



**28 May 2015**

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By Electronic Lodgement

**EXECUTION OF BINDING HEADS OF AGREEMENT BETWEEN AUSTRALIAN PREMIER  
FINANCE HOLDINGS LIMITED, CUNNINGTON & CO HOLDINGS PTY LTD AND SME  
CASH LIMITED**

**Highlights**

- Binding Heads of Agreement signed for Australian Premier Finance Holdings Limited (**AHP**) to acquire 100% of the issued capital of SME Cash Limited (**SME**) from the SME shareholders in consideration for the issue by AHP of AHP Convertible Notes to Cunnington & Co Holdings Pty Ltd (**C&C**), Donald Cunnington and Jennet Cunnington, as well as the satisfaction and discharge by AHP of the Promissory Notes (**Promissory Notes**) issued by SME to Donald Cunnington and Jennet Cunnington (the **Consideration**).
- Prior to the acquisition of the 100% shareholding of SME by AHP, C&C will provide an interest bearing, fully secured loan in the principal amount of \$ 200,000 (**Loan**) to AHP;
- Pursuant to the Loan, AHP will grant a first ranking, all assets security over its entire business, property and undertaking to C&C to secure repayment of the Loan (**Security**).

(collectively, the **Transaction**)

- SME are long term business financiers with financing products specifically aimed at businesses.
- AHP is a listed shell company.

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**Sydney, Australia** – Australian Premier Finance Holdings Limited (NSX:AHP) (**AHP** or the **Company**), is pleased to announce it has entered into a binding Heads of Agreements to acquire 100% of the shares in SME Cash Limited (**SME**). The Transaction is still subject to various conditions precedent including satisfactory due diligence, regulatory and shareholder approvals.

**ABOUT AHP**

AHP completed a management buy-out in November 2014, resulting in the disposal of all of its assets. It continues to be a listed shell company. The directors have undertaken a search for other business opportunities and the conclusion is the subject arrangements.



## **ABOUT SME**

SME is a business financier with over 20 years' experience providing loans to businesses. They have a variety of financing services with a history of lending to businesses to assist them to acquire business, equipment, plant, mechanical and software products. They also offer financing for asset rental and secured loans.

## **EXECUTIVE AND BOARD APPOINTMENTS**

Upon entry by the parties into a binding agreement which will be conditional upon AHP obtaining shareholder consent for the transactions contemplated by the agreement (**Acquisition Agreement**), all existing Directors of AHP (with the exception of Wayne Adsett) will resign and 3 nominees of Cunningham & Co Holdings Pty Ltd (**C&C**) (which shall, unless otherwise notified by C&C to AHP, be Donald Cunningham, Jennet Cunningham and Marica Cindric) will be appointed as Directors, with immediate effect. Wayne Adsett will resign as a Director with effect on completion.

## **RATIONALE FOR THE ACQUISITION**

SME has been looking for and continues to want a public listing and AHP has accommodated this.

## **TRANSACTION TERMS**

Key details contained in the Heads of Agreements for the Transactions are as follows:

- Conditions precedent to completion of the Transactions include the following:
  - Completion of satisfactory legal, accounting, operation and tax due diligence.
  - AHP obtaining all necessary approvals and waivers to give effect to the Transaction, including all shareholder approvals or waivers under the National Stock Exchange of Australia (**NSXA**) Listing Rules and the Corporations Act:
    - to allow AHP to receive the Loan and grant the Security;
    - to convert the Loan into AHP shares;
    - to issue AHP Convertible Notes to C&C, Donald Cunningham and Jennet Cunningham in consideration for its acquisition of SME shares and its satisfaction and discharge of the Promissory Notes;
    - to convert the AHP Convertible notes into AHP Shares; and
    - to change the company name and type as contemplated by the Heads of Agreement.



