

24 August 2020

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Emeco Holdings Limited (ASX Code: EHL)
Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Emeco Holdings Limited ACN 112 188 815 (**Emeco**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**ASIC Instrument 2016/84**).

Where applicable, references in this notice to the Corporations Act are to those sections as modified by ASIC Instrument 2016/84.

Emeco has announced today a proposed capital raising of \$149 million by way of an accelerated non-renounceable pro-rata entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares in Emeco (**New Shares**) at an offer price of \$0.85 per New Share.

Under the Entitlement Offer eligible shareholders with registered addresses in Australia and New Zealand and certain other jurisdictions in which Emeco has decided to extend the Entitlement Offer will be invited to subscribe for 1 New Share for every 2.1 existing fully paid ordinary shares in Emeco held as at the Record Date, being 7:00pm (Sydney time) on Wednesday, 26 August 2020.

Emeco advises that:

1. the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
2. this notice is being given under section 708AA(2)(f) of the Corporations Act;
3. as at the date of this notice, Emeco has complied with:
 - a. the provisions of Chapter 2M of the Corporations Act as they apply to Emeco; and
 - b. section 674 of the Corporations Act;
4. as at the date of this notice, there is no information that is 'excluded information' within the meaning of sections 708AA(8) or 708AA(9) of the Corporations Act which is required to be set out in this notice under section 708AA(7) of the Corporations Act; and
5. the potential effect of the issue of New Shares pursuant to the Entitlement Offer on the control of Emeco and the consequences of that effect depend on a number of factors, including the extent to which eligible shareholders participate in the Entitlement Offer. However, given the structure of the Entitlement Offer as an underwritten pro rata issue, the Entitlement Offer is not expected to

have any material effect or consequence on the control of Emeco. The potential effect on control and/or dilution is summarised below:

- a. if all eligible shareholders take up their entitlements under the Entitlement Offer, then the entitlement offer will have no significant effect on the control of Emeco;
- b. if some eligible shareholders do not take up all of their entitlements under the Entitlement Offer, then the interests of those eligible shareholders in Emeco will be diluted;
- c. the proportional interests of shareholders of Emeco who are not eligible shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer; and
- d. Emeco's largest shareholder, Black Diamond Capital Management LLC (**Black Diamond**), has committed to taking up all of its entitlements under the Entitlements Offer. In addition, it has agreed to sub-underwrite the Entitlement Offer. In order to take up additional shares in Emeco in excess of its pro-rata entitlement pursuant to its sub-underwriting commitments, Black Diamond requires Foreign Investment Review Board approval ("**FIRB Condition**"). For further details on the FIRB Condition and the consequences if it is not satisfied, please refer to the Investor Presentation lodged with ASX on 24 August 2020, specifically the section titled "Appendix B. Further information on Black Diamond's sub-underwriting arrangement". If the FIRB Condition is satisfied and Black Diamond may proceed with sub-underwriting the Entitlement Offer, Black Diamond's sub-underwriting commitment is capped so that any increase in its voting power in Emeco's shares as a result of taking up its entitlements and sub-underwriting the Entitlement Offer will not exceed 3% (as permitted under the exemption contained in section 611 item 9 of the Corporations Act). While the total number of Emeco shares that Black Diamond may ultimately acquire under its sub-underwriting commitment will depend on the extent to which eligible shareholders take up their entitlements under the Entitlement Offer, the maximum potential increase in Black Diamond's shareholding and voting power in Emeco is 3%, being an increase from its current 23.43% to 26.43%.

Yours sincerely



Penny Young
Company Secretary
EMECO HOLDINGS LIMITED

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