

Via ASX Online

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ASX Market Announcements Office
ASX Limited

On-Going Business Simplification – Sale of Interest in AAM Advisory

The directors of Easton Investments Limited (**Easton** or **the Company**) advise that Easton Wealth Asia Pty Limited (**EWA**), a wholly owned subsidiary of Easton, has entered into a conditional agreement to sell its 19.9% interest in AAM Advisory Pte Ltd (**AAMA**).

AAMA is a financial planning business based in Singapore and the proposed sale of the Company's investment in AAMA is part of Easton's on-going program to simplify and reorganize its businesses and operations in order to focus on core businesses that are consistent with the Company's strategic direction and intent.

EWA's interest in AAMA is to be acquired by Adcock Private Equity Pty Ltd, a company associated with Mr Campbell McComb, who was formerly the managing director of Easton and a director of EWA.

The sale price of this investment of \$1.15 million, which is payable in full in cash at completion, compares with its book carrying value of \$1.065 million and represents a profit on sale of \$85,000.

Easton's investment in AAMA was acquired earlier this year for a consideration of \$1.167 million involving the payment of cash and the issue of Easton shares.

The intention is to apply the sale proceeds to the proposed purchase of the Hayes Knight NSW businesses which was announced to the ASX on 28 November 2013. This will reduce the level of bank borrowings that might otherwise be used to complete the Hayes Knight NSW transaction.

Conditional Sale and Shareholder Approval

The proposed sale of EWA's investment in AAMA is subject to a number of conditions precedent, including regulatory approvals in Singapore, the approval of the other shareholders in AAMA and the approval of Easton shareholders, which is required as the proposed sale is deemed to be a related party transaction due to Mr McComb's involvement with the purchaser.

In terms of seeking shareholder approval, the Directors propose to convene an extraordinary general meeting (**EGM**) of Easton shareholders in late January or early February 2014.



A formal Notice of EGM and an accompanying Explanatory Memorandum will be forwarded to shareholders in advance of that meeting, encompassing the report of an Independent Expert on the assessed fairness and reasonableness of the proposed sale.

Update on the Hayes Knight NSW Transaction

As foreshadowed in the ASX announcement of 28 November 2013, legal documentation in relation to the purchase of the Hayes Knight NSW businesses has now been executed by the parties respectively.

Since the announcement of 28 November 2013, some relatively minor changes to the form of the consideration have been agreed. The total consideration remains unchanged, but the up-front consideration of \$10.86 million will be satisfied by cash of \$3.385 million and Easton shares of \$7.475 million, compared with the previous structure of \$3.11 million in cash and \$7.75 million in Easton shares.

The intention at the forthcoming EGM is to consider both the proposed acquisition of the Hayes Knight NSW businesses and the proposed sale of Easton's investment in AAMA.

Subject to the various approvals being given, the proposed transactions are expected to take effect from or around 1 February 2014.

For further information, please contact –

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