

6 June 2019

Company Announcements
ASX Limited
Level 6, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

8EC TRIGGERS DEFEATING CONDITION ON ADIT BID

Aurora Funds Management Limited (**Aurora**), as responsible entity of the Aurora Dividend Income Trust (ARSN 151 947 732) (**ADIT or Fund**), refers to:

- the proposal contained in the ASX announcement made by 8IP Emerging Companies Limited (**8EC or Company**) on 16 May 2019, titled 'Sale and Distribution of Company's Assets' (**8EC Proposal**);
- ADIT's scrip takeover bid for shares in 8EC (**ADIT Bid**) in respect of which its Bidder's Statement was issued on 17 May 2019;
- Aurora's ASX Announcement on 20 May 2019 titled '8EC Takeover Bid Update', whereby Aurora stated it was conditionally prepared to increase its scrip Bid consideration to \$0.82 on the basis that 8EC paid a special dividend of \$0.20; and
- 8EC's ASX announcement on 24 May 2019, titled "8EC's response to Bidder's Statement and Revised Takeover Proposal from Aurora".

On 16 May 2019, 8EC announced that 8EC shareholders should expect to receive approximately \$0.90 per share¹, from the realisation and return of 8EC's cash and cash equivalents, ASX listed securities and unlisted securities. 8EC stated that the amount received by shareholders is dependent upon the expected selling and transaction costs of \$250,000², wind-up costs³ and the selling prices achieved for its residual investments. 8EC noted that the 8EC Proposal may trigger a defeating condition enabling Aurora to no longer proceed with its bid and invited Aurora to make a statement to the market. In its 24 May 2019 ASX Announcement, 8EC compared the benefits of the ADIT Bid with those of the 8EC Proposal and recommended that 8EC shareholders should not accept the ADIT Bid.

To consider the effect of the 8EC Proposal on the ADIT Bid, Aurora sought additional information from 8EC. 8EC responded, refusing to provide that information to Aurora and all other 8EC shareholders. Accordingly, Aurora has relied upon the ASX statements made by 8EC and its compliance with its continuous disclosure obligations. Aurora therefore expects the amount received by 8EC Shareholders under the 8EC Proposal will not be materially different to that foreshadowed in the Company's 6 May 2019 announcement. If the Company is, or becomes aware of, any important information that may change its opinion on the timing and quantum to be received by 8EC shareholders, Aurora expects the Company will promptly notify 8EC shareholders. This includes any changes that are likely to have a material impact on 8EC's expected realisation value, including wind-up costs, the likelihood of any tax deferred benefits being realised and the ultimate realisation price of its investments.

¹ <https://www.asx.com.au/asxpdf/20190516/pdf/4454jrjf6p7d7v.pdf>

² <https://www.asx.com.au/asxpdf/20190516/pdf/4454jrjf6p7d7v.pdf>

³ Expected wind-up costs have not been disclosed to the ASX, therefore, Aurora has inferred these costs are immaterial.

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After assessing all available information in relation to the 8EC Proposal, and comparing it to the ADIT Bid, Aurora has determined that:

- the 8EC Proposal represents a superior proposal to the ADIT Bid; and
- the 8EC Proposal has triggered at least one of the defeating conditions of the ADIT Bid.

The only conditions on the implementation of the 8EC Proposal, as set out in 8EC's announcements to date, are:

- the absence of a superior proposal; and
- the passing of the relevant shareholder resolutions approving the 8EC Proposal.

Since it appears that the ADIT Bid is the only proposal competing with the 8EC Proposal, there appears to be no impediment to 8EC providing its shareholders with the meeting materials and holding the relevant shareholder meeting promptly.

In reaching its decision, Aurora considered whether or not to waive the triggered defeating conditions. On balance, Aurora considers it may be contrary to both ADIT unitholders and 8EC shareholders interests by keeping the ADIT Bid on foot as it is likely to reduce the value to them of the 8EC Proposal. Accordingly, Aurora has decided not to waive the triggered defeating conditions and as such will not proceed with the ADIT Bid.

Aurora considers that, in light of this announcement, 8EC should now proceed to call and hold the meeting of 8EC shareholders to consider the 8EC Proposal. If that were not to occur, especially where 8EC has relied on the 8EC Proposal as a reason that shareholders should not accept the ADIT Bid, it would be contrary to the 'truth in takeovers' policy of ASIC, which the Takeovers Panel has consistently upheld. Clearly, both Aurora and the market generally would have been profoundly misled and deceived if 8EC were not to proceed with expedition to obtain shareholder approval for, and if approved, implement, the 8EC Proposal.

Further information

If you have any queries in relation to the ADIT Bid, please contact Aurora on 1300 553 431.

Yours faithfully



John Patton
Company Secretary | Aurora Funds Management Limited

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