

ASX ANNOUNCEMENT

30 August 2019

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

8IP EMERGING COMPANIES LIMITED (ASX: 8EC) UPDATE ON SALE AND DISTRIBUTION OF ASSETS

Shareholders approved the proposal regarding the sale and distribution of the Company's assets at a meeting held on 1 August 2019 and received the initial component of the capital return, of \$0.52 per share, on 21 August 2019.

In the relevant Notice of General Meeting issued on 27 June (Section 3(b)) shareholders were advised that they may not receive a benefit for the deferred tax assets equivalent to \$0.028 per share (as at 31 May 2019) if the proposal is implemented. As the sale and distribution process is now under way, the Board has assessed the recoverability of the deferred tax assets and formed the view that the value of the deferred tax assets included in the Net Tangible Assets (NTA) after tax should be recognised only to the extent that they are offset by associated deferred tax liabilities. As a result, the Board of 8EC has resolved to write down the remaining value of deferred tax assets (after offsetting the deferred tax liability) on the Company's balance sheet for the full year to 30 June 2019.

As set out in the Notice of General Meeting issued on 27 June (Section 3(c)) the terms of the sale of the Company's investments may be affected by market, trading or commercial risks pertaining to the relevant investments or the market generally. Some of the listed equities may be thinly traded or illiquid and this may delay the sale or adversely affect the price at which the Company is able to sell those securities. The Company has an investment in a company which is not listed. Similarly, being an unlisted company may delay the sale or adversely affect the price at which the Company is able to sell this investment.

Should an alternative proposal to a wind-up be approved by shareholders (for example, if the company is acquired as a listed 'shell') the prior year tax losses, or some value thereof, may in certain circumstances still be available. However, the Board believes the recognition and carrying value of the deferred tax assets included in the NTA after tax of the Company as set out below to be appropriate.

Accordingly, the 30 June 2019 and 31 July 2019 Net Tangible Asset values are as follows:

30 June 2019

Pre-Tax NTA \$0.8565 per share (no change)

Post-Tax NTA \$0.8572 per share (previously \$0.8839 per share)

31 July 2019

Pre-Tax NTA \$0.8652 per share (no change)

Post-Tax NTA \$0.8650 per share (previously \$0.8911 per share)

Further information as to the Company's remaining investments will be contained in the release to the ASX of the 31 August Net Tangible Assets data.

Laura Newell
Company Secretary

For further information, please contact **Mr Kerry Series** by telephone on +61 2 8274 2088 or by email at enquiry@8ip.com.au.

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