



Henry Morgan



# PROSPECTUS

HENRY MORGAN LIMITED ACN 602 041 770  
(COMPANY)

For the issue of one Option (**Bonus Option**) for every five Shares held by Eligible Shareholders on the Record Date (**Offer**), to acquire one fully paid ordinary Share per Bonus Option at an Exercise Price of \$2.05 per Bonus Option on or before 15 June 2020.

The Bonus Options are being issued free to Eligible Shareholders. Eligible Shareholders are not obliged to take any action in relation to the issue of the Bonus Options pursuant to this Prospectus.

## Important Notice

This Prospectus is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The Bonus Options offered by this Prospectus should be considered as speculative.

No funds will initially be raised as a result of the Offer.

This is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act 2001 (Cth) (the **Corporations Act**).



Henry Morgan

## Letter from Managing Director

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Dear Shareholder

On behalf of the Board of Henry Morgan Limited (**Company**), I am pleased to provide to you this Prospectus for the issue of free Options on the basis of one Option for every five Shares to Eligible Shareholders on the Record Date (**Bonus Options**).

Each Bonus Option gives Shareholders the opportunity, but not the obligation, to subscribe for an additional Share in the Company at the Exercise Price of \$2.05 per Bonus Option at any time before 5:00pm (Brisbane time) on the Expiry Date. **Importantly, Shareholders do not need to take any action in order to receive Bonus Options.**

The Board recognises, and greatly appreciates, the importance of our loyal and supportive Shareholders, and wishes to reward them by providing a means to participate in the Company's potential future growth. The Board recommends that you read this Prospectus in its entirety and consider the information it contains before making a decision to deal in Shares and/or the Bonus Options.

The Bonus Options will be issued for free, so that no funds will be initially raised from the Offer. If the maximum number of Bonus Options are issued and those Bonus Options are exercised, the Company will raise approximately \$14,497,161.30 which it intends to use for further investments consistent with the Company's investment strategy and for general working capital purposes.

The Company will apply for the Bonus Options to trade on the ASX. The Bonus Options may trade above or below their intrinsic value. Shareholders will be able to exercise their Bonus Options in accordance with their terms and otherwise buy or sell Bonus Options on-market. By exercising Bonus Options, Shareholders can increase their holding in the Company without incurring any brokerage fees.

The Board takes this opportunity to thank all Shareholders for their ongoing support of the Company.

Yours faithfully

**Stuart McAuliffe**  
Managing Director  
**Henry Morgan Limited**



## Offer Statistics

<b>Issue Price</b>	Nil
<b>Exercise Price</b>	\$2.05
<b>Maximum number of Bonus Options to be issued<sup>1</sup></b>	7,071,786
<b>Expiry Date of Bonus Options</b>	5:00pm (Brisbane time) 15 June 2020

<sup>1</sup> The number of Bonus Options to be issued depends on the total number of Shares on issue as at the Record Date. As at the last practical date prior to lodgement of this Prospectus, the Company had 29,647,529 Shares on issue. The maximum number of Bonus Options to be issued also assumes that all existing Options (ASX:HML0) are exercised (of which there were 5,711,402 on issue as at the last practical date prior to lodgement of this Prospectus), and a corresponding number of Shares are issued prior to the Record Date. Some allowance has been made for rounding, with fractional entitlements being rounded down.

## Key Dates

<b>Announcement of Offer and Notice to Option Holders</b>	30 May 2017
<b>Lodgement of Prospectus</b>	2 June 2017
<b>Shares trade ex-Bonus Option entitlements and Bonus Options are quoted on a deferred settlement</b>	7 June 2017
<b>Record Date to determine entitlements</b>	5:00pm (Brisbane time) 8 June 2017
<b>Issue of Bonus Options</b> <b>Trading on deferred settlement basis ends</b>	14 June 2017
<b>Bonus Options expire</b>	5:00pm (Brisbane time) 15 June 2020

The above dates are subject to change and are indicative only. The Company reserves the right to amend this indicative timetable subject to the Corporations Act and the ASX Listing Rules.

## Important Notices

This Prospectus is dated 2 June 2017 and was lodged with the Australian Securities and Investments Commission on that date. Neither ASIC nor the ASX takes any responsibility as to the contents of this Prospectus. No securities will be allotted on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

This Prospectus relates to an issue to all Shareholders registered on the Record Date (**Eligible Shareholders**) of Bonus Options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with the Offer. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus, except as required by law and then, only to the extent so required.

## Intermediary authorisation

The Company does not hold an Australian Financial Services Licence (**AFSL**) under the Corporations Act. Accordingly, the Offer is being made pursuant to an intermediary authorisation with JB Markets



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Pty Ltd ACN 123 876 291 (AFSL No 323 182) which has agreed that John Bridgeman Limited ACN 603 477 185 (Australian Financial Services Authorised Representative Number 001008380, the **Manager**) as authorised representative of JB Markets Pty Ltd (**JB**M), will be the Manager in accordance with section 911A(2)(b) of the Corporations Act. The Manager will manage the Offer on behalf of the Company at no cost to the Company.