- C&C and SME obtaining all necessary approvals to give effect to the Transaction including shareholder approvals under the Corporations Act to permit the contemplated transaction.
  - All parties obtaining third party consents or waivers and other regulatory or government approvals under the laws of Australia required to give effect to the Transaction.
  - If re-compliance with the NSXA Listing Rules is required, the conditional approval by NSXA to reinstate the securities of AHP to trading on terms reasonably acceptable to AHP, C&C and SME.
- Subject to the satisfaction of the conditions precedent, the transfer of 100% of the shares in SME to AHP is intended to occur as follows:
1. C&C will provide the Loan of \$ 200,000 to AHP and AHP will grant the Security to C&C as security for the Loan. The parties will procure that the Loan may be converted (in whole or in part) by C&C into AHP Shares, at C&C's sole election. Such a conversion will (in whole), unless otherwise agreed by C&C, be converted into 174,768,621 ordinary shares in AHP.
  2. Following the provision of the Loan and the grant of the Security, AHP will purchase all of the shares in SME and will satisfy and discharge all the Promissory Notes on behalf of SME in exchange for and in consideration of the issue by AHP to C&C, Donald Cunningham and Jennet Cunningham of the following AHP Convertible Notes to the total aggregate value of \$ 8,786,059.24. This is allocated as follows:

Convertible Note issued bearing interest at the rate of 14%	\$ 7,361,963.91	C&C
Convertible Note issued bearing interest at the rate of 14%	\$712,047.67	Donald Cunningham
Convertible Note issued bearing at the rate of 14%	\$712,047.66	Jennet Cunningham
	<b>\$8,786,059.24</b>	

3. Following completion of the acquisition of the shares in SME, if required by NSXA or to comply with the NSXA Listing Rules, namely NSXA listing rule 3.9, AHP will conduct a small offering of its shares as required to ensure the 25% open market rule in respect of its shares under the NSXA Listing Rules is satisfied.



## TRANSACTION APPROVALS AND NSX RE-COMPLIANCE

The Transactions are subject to AHP shareholder approval and a number of other matters (as outlined in Transaction Terms above) including re-compliance with the NSXA Listing Rules and approval of the Company's securities to re-quotation on NSX.

A Notice of Meeting will be sent to all AHP shareholders in due course advising the date and location of the Meeting where they will be able to vote on the Transaction. The Notice of Meeting will include an Independent Expert's Report to assist shareholders in understanding and voting on the proposed Transaction.

The Board of Directors is unanimous in its support of the Transaction, and as shareholders in AHP each Director intends to vote in favour of the resolutions necessary to approve the Transactions.

Subject to shareholder approval it is anticipated that the Transaction will be completed in October 2015. Further information on the Transaction will be set out in the Notice of Meeting.

## CAPITAL STRUCTURE

The capital structure of the Company immediately post completion of the Transactions is as follows:

Share Issues	Number	Post Consolidation*	Percentage of Shareholding
Current AHP Shareholding	58,256,207	18,750	25.0%
C&Co Share Issue	174,768,621	56250	75.0%
<b>TOTAL</b>	<b>233,024,828</b>	<b>75000</b>	<b>100%</b>

\*Consolidation to occur on a basis of 3107 for 1 share.

## INDICATIVE TIMETABLE

An indicative timetable for re-compliance with the admission requirements is set out in the table below:

Action	Date
Notice of Meeting and Independent Expert Report despatched to AHP shareholders	July 2015
Extraordinary General Meeting of shareholders held to approve Proposed Transactions	August 2015
Company suspended	August 2015
Consolidation of capital commences	September 2015
Prospectus lodged with ASIC /NSXA	September 2015
Prospectus closed (pending ASIC/NSXA review)	October 2015



Note: the above dates are indicative only and may be subject to change at any time.

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*Disclaimer*

*The announcement may contain certain forward-looking statements. Words 'anticipate', 'believe', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of AHP, its officers, employees, agents and associates, which may cause actual results to differ materially from those expressed or implied in such forward-looking statements. Actual results, performance or outcomes may differ materially from any projections or forward-looking statements or the assumptions on which those statements are based, which include changes in market conditions, demand for AHP's product and services, future exchange rate fluctuations, technology advances and capital requirements. You should not place any undue reliance on forward-looking statements and neither AHP nor its directors, officers, employees, servants or agents assume any responsibility to update such information.*