



ASX Announcement

11 April 2019

Elanor Investors Group announces new Strategic Investor and Capital Partner

Elanor Investors Group (“ENN”, “Elanor” or “the Group”) is pleased to announce that Rockworth Capital Partners Pte Ltd (“Rockworth”) has acquired an 18% strategic interest in the Group. Rockworth acquired its stake at A\$1.85 per stapled security, representing a 6.3% premium to the last closing price of A\$1.74 on 10 April 2019 or a 8.2% premium to the 30 day VWAP.

Elanor has also entered into a strategic alliance agreement with Rockworth that delivers a significant commercial alignment between the groups focussed on growing funds under management that deliver strong returns for Elanor capital partners and security holders. The strategic alliance positions Elanor to capitalise on future growth opportunities and enhances the Group’s capital raising capabilities.

Rockworth is an established Singapore-headquartered real estate funds and asset manager with an Australian portfolio of approximately A\$850m across the retail and office real estate sectors.

Major elements of the strategic alliance include:

- Rockworth acquiring a strategic interest of 18% in Elanor by way of acquisitions from existing investors and an institutional placement;
- Elanor and Rockworth increasing AUM through identifying, co-investing in, and co-managing, new assets and fund opportunities; and
- Rockworth founder and CEO, Lim Kin Song joining the Elanor Board of Directors.

Elanor CEO, Glenn Willis, said: “We welcome Rockworth Capital Partners as a strategic investor in Elanor and look forward to collaborating with them on new funds management opportunities for the Group. We will be exploring a range of real estate investment management initiatives with Rockworth in the near term.

The strategic alliance with Rockworth further increases the capital raising capability of the Group following a number of global and domestic institutional capital partners that have invested in Elanor managed funds over the last 12 months.

Strong, diverse and stable capital partners are important to achieving the Group’s significant growth objectives. We are well positioned to take advantage of our growing pipeline of real estate opportunities across the Group’s sectors of focus.”

About Rockworth Capital Partners

Rockworth is a Singapore-headquartered real estate asset and investment manager established in 2011, with offices in Sydney and Brisbane. Rockworth’s current portfolio comprises 14 retail and office assets across Sydney, Melbourne, Brisbane and Perth.

Rockworth is led by Mr Lim Kin Song, who has been instrumental in driving Rockworth’s growth in funds under management. Mr Lim is a well-connected funds management professional with extensive experience across the real estate sector in Australia and South East Asia.



Rockworth's CEO, Mr Lim, said: "We are delighted to partner with Elanor through the acquisition of a strategic stake in their funds management platform. We look forward to working with Elanor to jointly grow our fund management businesses through targeting new assets with value-add potential and co-investment opportunities that will complement our current investment activity."

The transaction demonstrates Rockworth's long-term commitment to the Australian commercial real estate market while we continue to seek further growth in the broader APAC region, especially in developed economies that present opportunities to deliver strong risk-adjusted returns."

Institutional Placement

Rockworth's 18% strategic interest in Elanor has been acquired via an acquisition of 14.4 million stapled securities from existing security holders and a placement of 3.5 million new fully paid stapled securities ("New Securities"). The New Securities were subscribed for at A\$1.85 per New Security for a total consideration of A\$6.5 million.

The New Securities will be issued using Elanor existing placement capacity under ASX Listing Rule 7.1. No security holder approval is required for the Placement. It is expected that the New Securities will be issued and allotted on 12 April 2019. The New Securities will be entitled to the distribution from Elanor for the half year ending 30 June 2019.

Further Information

The strategic alliance agreement contains provisions in relation to agreed board representation, standstill, anti-dilution and exit arrangements. These provisions have been annexed to this announcement.

Moelis Australia acted as Elanor's financial advisor and Baker McKenzie acted as Elanor's legal advisor on the transaction.

ENDS.

For further information regarding this announcement please contact:

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About Elanor Investors Group

Listed on the Australian Securities Exchange in 2014, Elanor Investors Group (ASX:ENN) is an investment and funds management business with approximately \$1.35 billion in assets under management across Australia and New Zealand.

Elanor's key sectors of focus are hotels, tourism and leisure, commercial office and retail real estate. Elanor's investment management objective is to acquire and unlock value in real estate assets that provide strong income and capital growth potential.

www.elanorinvestors.com

5 Director appointment rights

5.1. Right to appoint Director

Subject to clause 5.3:

- (a) Rockworth may nominate one person (**Nominee**) for appointment as a Director; and
 - (b) Elanor will, subject to receiving a signed consent to act as Director from the Nominee, use all reasonable endeavours to cause the Nominee (including any replacement Nominee) to be appointed as a Director of Elanor, including:
 - (i) by appointing the Nominee as a Director to fill a casual vacancy of the Elanor Board; and
 - (ii) in accordance with clause 5.4.
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5.2. Initial Nominee