## Eligible Shareholders

The Bonus Options are not offered in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer.

The Company may form the view that it is unreasonable to make the issue to overseas Shareholders in jurisdictions (**Excluded Holders**) having regard to:

- the number of Excluded Holders within the relevant jurisdiction;
- the number and value of Shares held by those Excluded Holders; and
- the cost of complying with overseas legal requirements, and requirements of a regulatory authority, within the relevant jurisdiction.

The issue is not being extended, and does not qualify for distribution or sale, and the Bonus Options may not be issued to a Shareholder with a registered address outside Australia, New Zealand and any other jurisdiction in which it is not lawful to make the offers of Bonus Options in accordance with this Prospectus.

This Prospectus does not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or to make the issue. Where the Prospectus has been despatched to persons domiciled in a country other than Australia or New Zealand, and where that country's securities code or legislation prohibits or restricts in any way the making of the issue, the Prospectus is provided for information purposes only.

## Forward Looking Statements

Certain statements in this Prospectus constitute forward looking statements. Shareholders should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements. These risks, variables and factors include, but are not limited to, the matters described in section 4. The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

## Warning

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the Bonus Options. The information in this Prospectus does not constitute a securities recommendation or financial product advice. In preparing this Prospectus, the Company has not taken into account the investment objectives, financial situation or particular needs of any particular person.



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## **Electronic Prospectus**

This Prospectus is available in a paper version and in electronic form. The electronic version will be available on the Company's website, [www.henrymorgan.com.au](http://www.henrymorgan.com.au), from the date of this Prospectus until the Expiry Date or where all Bonus Options have been exercised, whichever is the earlier to occur. The Offer constituted by this Prospectus in electronic form is made only to Eligible Shareholders receiving this Prospectus in electronic form in Australia. Persons who access the electronic form of this Prospectus must ensure that they download and read the entire Prospectus.

Any person may obtain a hard copy of this Prospectus free of charge by contacting Jody Wright, the Company Secretary between 8.30am and 5.00pm (Brisbane time) Monday to Friday on 1300 110 436 if calling within Australia, or +61 1300 110 436 if calling from outside Australia.

## **Glossary**

Certain terms used in this Prospectus are defined in the Glossary in section 6 of this Prospectus.

## **1. Details of the Offer**

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### **1.1 The Offer**

The Offer is for the issue of one Bonus Option for every five Shares held by Eligible Shareholders at 5:00pm (Brisbane time) on the Record Date, at no initial cost.

The Bonus Options are exercisable at their Exercise Price of \$2.05 per Bonus Option before 5:00pm (Brisbane time) on the Expiry Date of 15 June 2020.

This Prospectus will be for the issue of up to a maximum of 7,071,786 Bonus Options. Refer to section 3.1 below for the terms and conditions of the Bonus Options.

### **1.2 Entitlement to Bonus Options**

The Bonus Options will be issued to Eligible Shareholders only (refer section 1.3 below). Entitlement to Bonus Options will be based upon the number of shares held by Eligible Shareholders at 5:00pm (Brisbane time) on the Record Date.

Subject to a Shareholder being an Eligible Shareholder as at 5:00pm (Brisbane time) on the Record Date, no action is required to be taken in order to receive the Bonus Options.

### **1.3 Eligible Shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Eligible Shareholders are registered holders of the Company's Shares as at 5:00pm (Brisbane time) on the Record Date with a registered address in Australia or New Zealand or such other place determined by the Company in which it would be lawful to make the Offer.

### **1.4 ASX quotation of the Bonus Options**

Within seven days after the date of this Prospectus, an application will be made to the ASX for the Bonus Options to be quoted on the ASX. The Bonus Options are expected to be listed on the ASX under the ASX code HMLOA.

If ASX does not give permission for quotation of the Bonus Options within three months after the date of this Prospectus (or a later date permitted by ASIC), none of the Bonus Options will be issued and if any have been issued, the issue will be void, unless ASIC grants an exemption permitting the issue.

### **1.5 Issue**

Bonus Options issued will be issued in accordance with the ASX Listing Rules and the timetable set out in this Prospectus.

No Bonus Options or other securities will be issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date 13 months after the date of this Prospectus.

Holding statements for Bonus Options issued will be mailed in accordance with the timetable set out in this Prospectus and in any event, as soon as practicable after their issue.



It is the responsibility of Shareholders to determine their allocation prior to dealing in Bonus Options. Shareholders who sell any Bonus Options before they receive their holding statements will do so at their own risk.

