **Risks related to the leasing, telecoms and buying group industry**

Hal Group Leasing industry

- (a) Access to Funding: The Leasing business is highly dependent on third party funding to operate its business. If the leasing business was unable to maintain its existing funding lines or secure new lines, it may limit the ability to remain competitive. If existing funders did terminate their agreements it does not affect any existing leases;
- (b) Credit Risk: The Leasing business is exposed to its customers' paying their obligations during the contract term. Any rises in the level at which the business model is set may have an adverse impact on financial performance;
- (c) Changes in borrowing costs: Changes in interest rates can affect the volume of new customers wanting to enter into new lease commitments. The Leasing business borrows primarily on a fixed rate basis and as such margins on lease contracts already on foot are not impacted. However, to the extent that interest rate rises on

future transactions can not be passed on may lead to a detrimental outcome in performance;

- (d) Dependence on Key Personnel: The Leasing business future success does rely on retaining and attracting new staff. Performance is reliant on the talents and motivation of key managers. The loss of key staff could cause material disruption to the business model; and
- (e) Competition: The industry segment is competitive. Actions by new or existing competitors could result in a reduction in business volume.

Leading Edge Group : telecoms and buying group industry

- (a) Dependence of the telecoms group on material parties in Australia, New Zealand and UK: Leading Edge Group (LEG) acts as sales agent for three large telecommunication partners. If any partner were to terminate the contracts, this may cause a material adverse impact on financial performance;
- (b) Impact of reduced retail activity: The buying groups operate within 6 major retail industry groups. Reduced consumer spending or increases in internet purchasing may have a material adverse impact on financial performance;
- (c) Credit Losses: The buying group operation acts as the purchaser for the 950 buying group members. The business model assumes a certain level of defaults. However, if the level of defaults increased it could have an adverse impact on financial performance;
- (d) Dependence on Key Personnel: LEG's success does rely on retaining and attracting new staff. Performance is reliant on the talents and motivation of key managers. The loss of key staff could cause material disruption to the business model; and
- (e) Competition: The industry segment is competitive. Actions by new or existing competitors could result in a reduction in business volume.

5.10 Insurance arrangements

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

5.11 Operational risks and costs

The Company will be exposed to operational risks and costs present in the current business. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position as well as reputation. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however, certain residual risk will remain with the Company

5.12 Currency fluctuations

Currency fluctuations may affect the Company's capital costs and the costs that the Company incurs in its operations.

5.13 Operating hazards

The Company holds investments in New Zealand and the United Kingdom and is exposed to the laws governing businesses in those countries. The government in New Zealand and the United Kingdom is currently supportive of the business community but changes in government regulations including taxation, the repatriation of profits, restrictions on production, export controls, environmental compliance, expropriation of property, shifts in the political stability of the country and labour unrest could adversely affect the Company and its business initiatives in New Zealand and the United Kingdom.

5.14 Business risks

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.

5.15 Contractual risk

The Company's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts have, in some circumstances, been entered into by the Company and its subsidiaries in this regard. As in any contractual relationship the ability for the Company to ultimately receive benefits from these contracts are dependent upon the relevant third party complying with its contractual obligations. To the extent that such third party defaults in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

5.16 Other risks

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the New Shares.

6. Additional information

6.1 Section 708AA Corporations Act

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to Section 708AA of the *Corporations Act*. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters a notice under Section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA (8) and (9); and
- (b) state:
 - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
 - (2) the consequences of that effect.

A notice under Section 708AA(2)(f) was lodged with the ASX on 16 March 2015.

6.2 Rights and liabilities attaching to New Shares

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

6.3 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$65,000.

The Company's corporate adviser, Avenue Consulting Pty Ltd, will be paid a corporate advisory fee by the Company of 1% (plus GST) of funds raised from New Shares issued from the rights issue and Shortfall. Payment of such fee is subject to agreement with the Company and subject to the receipt of a valid tax invoice by the Company from the corporate adviser.

In addition, Avenue Consulting Pty Ltd will be paid a corporate advisory fee by the Company of 5% (plus GST) of funds raised from New Shares issued from the Shortfall. If the total raising from the offer achieves the maximum amount of \$11,698,000, a further corporate advisory fee of 1% (plus GST) of the \$11,698,000 will be paid.

Payment of such fee is subject to agreement with the Company and subject to the receipt of a valid tax invoice by the Company from the corporate adviser.

6.4 Consents and disclaimers

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

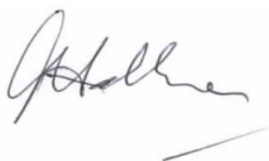
Link Market Services Limited has given and has not withdrawn its consent to be named in this Offer Document as the share registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as share registrar to the Company. It takes no responsibility for any part of the Offer Document other than the references to its name.

Watson Mangioni Lawyers Pty Ltd has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

6.5 **Directors' statement**

This Offer Document is issued by Armidale Investment Corporation Limited. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Armidale Investment Corporation Limited by:

A handwritten signature in dark ink, appearing to read 'B. Hatchman', with a horizontal line drawn underneath it.

Bruce Hatchman
Chairman
Armidale Investment Corporation Limited

7. Definitions and glossary

Terms and abbreviations used in this Offer Document have the following meaning:

Acceptance	An acceptance of Entitlements.
Acceptance Money	The Issue Price multiplied by the number of New Shares accepted for.
Additional Shares	Has the meaning given in section 1.11.
Applicant	A person who submits an Entitlement and Acceptance Form.
ASX	ASX Limited ACN 008 624 691.
Board	The board of directors of the Company.
Chess	Means the clearing house electronic sub register system, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
Closing Date	The date by which valid Acceptances must be received by the Share Registrar being 5.00pm (Sydney Time) 7 April 2015 or such other date determined by the Board.
Company or Armidale Investment Corporation Limited	Armidale Investment Corporation Limited ACN 100 854 788.
Constitution	The Constitution of the Company.
Corporations Act	Corporations Act 2001 (Cth).
Directors	The directors of the Company.
Eligible Shareholder	A Shareholder of the Company that holds Shares in the Company on the Record Date whose registered address is in Australia or New Zealand.
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form attached to this Offer Document.
Entitlements	The entitlement to accept New Shares under this Offer Document.
Issue or Offer	The offer and issue of New Shares in accordance with this Offer Document.
Issue Price	\$0.09 for each New Share.
Listing Rules	The official listing rules of the ASX.
New Shares	Shares proposed to be issued under the Offer.
Opening Date	The date of commencement of the Offer, expected to be 26 March 2015.

Options	Options on issue in the Company from time to time.
Offer Document	This Offer Document dated 25 March 2015 as modified or varied by the Company .
Record Date	20 March 2015.
Register	The company register of the Company.
Relevant Interest	Has the meaning given to that term in the Corporations Act.
securities	Has the same meaning as in Section 92 of the Corporations Act.
Share Registry	Link Market Services Limited ACN 083 214 537.
Shares	The ordinary shares on issue in the Company from time to time.
Shareholders	The holders of Shares from time to time.
Shortfall	Those New Shares which are not subject to valid Application.
US Securities Act	The US Securities Act of 1933, as amended.

Corporate directory

Directors	Solicitors to the Offer
Bruce Hatchman Andrew Grant Mark Smith Stephen White	Watson Mangioni Lawyers Pty Ltd Level 13 50 Carrington Street Sydney NSW 2000
Administration and Registered Office	Share Registry
c/- Franks & Associates Pty Limited Suite 4, Level 9 341 George Street Sydney NSW 2000	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000