

NZX Market Announcement

Mykco Limited signs conditional agreement to acquire Corporate Holdings Limited

Further to the announcement Mykco Limited (*Mykco*) made to the market on 26 March 2018, Mykco advises that it has signed a conditional agreement (*Agreement*) to acquire all the shares in Corporate Holdings Limited (*CHL*) except for those which it already owns under what would be a backdoor listing transaction.

The Agreement supersedes the potential transaction announced to the market on 31 March 2017 (with an update on 20 December 2017).

CHL owns:

1. General Finance Limited, a non-bank deposit taker, which operates as a finance company; and
2. Investment Research Group Limited, a corporate advisory and financial research company, which is an NZX Sponsor and NXT Adviser and the publisher of the Investment Yearbook.

Under the Agreement, Mykco has agreed, subject to satisfaction of the conditions described below, to purchase the shares in CHL it does not already own (Mykco currently owns 100,000 shares in CHL) for a purchase price of \$6,132,436.80 to be satisfied by an issue of 104,323,240 fully paid ordinary shares in Mykco.

Each vendor would receive 16.27 Mykco shares for each of its shares in CHL.

The multiplier of 16.27 represents:

1. 95.64 cents, being the net assets per share of CHL derived from management accounts of CHL prepared as at 31 January 2018; divided by
2. 5.88 cents, being the net assets per share of Mykco as at 30 September 2017 based on unaudited interim accounts of Mykco as at that date.

The transaction, being a backdoor listing, would result in the vendors of the shares in CHL becoming the holders of in excess of 85% of the ordinary shares in Mykco.

Upon completion of the transaction the largest shareholders of Mykco and their percentage shareholdings of the enlarged capital will be:

- (a) Borneo Capital Limited: 26.25%
- (b) Brent Douglas King: 16.90%
- (c) CFS NBDT Interest Limited as General Partner of the CFS Interest Limited Partnership: 13.13%

The transaction is conditional upon:

1. *Consent of Supervisor:* CHL and Mykco obtaining the written consent of Covenant Trustee Services Limited (*Supervisor*) as supervisor of General Finance Limited under a Trust Deed dated 2 November 2004 (as amended), to the transaction and to continue in their role as supervisor of General Finance Limited after completion on terms that are acceptable to CHL and Mykco (acting reasonably).
2. *Reserve Bank Consent:* CHL and Mykco obtaining the written consent of the Reserve Bank under section 43 of the Non-Bank Deposit Takers Act 2013 to the transaction on terms that are acceptable to CHL and Mykco (acting reasonably).
3. *Approvals:* Mykco obtaining all shareholder and other approvals required to implement the transaction and the transactions to be entered into pursuant to the transaction or contemplated by the transaction in compliance with the Companies Act 1993, NZAX Listing Rules, the Takeovers Code and any other applicable laws and any contracts binding on Mykco on a basis that is acceptable to CHL and Mykco (acting reasonably).

Approvals have been obtained from the Supervisor and the Reserve Bank.

The date for satisfaction of the other condition (obtaining shareholder approval) is 10 June 2018 or such later date as may be agreed between the parties.

Completion of the transaction is to take place no later than 3 business days after satisfaction of the above conditions. Completion is conditional upon:

1. Mykco remaining listed on the NZAX on completion;
2. General Finance Limited's Non-bank Deposit Taker licence remaining in full force and effect on completion;
3. General Finance Limited continuing to offer term deposits up to completion under a Product Disclosure Statement that complies with all applicable laws.

For further information please contact:

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