## 1.6 Exercising your Bonus Options

You can exercise your Bonus Options by completing the Option Exercise Form, paying \$2.05 per Bonus Option exercised and returning the Option Exercise Form along with the appropriate amount of money to the Company Secretary at the following address:

GPO Box 3112  
Brisbane Qld 4000

The Option Exercise Form is available from the Company's website, [www.henrymorgan.com.au](http://www.henrymorgan.com.au). Bonus Option holders may obtain a hard copy of the Option Exercise Form free of charge by contacting the Company Secretary on between 8.30am and 5.00pm (Brisbane time) Monday to Friday on 1300 110 436 if calling within Australia, or +61 1300 110 436 if calling from outside Australia, or at [jody@johnbridgeman.com.au](mailto:jody@johnbridgeman.com.au).

## 1.7 Rights attaching to Bonus Options

On exercise of a Bonus Option, you will be issued a Share. Detailed provisions relating to the rights attaching to Shares are set out in the Company's Constitution and the Corporations Act. A copy of the Company's Constitution can be obtained electronically at <http://www.henrymorgan.com.au/wp-content/uploads/2016/12/Constitution-Henry-Morgan-Limited-September-2014.pdf>. The Company's Constitution is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the Company's Constitution (or part thereof), which will be provided free of charge.

See section 3.1 for the rights attaching to the Bonus Options and section 3.2 for the rights attaching to the Shares.

## 1.8 Use of Proceeds

No funds will initially be raised by the Offer, as the Bonus Options will be issued to Eligible Shareholders, free of any consideration.

However, the Company intends to use any money raised upon Optionholders exercising their Bonus Options for further investments consistent with the Company's investment strategy and for general working capital purposes.

## 1.9 Fees and Commissions

The Offer is not underwritten by any licensed securities dealer, or other person. As the Offer consists of an issue of Bonus Options to Eligible Shareholders who will at the time of issue be, or entitled to be, existing Shareholders of the Company, no assistance to the Offer will be required from member organisations of the ASX or licensed securities dealers. The Directors therefore do not anticipate that any fees or commissions will be paid to any such persons in association with this Offer.

## 1.10 Costs and expenses of the Issue

The Company estimates the costs of the Offer to be approximately \$54,000, inclusive of ASIC and ASX fees, printing and legal costs.



### 1.11 Application

As the Bonus Options to be issued under this Prospectus will be issued free of charge to Eligible Shareholders, no application for Bonus Options is made under this Prospectus and it is not necessary for any persons to make formal application for the Bonus Options.

### 1.12 Summary of Risks

The business and activities of the Company are subject to normal business risks and uncertainties, and there may be many factors that could affect the future performance of the Company.

Some of these risks and uncertainties may be mitigated by the use of safeguards, appropriate systems and contingencies.

However, some of these inherent risks are outside the control of the Company and, subsequently, the Directors will be unable to mitigate those risks.

Details of the risks relevant to the Company are described in more detail in section 4 of this Prospectus.

### 1.13 Taxation Implications

The following summary is intended as a general overview only. All Shareholders should check their particular facts and circumstances with their accountant or financial adviser. The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Shareholders in respect of the Offer.

On the basis that Shareholders hold their Shares in the Company on capital account (i.e. as an investment) the income tax implications are broadly as follows:

- (a) there should be no income tax on the **issue** (and receipt by the shareholder) of a Bonus Option;
- (b) on the **exercise** of any Bonus Option, any notional capital loss or capital gain made by the option holder should be disregarded for Capital Gains Tax purposes;
- (c) on the **sale of any Share acquired via the exercise of a Bonus Option**, the Shareholder will make a capital gain on the disposal of a share if the capital proceeds from the sale are more than the Exercise Price of the Bonus Option (i.e. \$2.05 per Share); and
- (d) on the **expiry** of any Bonus Option not exercised, there should be no Capital Gains Tax implications.

Before deciding to exercise your Bonus Options, you should consider whether the Shares to be issued and allotted on exercise are a suitable investment for you.



## **2. Purpose and Effect of the Offer**

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### **2.1 Purpose of the Offer**

The purpose of the Offer is to reward Shareholders for continuing to support the Company and to provide the Company with a potential source of additional capital if the Bonus Options are exercised. No funds will be raised through the issue of the Bonus Options pursuant to this Prospectus, however if the maximum number of Bonus Options were issued and all such Bonus Options were exercised, the Company would receive approximately \$14,497,161.30. Any funds raised upon the exercise of any of the Bonus Options will be used for further investments consistent with the Company's investment strategy and for general working capital purposes.

### **2.2 Effect of the Offer**

The principal and immediate effect of the Offer, assuming all Bonus Options offered under the Prospectus are issued, will be to introduce a new class of listed securities, being a maximum of 7,071,786 Bonus Options.