- (a) The initial nominee director nominated by Rockworth will be Lim Kin Song (**Initial Nominee**).
 - (b) The Initial Nominee may only be removed:
 - (i) by Rockworth, if it determines that the Initial Nominee is unable to be nominated or to continue his duties; or
 - (ii) if required by law, following which Rockworth may nominate a replacement Nominee.
 - (c) Rockworth must consult with Elanor as to the identity of any replacement Nominee nominated under clause 5.2(b).
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5.3. Qualification of right to appoint

If:

- (a) this agreement is terminated; or
- (b) Rockworth ceases to hold Voting Power in respect of Elanor of at least 10% and remains below that level for at least 3 months,

then:

- (c) the right to appoint a Director under clause 5.1(a) ceases; and
 - (d) if requested by the Elanor Board, Rockworth shall use all reasonable endeavours to procure the resignation of the Initial Nominee or any Nominee that has been appointed under this clause 5.
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5.4. Appointment at annual general meeting

Where a Nominee has been appointed under clause 5.1(a), subject to clause 5.3, Elanor must put to Elanor Securityholders at Elanor's annual general meeting to be held following the Completion Date and thereafter at subsequent annual general meetings (when, as required by Elanor's Constitution and ASX Listing Rules, the Nominee must retire by rotation) and use reasonable endeavours to procure the passing of a resolution to have the Nominee re-elected to the Elanor Board in accordance with the Constitution, the ASX Listing Rules and any other applicable laws.

6 Standstill

6.1 Standstill

Subject to clause 6.3, during the Standstill Period, Rockworth must not, and must procure that each of its Associates do not:

- (a) subscribe for, acquire or purchase, or agree or offer to subscribe for, acquire or purchase any Elanor Securities, or any direct or indirect rights, warrants or options to acquire any Elanor Securities, except to the extent that Rockworth has Voting Power of less than 19.9% in respect of Elanor from time to time (provided in such case that Rockworth may only acquire Voting Power in respect of Elanor up to a maximum of 19.9%);
 - (b) announce an intention to make a takeover bid (however structured, whether off-market, on-market or otherwise) or make such a takeover bid, for any or all Elanor Securities;
 - (c) requisition, call or otherwise propose a meeting to vote on the removal of a Director elected by Elanor, or change or otherwise remove EFML as the responsible entity for EIF; or
 - (d) publicly announce that it will do, or attempt to do, any of the things mentioned in clauses 6.1(a) to 6.1(c) (inclusive).
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6.2 Sell-down

If, solely as a result of a buyback or other capital management initiative undertaken by Elanor which results in a reduction in the number of issued Elanor Securities, there is an increase in the Voting Power of Rockworth beyond 19.9% in respect of Elanor, then Rockworth must promptly (and in any event within 3 months of such relevant change) dispose of their Relevant Interests in Elanor Securities to the extent required to ensure that Rockworth does not hold more than 19.9% of Voting Power in respect of Elanor. For the avoidance of doubt, this clause 6.2 does not apply where any of the events contemplated in clause 6.3 have occurred.

6.3 Exceptions

Rockworth and its Associates may do any of the things referred to in clause 6.1:

- (a) pursuant to:
 - (i) a takeover bid by it which the Elanor Board has recommended (or has agreed in writing that it will recommend) be accepted by Elanor Securityholders;
 - (ii) a proposed scheme of arrangement under which it will acquire Elanor and which has been recommended by the Elanor Board; or
 - (iii) any other proposal which has been agreed in writing between Rockworth and Elanor;
- (b) where any third party makes, or announces an intention to make, a bona fide Competing Proposal in relation to Elanor;
- (c) where the number of directors on the Elanor Board increases to more than 6 Directors;
- (d) where an Insolvency Event has occurred in relation to any member of Elanor; or
- (e) with the prior written consent of Elanor.

7 Anti-dilution

7.1. Anti-dilution

Subject to clause 7.2 and all applicable laws, during the Standstill Period, Elanor agrees that it will, to the extent that it proposes to undertake any issue of Elanor Securities (or any other securities convertible into Elanor Securities), provide Rockworth the opportunity to participate in the issue of Elanor Securities (or any other securities convertible into Elanor Securities, as applicable) on a pro rata basis having regard to its then current holding (**Anti-Dilution Right**).

7.2. Exceptions

The Anti-Dilution Right:

- (a) will not apply to an issue of Elanor Securities (or any other securities convertible into Elanor Securities):
 - (i) under a bona fide issue in connection with a distribution/dividend reinvestment plan, security purchase plan or an employee or executive security plan or scheme; or
 - (ii) as consideration for the acquisition of assets by Elanor; and
- (b) will cease to apply if:
 - (i) Rockworth ceases to hold Voting Power in respect of Elanor of at least 10%; or
 - (ii) this agreement is terminated.

For the avoidance of doubt, nothing in this clause 7.2 restricts or ameliorates any rights that Rockworth has in its capacity as an Elanor Securityholder from time to time.

