

General Capital Limited (GEN:NZ) announces proposed capital raising

General Capital Limited (General Capital) today announced that it intends to raise new capital in three phases.

The funds raised from the capital raisings will be applied to fund growth. The placements that form part of the capital raising were foreshadowed in the prospective financial statements that General Capital filed with NZX in July this year as part of its backdoor listing that was approved by the shareholders on 31 July 2018.

Placements

Under the first phase of the capital raising General Capital expects to make equity placements of up to \$1.75 million of new shares to existing and new investors. This is expected to involve just under 26.0 million new shares being issued at 6.75 cents per share.

General Capital expects to make the placements on or prior to 15 November 2018.

Share Purchase Plan

Upon NZX approving an Offer Document for a Share Purchase Plan (SPP), General Capital intends to implement a SPP which would enable each eligible General Capital shareholder to subscribe for up to \$15,000 of shares at a price of 6.75 cents per share.

General Capital expects to make the allotments of shares under the SPP in early December 2018.

Warrant Issues

Upon completion of the placements and the SPP, and subject to obtaining shareholder approval for them, General Capital intends to make the following warrant issues:

1. A 1:1 pro rata renounceable issue to existing shareholders of warrants and an offer of the new shares to be issued upon exercise of those warrants. Each warrant would be issued free of charge and entitle the holder to subscribe for cash for one ordinary share in General Capital at an exercise price of 7.75 cents per ordinary share at any time on or prior to 5pm on 31 March 2020 (GENWA Warrants).
2. A 2:1 pro rata renounceable issue to existing shareholders of warrants and an offer of the new shares to be issued upon exercise of those warrants. Each warrant would entitle the holder to subscribe for cash for one ordinary share in General Capital at an exercise price of 9.00 cents per ordinary share at any time on or prior to 5pm on 30 November 2021 (GENWB Warrants).
3. An issue to directors and senior managers of General Capital or any of its subsidiaries, selected by the Board of General Capital in its absolute discretion, of up to 20 million GENWA Warrants.

4. An issue to directors and senior managers of General Capital or any of its subsidiaries, selected by the Board of General Capital in its absolute discretion, of up to 20 million GENWB Warrants.

General Capital intends to quote the warrants on NZAX, but neither the warrants nor the shares to issue on exercise of the warrants have been accepted for quotation at this stage.

General Capital expects to make the warrant issues during December 2018.

Other Information

The dates outlined above are indicative only and are subject to change.

The record dates for the SPP and warrant issues will in each case be set and notified through NZX together with other relevant documentation as soon as General Capital is in a position to proceed with the relevant transaction.

Further details relating to the SPP and the warrant issues will be provided in Offer Documents that will be sent to shareholders prior to the opening dates for these transactions.

The SPP and the warrant issues to shareholders will only be made to “Eligible Shareholders”, being persons who have registered addresses in New Zealand on the record date and persons who do not have registered addresses in New Zealand on the record date but who General Capital is satisfied can participate in these warrant issues in compliance with all applicable laws.

As the maximum amount of capital sought to be raised under the warrant issues is more than 50% of General Capital’s average market capitalisation, shareholder approval must be obtained before the warrant issues can proceed. Shareholder approval is also required for the issue of warrants to directors and other senior managers of General Capital and its subsidiaries.

General Capital expects to send a notice of meeting to shareholders seeking approval so that the warrant issues can be made as soon as practically possible after the placements and the SPP have been completed.

No money is currently being sought.

Shares cannot currently be applied for under the intended placements or the SPP and the intended warrant issues would be made free of charge, i.e. they cannot be applied for.

If the SPP and the warrant issues to shareholders are made, they would be made in reliance upon the exclusion (from the requirement for a Product Disclosure Statement) in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013.

If the placements and warrant issues to directors and senior managers are made, they would be made to wholesale investors or persons who are permitted to receive offers of financial products because they fall within clauses 3 to 5 of Schedule 1 of the Financial Markets Conduct Act 2013.

Mr. Brent King, a Director of General Capital said, “The SPP and the pro rata issue of warrants to eligible shareholders will provide existing shareholders with an opportunity to make a further investment into General Capital. The directors have responded to shareholders requests to offer existing shareholders the opportunity to top up their shareholdings. General Capital has continued to make progress since its acquisition of General Finance Limited and Investment Research Group Limited in August this year. Funds from the capital raising will assist General Capital to continue to grow.”

NZX is not responsible for any statement in this announcement.

NZAX is a financial product market operated by NZX, a licensed market operator, under the Financial Markets Conduct Act 2013.

On behalf of the Board of Directors

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