### **2.3 Effect on Balance Sheet**

The Bonus Options to be issued pursuant to this Prospectus will be issued for nil consideration. Accordingly, there will be no immediate effect on the Company's balance sheet. However, capital will be raised if the Bonus Options are exercised. This will affect the Company's balance sheet. If the maximum number of Bonus Options were issued and all such Bonus Options were exercised, the Company would receive approximately \$14,497,161.30 in current assets. However the Company is not able to specify with any certainty the extent of any change to the balance sheet given the uncertainty around the number of Bonus Options to be ultimately issued and whether and when any of the Bonus Options will be exercised.

The Company's Annual Report for the financial year ended 30 June 2016, was released to ASX on 30 September 2016 (with an addendum released 27 October 2016). The Annual Report can be viewed at <http://www.henrymorgan.com.au/wp-content/uploads/2016/11/Henry-Morgan-Limited-Annual-Report-2016-Final.pdf> and at [www.asx.com.au](http://www.asx.com.au) (ASX:HML).

The Company's Half Yearly Report and Accounts for the financial half year ended 31 December 2016, was released to ASX on 28 February 2017. These financial statements can be viewed at <http://www.henrymorgan.com.au/wp-content/uploads/2016/11/Henry-Morgan-Limited-Half-year-review-report-for-half-year-ended-31-December-2015.pdf> and at [www.asx.com.au](http://www.asx.com.au) (ASX:HML).

Additional information, including copies of ASX releases and investor presentations, is also available on the Company's website: [www.henrymorgan.com.au](http://www.henrymorgan.com.au).

### **2.4 Effect on Capital Structure**

The effect of the Offer on the capital structure of the Company, assuming all Bonus Options offered under the Prospectus are issued, is set out below:

#### **(a) Shares**

As a direct result of the Offer, there will be no change to the number of Shares expected to be on issue as at the Record Date. If the maximum number of Bonus Options are issued and subsequently exercised, the number of Shares on issue will increase by approximately 7,071,786.

**(b) Options**

<b>Number of Options on issue prior to Offer <sup>1</sup></b>	5,711,402
<b>Maximum number of Bonus Options to be issued pursuant to the Offer <sup>2</sup></b>	7,071,786

<sup>1</sup> As at the last practical date prior to lodgement of this Prospectus.

<sup>2</sup> The number of Bonus Options to be issued depends on the total number of Shares on issue at the Record Date. As at the last practical date prior to lodgement of this Prospectus, the Company had 29,647,529 Shares on issue. The maximum number of Bonus Options to be issued assumes that all existing Options (ASX:HML0) are exercised and all corresponding Shares are issued prior to the Record Date. Some allowance has been made for rounding, with fractional entitlements being rounded down.

**2.5 Effect on Control**

The issue of the Bonus Options themselves will have no effect on the control of the Company. The Company's Top 20 Shareholders are listed below in section 2.6. If these Shareholders are eligible to receive Bonus Options and subsequently choose to exercise the Bonus Options issued to them, it may affect their overall percentage shareholding. The Company contemplates that the effect of the Offer on control of the Company will be minimal.

**2.6 Top 20 Shareholders**

The top 20 Shareholders of the Company as at the last practical date prior to lodgement (being 30 May 2017) are as follows:

<b>No</b>	<b>Name</b>	<b>Number of Ordinary Fully Paid Shares Held</b>	<b>% Held of Issued Ordinary Capital*</b>
1.	Stuart Capital Pty Ltd	4,321,100	14.58
2.	John Bridgeman Limited	3,079,611	10.39
3.	Nilcoy Pty Ltd	2,237,432	7.55
4.	Tetue Pty Ltd	1,800,000	6.07
5.	HSBC Custody Nominees (Australia) Limited	1,568,325	5.29
6.	Victor John Plummer	1,388,087	4.68
7.	Elders FMC Pty Ltd	915,459	3.09
8.	BNP Paribas Nominees Pty Ltd	689,077	2.32
9.	Ravenswood Superannuation Pty Ltd	270,000	0.91
10.	Mr John Alfred Clarebrough & Mrs Pamela Judith Clarebrough	252,088	0.85
11.	Knablig Pty Limited	250,000	0.84
12.	Russell Services Pty Ltd	250,000	0.84
13.	Mrs Margaret Joyce Stuart	250,000	0.84
14.	Mr Robert John Stuart	250,000	0.84
15.	Paul Damjanovic	228,119	0.77
16.	Lyle Patricia Marcus	200,000	0.67

No	Name	Number of Ordinary Paid Shares Held	% Held of Issued Ordinary Capital*
17.	Gunz Pty Ltd	187,272	0.63
18.	Commsec Nominees Pty Limited	167,293	0.56
19.	New Wood Enterprises Ltd	150,000	0.51
20.	Jacana Glen Pty Ltd	142,574	0.48
	<b>TOTAL</b>	<b>18,596,437</b>	<b>62.73</b>

\* Minor variances arise as a result of the effects of rounding.

