



Armidale Investment CORPORATION

ASX Company Announcements

1 April 2016

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

HAL GROUP PTY LIMITED SETTLES DEBT ARRANGEMENTS WITH SOLAR FUND SOLAR FUND SUBSCRIBES FOR 5,888,000 SHARES IN AIK AT 12.5 CENTS PER SHARE ARMIDALE INVESTMENT CORPORATION REDUCES THE COST OF INTER COMPANY LOANS TO HAL GROUP PTY LIMITED

Hal Group Pty Limited (Hal) is 98% owned by Armidale Investment Corporation Limited (AIK). Hal, established in 1993 provides equipment finance to commercial clients. Between 2005 and 2009 Solar Fund, an entity incorporated in the Cayman Islands, advanced unsecured loans to Hal for the purpose of developing Hal's equipment finance business, TL rentals. The total loans advanced were \$1,880,300.

Solar Fund yesterday accepted payment from Hal of \$736,000 in full and final satisfaction of the total loans advanced of \$1,880,300.

Solar Fund entered into an unsecured creditor's deed with Hal and AIK in 2010 which provided Solar Fund rights under a 'Loan Note' to approximately 5% of the free cash flows of Hal. AIK directly holds another approximately 80% of the rights to the Loan Note. Solar Fund also agreed yesterday to waive their rights under the Loan Note. This means that AIK has direct rights to 85% of the free cash flows from Hal under the Loan Note.

Additionally, Solar Fund have subscribed for 5,888,000 shares in AIK which were allotted on 31 March 2016 after close of trading at an issue price of 12.5 cents per share.

Increase in NTA of AIK

The increase in AIK's rights under the Loan Note has increased the valuation of AIK's interest in the Hal Loan Note from the previous value of \$26,480,504 by \$1,714,948 to \$29,195,451, effective 31 March 2016, thus increasing the NTA of AIK by the same amount.

After taking into account the issue of 5,888,000 shares to Solar Fund, the net increase in NTA from these transactions will be 0.31 cents. The NTA released as at 29 February 2016 was 13.22 cents.

This increase and any other general operating outcomes in the ordinary course of business will be taken up in the March NTA due for release by 14 April 2016.

For further information please contact:

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