8 Rockworth exit

Subject to all applicable laws:

- (a) Rockworth agrees to provide Elanor with reasonable notice of any intention to Deal with a material number of Elanor Securities; and
- (b) where Rockworth proposes to Dispose of all of the Elanor Securities that it holds by way of a broad market-based bookbuild, Rockworth will use its reasonable endeavours to allow Elanor to participate in the bookbuild and accommodate any allocation preferences notified by Elanor, provided there is no impact on the price that Rockworth is able to realise through such Disposal

Schedule 1: Dictionary

1 Dictionary

Associate has the meaning given in section 12 of the Corporations Act.

ASX Listing Rules means the official listing rules of ASX, as amended and waived by ASX from time to time.

Bookbuild has the meaning given in the Subscription Agreement.

Completion means completion of the Bookbuild and the Subscription under the Subscription Agreement

Completion Date means the date on which Completion occurs.

Competing Proposal means any bona fide proposal, agreement, transaction or arrangement, by or with any person pursuant to which, if the proposal, agreement, transaction or arrangement is completed substantially in accordance with its terms, would mean a third party (either alone or together with any Associate) would:

- (a) directly or indirectly acquire Voting Power of 20% or more in respect of Elanor, or otherwise acquire a legal, beneficial or economic interest in, or control of, 20% or more of the Elanor Securities on issue; or
- (b) acquire Control of Elanor or any material Related Body Corporate of Elanor; or
- (c) directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire, a legal, beneficial or economic interest in, or control of, all or a majority by value of Elanor's assets or business or the assets or business of Elanor and its Related Bodies Corporate; or
- (d) otherwise directly or indirectly acquire or merge with Elanor or any material Related Body Corporate of Elanor,

whether by way of takeover offer or bid, members' or creditors' scheme of arrangement, trust scheme, securityholder approved acquisition, capital reduction, buy back, sale or purchase of securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.

Constitution means the constitution of EIL or EIF (as applicable), as amended from time to time.

Corporations Act means *Corporations Act 2001* (Cth).

Dealing means, in respect of an Elanor Security, to:

- (a) Dispose of, or agree or offer to Dispose of, that Elanor Security;
- (b) create, or agree or offer to create, an encumbrance in respect of any Elanor Security;
- (c) declare a trust over any Elanor Security or any interest in any Elanor Security;
- (d) grant an option in respect of any Elanor Security or any interest in any Elanor Security;
- (e) use an Elanor Security as collateral or grant any security interest in respect of an Elanor Security; or
- (f) do, or omit to do, any act if the act or omission would have the effect of transferring, directly or indirectly, effective ownership or control of that Elanor Security or any legal, beneficial or economic interest in that Elanor Security or represent an agreement to do any of those things,

and **Deal** has a corresponding meaning

Director means a person appointed as a director of Elanor from time to time.

Dispose or **Disposal** means to:

- (a) sell, assign, transfer, surrender, convey or otherwise dispose of any Elanor Security or any interest in any Elanor Security;
- (b) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of any Elanor Security; or
- (c) agree to do any of those things.

EIL means Elanor Investors Limited (ABN 33 169 308 187).

EFML means Elanor Funds Management Limited (ACN 125 903 031) in its capacity as responsible entity for Elanor Investment Fund (ARSN 169 450 926) (**EIF**).

Elanor means Elanor Investors Group (ASX:ENN) (a stapled group comprising EIL and EIF).

Elanor Board means the board of Directors of Elanor.

Elanor Security means a share in EIL stapled to a unit in EIF.

Initial Nominee has the meaning set out in clause 5.2.

Insolvency Event means the occurrence of any one or more of the following events in relation to any person:

- (a) an order is made by a court that the person be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed;
- (b) a liquidator or provisional liquidator is appointed;
- (c) an administrator is appointed to it under the Corporations Act ss 436A, 436B or 436C;
- (d) a Controller (as defined in the Corporations Act s 9) is appointed to it or any of its assets;
- (e) a receiver is appointed to it or any of its assets;
- (f) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors, in each case other than to carry out a reconstruction or amalgamation while solvent;
- (g) it commences a winding-up, dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (h) it is insolvent as disclosed in its accounts or otherwise, states that it is insolvent, is presumed to be insolvent under an applicable law (including under the Corporations Act ss 459C(2) or 585)) or otherwise is, or states that it is, unable to pay all its debts as and when they become due and payable;
- (i) a notice is issued under the Corporations Act ss 601AA or 601AB;
- (j) a writ of execution is levied against it;
- (k) it ceases to carry on business or threatens to do so, other than for reorganisation or restructuring in accordance with the terms of this agreement; or
- (l) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the events set out in the above paragraphs of this definition

Nominee has the meaning given in clause 5.1(a).

Relevant Interest has the meaning given in the Corporations Act.

Rockworth means Rockworth Capital Partners Pte Ltd (a company incorporated in Singapore with company registration number 201117949Z).

Standstill Period means the period beginning on the Completion Date and ending on the earlier of:

- (a) the date that is 24 months after the Completion Date; and
- (b) the date that is 6 months after the date of termination of this agreement.

Subscription means the completion of the subscription by Rockworth for, and issue by Elanor of, Elanor Securities in accordance with the Subscription Agreement.

Voting Power has the meaning given in section 610 of the Corporations Act.