The Offer will have no immediate effect on the quantity of Shares held by these Shareholders as only Options are being issued.

## 2.7 Disclosure of interests

Other than set out below in sections 2.8 and 2.10 or elsewhere in this Prospectus:

- (a) no Director or proposed Director of the Company has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of the Company, or the Offer, or in any property proposed to be acquired by the Company in connection with formation or promotion of the Offer; and
- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of the Company either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him in connection with the promotion or formation of the Company or the Offer.

Set out below are details of the interests of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with ASIC. Interest includes those securities held directly and indirectly. The table includes their respective entitlement to Bonus Options pursuant to the Offer (assuming that any Options held are exercised), is set out in the table below:

Director	Shares (held directly and indirectly)	Options (held directly and indirectly)	Entitlement to Bonus Options
John McAuliffe <sup>1</sup>	1,800,000	-	360,000
Stuart McAuliffe <sup>2</sup>	5,375,811	4,000	1,075,962
Rosario (Ross) Patane <sup>3</sup>	15,968	-	3,193
Vanessa Gunner <sup>4</sup>	Nil	Nil	Nil

<sup>1</sup> Refer to latest Appendix 3Y for John McAuliffe dated 23 February 2017.

<sup>2</sup> Refer to latest Appendix 3Y for Stuart McAuliffe dated 1 June 2017.

<sup>3</sup> Refer to latest Appendix 3Y for Ross Patane dated 14 March 2017.

## 2.8 Directors' Fees and remuneration

Set out below is the remuneration paid or accrued to the current Directors of the Company and their associated entities for the stated periods. The maximum total remuneration of the Directors has been set at \$200,000 per annum in aggregate (the **Remuneration Cap**) and may only be increased with the approval of shareholders.

The following table shows the total (and proposed) annual remuneration paid to Directors (exclusive of GST, superannuation and/or super equivalents):

Director	Financial Year ending 30 June 2015	Financial Year ending 30 June 2016	This financial year
John McAuliffe	Nil	A\$31,900	A\$58,000
Stuart McAuliffe	Nil	A\$28,600	A\$52,000
Rosario (Ross) Patane	Nil	A\$14,300	A\$52,000
Vanessa Gunner	Nil	Nil	A\$52,000

In accordance with Rule 19.5 of the Constitution:

- (a) Directors shall be entitled to be paid by the Company all expenses that they incur in attending to the Company's affairs;
- (b) any Director who devotes special attention to the Company's business, or who otherwise performs services outside the scope of the ordinary duties of a director, or who at the request of the Directors engages in any journey on the Company's business may be paid extra remuneration as determined by the Directors, which extra remuneration shall be outside of the Remuneration Cap;
- (c) subject to law, the Company may pay, provide or make any payment or other benefit to a Director, a director of a related body corporate of the Company or any other person in connection with that person's or someone else's retirement, resignation from or loss of office, or death while in office; and
- (d) the Directors may establish or support, or assist in the establishment or support, of funds and trusts to provide pension, retirement, superannuation or similar payments or benefits to or for the Directors or former Directors and grant pensions and allowances to those persons or their dependents.

## 2.9 Interests of experts and advisers

Other than set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holders, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

<sup>4</sup> Refer to Appendix 3X for Vanessa Gunner dated 1 June 2017.

- (d) the formation or promotion of the Company;
  - (e) any property acquired or proposed to be acquired by the Company in connection with:
    - (1) its formation or promotion; or
    - (2) the Offer; or
  - (f) the Offer,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:
- (g) the formation or promotion of the Company; or
  - (h) the Offer.

Reference is made to the Company's IPO Prospectus, which sets out in section 8, amongst other matters, the fees payable to the Manager pursuant to the Management Services Agreement. Stuart McAuliffe is a director and shareholder of both the Manager (holding a relevant interest in the Manager of 29.98%) and the Company (holding a relevant interest in the Company of 18.13%). The Manager provides various investment management services to several different clients. Some of these clients, as well as shareholders, directors and employees of the Manager and the Company may be Eligible Shareholders who will receive Bonus Options under this Prospectus.

In addition, JBM provides broking services to the Company on arm's length, commercial terms. The Company's IPO Prospectus is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the Company's IPO Prospectus (or part thereof), which will be provided free of charge.

Further as noted above under the heading "**Intermediary authorisation**" following the "**Important Notices**" at the beginning of this Prospectus, the Company does not hold an AFSL and accordingly, the Offer is being made pursuant to an intermediary authorisation with JBM, which has agreed that the Manager, as authorised representative of JBM, will be the Manager in accordance with section 911A (2)(b) of the Corporations Act. The Manager will manage the Offer on behalf of the Company at no cost to the Company. Neither JBM nor the Manager will be paid no fees for any services with respect to any assistance given by either of them in the preparation or distribution of this Prospectus or for managing the Offer.

