



## **Sale of AG Capital Markets Pty Ltd and Capital Raising by AG Financial Ltd**

### **AG Capital Sale**

Further to the announcement dated 23 December 2015, AG Financial Limited (ASX:AHA) (**AG Financial or the Company**) is pleased to announce that it has entered into a Share Sale Deed to sell all of its shares in its wholly-owned subsidiary company AG Capital Markets Pty Ltd (**AG Capital**) to Longhou Investment Group Pty Ltd (**Longhou**) for a total cash consideration of \$1.0 million (**AG Capital Sale**). AG Financial has also entered into an Escrow Deed with Longhou and HWL Ebsworth Lawyers with respect to the \$1.0 million held in escrow by HWL Ebsworth Lawyers for the AG Capital Sale.

As part of the Share Sale Deed, a wholly-owned subsidiary company of AG Financial, Ennox Capital Pty Ltd, will enter into an authorised representative agreement with AG Capital to enable Ennox Capital Pty Ltd to undertake corporate finance activities such as advising on Initial Public Offerings, Mergers & Acquisitions, Capital Raising (Debt/Equity/Hybrid), restructuring, property investments, etc.

Further details of the AG Capital Sale will be set out in the notice of meeting to be despatched to the shareholders of AG Financial in due course.

### **Capital Raising**

In addition, AG Financial proposes to undertake a share placement of 101 million new ordinary shares to sophisticated investors at \$0.003 per share to raise \$303,000 (before costs) to be used for working capital. The share placement will be completed in 2 tranches:-

#### ***Tranche 1***

Comprising 43,000,000 new ordinary shares at \$0.003 to raise \$129,000 under the Company's 15% new issue capacity available under the ASX Listing Rule 7.1. The placement will be undertaken during February 2016.

**Tranche 2**

Comprising 58,000,000 new ordinary shares at \$0.003 to raise \$174,000. The issue of shares in Tranche 2 will be subject to shareholder approval at a general meeting. Further details of the Tranche 2 share issue will be set out in the notice of meeting to be despatched to the shareholders of AG Financial in due course.

The new ordinary shares to be issued will carry standard rights applicable to quoted ordinary shares in the Company and will, from the date of issue, rank equally with the fully paid quoted ordinary shares currently on issue. The issue price of \$0.003 per share represents a discount of \$0.0014 from the past 3 months volume weighted average market price of the Company's shares of \$0.0044 per share.

This announcement is intended to lift the trading halt the Company requested on 9 February 2016. The Company is not aware of any reason why the ASX would not allow trading in the Company's shares to recommence immediately.

For more information contact:

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**Release Date: 9 February 2016**

**Embargo: None**