

ASX Announcement

27 August 2019

Mercantile Investment Company Takeover Offer Now Unconditional

Sandon Capital Investments Limited (ASX:SNC) (**Sandon**) is pleased to announce that, as a result of acceptances under its takeover offer for all of the ordinary shares in Mercantile Investment Company Limited (ASX:MVT) (**Mercantile**), it now has voting power of 84.27% of Mercantile and accordingly the offer is free from the defeating condition in section 13.8(a)(ii) (minimum acceptance condition) of the Bidder's Statement. Attached to this announcement is a Notice of Fulfillment of Defeating Condition pursuant to section 630(4) and section 630(5)(b) of the *Corporations Act 2001* (Cth).

Further, Sandon has today declared its offer free from all the remaining conditions set out in section 13.8 of its Bidder's Statement. Accordingly, the Mercantile offer is now unconditional. A formal notice declaring the offer unconditional, required by section 650F of the *Corporations Act 2001* (Cth), was given to Mercantile today and is attached to this announcement.

Mercantile shareholders who have already accepted the offer will be issued the offer consideration of 0.2043 Sandon shares per Mercantile share on 13 September 2019.

Mercantile shareholders who have not yet accepted and do so before 9 September 2019 will also be issued the offer consideration on 13 September 2019. New shareholding statements will be despatched on the same date.

Mercantile shareholders who do not accept by 9 September 2019 risk missing out on any dividends Sandon directors may declare in the near future.

The independent directors of Sandon encourage all Mercantile shareholders to accept the offer now.

All of Mercantile's directors have accepted the Offer in respect of shares they and their associates hold.

The offer is scheduled to close at **7:00pm (Sydney time) on 9 September 2019**.

Further details of the offer are contained in Sandon's Bidder's Statement dated 18 July 2019.

Further information:

Sandon Capital Investments Limited

Tel: 02 8014 1188

Fax: 02 8084 9918

Website: www.sandoncapital.com.au

Share registry:

Link Market Services

Tel: 1300 554 474 (toll free within Australia)

Email: registrars@linkmarketservices.com.au

Fax: +61 2 9287 0303

Postal Locked Bag A14, Sydney

Address: South NSW 1235

Section 630(4), Corporations Act 2001

Notice of Fulfilment of Defeating Condition

Sandon Capital Investments Limited (**Sandon**) refers to its offer dated 1 August 2019 under its takeover bid for the ordinary shares in Mercantile Investment Company Limited (**Mercantile**) which is contained in the bidder's statement dated 18 July 2019 (**Bidder's Statement**). Terms defined in the Bidder's Statement have the same meaning when used in this notice unless the context requires otherwise.

Sandon gives notice in accordance with section 630(4) of the *Corporations Act 2001* (Cth) that the defeating condition in section 13.8(a)(ii) (minimum acceptance condition) of the Bidder's Statement was fulfilled on 26 August 2019.

Dated 27 August 2019



Peter Velez

Independent Director

For and on behalf of Sandon Capital Investments Limited

Section 650F Corporations Act 2001

Notice of freeing off market bid from defeating conditions

To: Mercantile Investment Company Limited
ASX Limited

Sandon Capital Investments Limited ACN 107 772 467 (**Sandon**) has made offers under an off-market takeover bid for all the ordinary shares in Mercantile Investment Company Limited ACN 121 415 576 (**Mercantile**) that it does not already own (**Offers**). The Offers are contained in a bidder's statement dated 18 July 2019 (**Bidder's Statement**).

Sandon gives notice under section 650F of the *Corporations Act 2001*(Cth) that:

1. the Offers are free from the remaining defeating conditions in the following sections of the Bidder's Statement:
 - section 13.8(a)(iv) no early redemption of Mercantile Notes;
 - section 13.8(a)(v) no change in management arrangements;
 - section 13.8(a)(vi) no fall in Announced NTA;
 - section 13.8(a)(vii) no change in NTA calculation methodology;
 - section 13.8(a)(viii) no regulatory intervention; and
 - section 13.8(a)(ix) no prescribed occurrences;
2. accordingly, the Offers are now unconditional; and
3. its voting power in Mercantile is 84.27%.

Dated 27 August 2019



Peter Velez
Independent Director
For and on behalf of Sandon Capital Investments Limited