Finally, the Company may enter into joint ventures with, or take equity stakes in other entities managed by, or which are wholly or partly owned subsidiaries of, John Bridgeman Limited on commercial arm's length terms and in accordance with the requirements of the Corporations Act and Listing Rules.

## 2.10 **Transactions with related parties**

In addition to the fees and benefits that the Directors are entitled to receive set out above, the Company has also entered into a Deed of Access and Indemnity with each Director and the Company Secretary.

The Deed sets out the basis for the Company to indemnify the Directors and the Company Secretary for personal liability and associated legal costs which result from their role as a Director or Company Secretary.



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The Company, to the extent permitted by law, indemnifies every person who is, or has been a Director or Company Secretary of the Company against a liability incurred by that person in their capacity as such an officer, to another person (including but not limited to, liability for costs and expenses incurred in defending proceedings in which judgement is given in favour of the person or in which the person is acquitted) provided that the liability does not arise out of conduct involving a lack of good faith or prohibited under the Corporations Act.

The Deed also deals with matters such as access to documents and insurance.

### **3. Rights and liabilities attaching to Securities**

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#### **3.1 Rights attaching to Bonus Options**

A maximum of 7,071,786 Bonus Options are to be issued to Eligible Shareholders pursuant to this Prospectus, for nil consideration.

The Bonus Options will be issued on the following terms:

- (a) one Bonus Option to be issued for every five Shares held on the Record Date;
- (b) the Exercise Price of the Bonus Options is \$2.05;
- (c) the Bonus Options will expire at 5:00pm (Brisbane time) on 15 June 2020 unless earlier exercised;
- (d) the Bonus Options are transferable in whole or in part and may be exercised by any other person (including, in the case of the Option holder's death, by his or her legal personal representative);
- (e) the Bonus Options may be exercised at any time, wholly or in part, by delivering a duly completed Option Exercise Form together with payment to the Company for the Exercise Price of \$2.05 per Bonus Option being exercised, at any time on or before the Expiry Date. The Option Exercise Form is available from the Company's website, [www.henrymorgan.com.au](http://www.henrymorgan.com.au). Any person may obtain a hard copy of the Option Exercise Form free of charge by contacting the Company Secretary. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods;
- (f) upon the valid exercise of the Bonus Options and payment of the Exercise Price, the Company will issue fully paid ordinary Shares ranking pari passu with the then issued Shares of the Company;
- (g) Bonus Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Bonus Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Bonus Options, in accordance with the requirements of the Listing Rules;
- (h) Bonus Option holders do not participate in any dividends unless the Bonus Options are exercised and the resultant shares of the Company are issued prior to the Record Date to determine entitlements to the dividend;
- (i) in the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (1) the number of Bonus Options, the Exercise Price of the Bonus Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Bonus Options which are not conferred on Shareholders; and
  - (2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital,

in all other respects the terms for the exercise of the Bonus Options will remain unchanged;

- (j) if there is a pro rata issue (except a bonus issue), then at the time of the pro rata issue (except a bonus issue), the Exercise Price of a Bonus Option may be reduced according to the following formula:

$$O^n = O - E \frac{[P - (S + D)]}{N + 1}$$

Where:

- $O^n$  = the new Exercise Price of the Bonus Option;  
 $O$  = the old Exercise Price of the Bonus Option;  
 $E$  = the number of underlying securities into which one Bonus Option is exercisable;  
 $P$  = the average market price per security (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;  
 $S$  = the subscription price for a security under the pro rata issue;  
 $D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);  
 $N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Otherwise the Exercise Price of the Bonus Option shall remain unchanged;

- (k) if there is a bonus issue to the holders of shares in the Company, the number of shares over which the Bonus Option is exercisable may be increased by the number of shares which the Bonus Option holder would have received if the Bonus Option had been exercised before the Record Date for the bonus issue;
- (l) the terms of the Bonus Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Bonus Options shall not be changed to reduce the Exercise Price, increase the number of Bonus Options or change any period for exercise of the Bonus Options;
- (m) shares to be issued pursuant to any exercise of Bonus Options will be allotted or issued on the terms and conditions set out in section 3.2 of this Prospectus. New or replacement statements of shareholding certificates will be despatched following allotment by the Registry (for Issuer Sponsored holdings) or via an updated Chess holding statement (if held on a HIN/via a broker); and
- (n) the Directors will make application for the listing of the Shares allotted pursuant to exercise of Bonus Options on or before the third day on which the ASX is open after the date of issue or allotment of those Shares of Bonus Options.

### 3.2 Rights attaching to Shares

There is only one class of Shares on issue in the Company, being fully paid ordinary Shares.

The rights attaching to Shares are:





- (a) set out in the Constitution of the Company (a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours); and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the rights which relate to all Shares which may be issued pursuant to the exercise of the Bonus Options is set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of the Company's Shares.

#### *Voting*

At a general meeting of the Company on a show of hands, every member present in person or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every fully paid Share held by them.

#### *Dividends*

The Shares issued on exercise of Bonus Options will rank equally with all Shares currently on issue in the capital of the Company in respect of the right to participate in dividends (subject to any earlier fixed record date). The Directors may fix the amount of the dividend and the method or time for payment of the dividend.

#### *Winding Up - Surplus*

Subject to any special rights for the time being attached to any class of share, if, on a winding-up of the Company, there remains a surplus, the Shareholders will be entitled to that surplus in proportion to the number of shares held by them.

#### *Transfer of Securities*

Generally, the Shares in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of Shares but only where permitted to do so under its Constitution, the Corporations Act or the ASX Listing Rules.

#### *Sale of Unmarketable Parcels*

The Company may take steps in respect of unmarketable parcels of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate unmarketable parcels in accordance with the Constitution, the Corporations Act and the ASX Listing Rules.

For more particular details of the rights attaching to Shares in the Company, investors should refer to the Constitution of the Company as posted on the Company's website <http://www.henrymorgan.com.au/wp-content/uploads/2016/12/Constitution-Henry-Morgan-Limited-September-2014.pdf>.

## **4. Risk Factors**

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### **4.1 Introduction**

This section identifies the risks that the Board considers are the major risks associated with an investment in the Company. The list of risks below is in no way exhaustive and there may be other risks (either general or specific) that have not been identified.

The Company's business is subject to a high degree of risk due to a number of factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of the Company and the value of an investment in the Company.

The Bonus Options offered under this Prospectus (and any Shares issued upon exercise) are considered highly speculative.

### **4.2 Risks associated with the investment strategy**

The investment strategy used by the Manager for the Company includes inherent risks, including but not limited to the following:

- (a) the investment strategy relies on the ability of the Manager to devise and maintain a Portfolio which complies with the Company's investment objectives, strategies and guidelines;
- (b) the investment strategy may prove to be unsuccessful if market and economic conditions change in a manner which is not anticipated by the Company or the Manager; and
- (c) the diversity of the Portfolio may not be sufficient to sustain any losses.

### **4.3 Risks associated with the Manager**

The success and profitability of the Company will significantly depend upon the ability of the Manager to make investments that increase in value over time. The engagement of the Manager (including its Chief Investment Officer, which as at the date of this Prospectus is Stuart McAuliffe) as Manager of the Portfolio is a risk.

Further, the historic performance of various other entities previously managed by the Chief Investment Officer of the Manager cannot be relied on as a guide to the future performance of the Company. Investment underperformance by the Manager is a significant risk of investing in the Company.

In addition, if the Management Services Agreement is terminated, the Company will need to identify and engage a suitable replacement either externally or employ appropriately qualified investment professionals internally.

The capacity of the Company and the Manager to terminate the Management Services Agreement, and the consequences of termination are summarised in Section 8.2 of the IPO Prospectus. The Company's IPO Prospectus is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the Company's IPO Prospectus (or part thereof), which will be provided free of charge.

#### **4.4 Liquidity risk**

This is the risk the Portfolio's underlying investments may not be easily sold when the Manager decides it is an appropriate time for them to be sold. This lack of liquidity could result in a loss if the delay in the sale of the investment results in the decline in value of the investment.

Liquidity risk also applies to the ability of a Shareholder or Option holder to sell their securities on the ASX in a timely manner. The ability of a Shareholder (or Option holder) to sell securities on ASX will be a function of the turnover or liquidity of the securities at the time of sale. Turnover is impacted by a range of factors including the size of the Company and the number of securities on issue and the depth of the pool of buyers and seller.

#### **4.5 Currency risk and hedging**

For investments in global assets which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value and, therefore, the value of the Company's Portfolio.

Foreign exchange fluctuations may have a positive or adverse impact on the investment returns of the Company. The Company's foreign currency exposure may be over or under hedged or not hedged at all. It may not always be possible to hedge all foreign currency exposures and there is no guarantee that hedging will be successful.

The Company may also hedge the exposure of the other investments in the Company against investment loss, but is under no obligation to do so. There is no guarantee that any hedging will be successful. The cost of implementing hedging may be significant.

#### **4.6 Foreign jurisdiction risk**

For investments in global assets, the Company may be exposed to risks relating to its investment in the securities of entities located in foreign jurisdictions, where the laws of those foreign jurisdictions offer less legal rights and protections to security holders from other jurisdictions, compared to laws in Australia.

#### **4.7 Investment risk**

There is a risk that the Company's securities and/or the Company's investments will fall in value over the short or long term. Individual security prices may fluctuate and under perform other asset classes over time. Shareholders are exposed to this risk through both their holding in the Company's securities and through the Company's investments.

#### **4.8 Performance incentive**

The Manager is entitled to be paid both a management fee and a performance fee (refer Section 8.2 of the IPO Prospectus). The Company's IPO Prospectus is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the Company's IPO Prospectus (or part thereof), which will be provided free of charge.

The performance fee payable to the Manager, which is based on the market value of the Portfolio at the end of each financial quarter, may create an incentive for the Manager to make investments on behalf of the Company that are riskier and more speculative than would be the case in the absence of such a fee.

The payment of the performance fee to the Manager, may therefore add to the risk and volatility of the Portfolio's underlying investments.

#### 4.9 **Concentration risk**

Concentration risk is the risk that poor performance in a particular market may significantly affect the Company because of a lack of diversity within the Portfolio.

Although the Company has the ability to invest in many markets at any given time, it may in fact be invested in only a small number of markets from time to time. Generally, the fewer markets in which the Company invests, the greater the overall volatility of the Portfolio. This may result in large movements in the Share price of the Company within short periods of time.

#### 4.10 **Price: NTA risk**

There is a risk of loss associated with the Share price not trading on the ASX at the NTA backing. The Shares may trade at a premium or discount to its NTA backing and the level of any premium or discount will likely fluctuate over time.

#### 4.11 **Market risk**

Investment returns are influenced by market factors such as changes in economic conditions, the legislative and political environment, investor sentiment, natural disasters and acts of terrorism.

As a result no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's investments.

#### 4.12 **Interest rate risk**

Changes in interest rates may have a negative impact either directly or indirectly on investment returns.

#### 4.13 **Risk of conflicts of interest**

The Manager also acts as investment manager for other entities. It is possible that the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Company and its Shareholders.

#### 4.14 **Derivatives risk**

Risks associated with using derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the Company not being able to meet payment obligations as they arise, regulatory risk and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). The Company employs derivatives for investment, hedging, leverage and investment implementation and exit purposes.

General risks such as liquidity and counterparty or market risks can be magnified by the use of derivatives because of the leverage effect they exert on the Company. The Company manages this risk by maintaining adequate cash and physical asset cover for derivative positions and also by regularly monitoring derivative positions and only entering into transactions with reputable counterparties via recognised exchanges where possible. If the Company enters into any derivative transaction with any other counterparty, it will seek to ensure the counterparty is creditworthy and viable.

#### 4.15 **Leverage risk**

The use of leverage may magnify the gains and losses achieved by the Company.

Leverage risk arises when the Company takes on positions that are greater in size than its assets. The Company will employ significant leverage up to five times the size of its funds through long and short positions. This process may result in gains or losses and may result in a loss of some or all of the Company's assets.

#### 4.16 **Counterparty risk**

A loss may occur if the other party to a contract, such as a derivatives counterparty or a custodian, defaults on their obligations under the contract. The success of the Portfolio's investments relies on the performance of other parties to contracts entered into by the Company. The Company could be exposed to the risk of loss if a contractual counterparty does not meet its obligations and defaults.

#### 4.17 **Valuation risk**

Investments may not have a readily ascertainable market price and may have valuations that differ from their true and actual realization value. Adjustments may be made having regard to what the Manager considers to be fair value for those assets. Further adjustments may be made on the basis of a number of matters including contingencies such as litigation expenses and fee waivers, deferrals and accruals.

#### 4.18 **Dividend risk**

The Company's ability to pay dividends depends on it achieving profitable returns on investments. There is no guarantee that the Company will achieve future earnings and/or capital appreciation. The Manager may make inappropriate investment decisions, which may result in the poor performance of the Portfolio, and insufficient returns to pay dividends to Shareholders.

#### 4.19 **Short selling risk**

The Company does not engage in short-selling physical assets but may hold short futures positions. In taking short positions, the Company bears the risk of an increase in price of the underlying investment over which the short position is taken. Such an increase could lead to a substantial loss.

#### 4.20 **Changes in taxation laws and policies**

Tax laws are in a continual state of change and reform which may affect the Company and its Shareholders. Tax liabilities are the responsibility of each individual investor. There may be tax implications arising from ownership of the securities, the receipt of franked and unfranked dividends (if any) from the Company, receiving returns of capital and the disposal of the securities.

Changes to tax laws may adversely affect the Company's financial performance and/or the returns achieved by investors. Dividends paid by the Company to certain investors may not be recognised as frankable by the Australian Taxation Office.

The Company is not responsible for either taxation or penalties incurred by investors. You should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of the tax legislation to your investment in the Company.

#### 4.21 **Changes in global or domestic economic conditions**

This is the risk that returns may be adversely affected by instability in local or global market conditions. The following economic conditions may impact the performance of the Company and the Portfolio:

- (a) national economic growth;
- (b) industry change;
- (c) interest rates;
- (d) inflation;
- (e) exchange rates; and
- (f) changes to government economic policy.

#### 4.22 **Change in political and regulatory environment**

The following international or domestic political conditions (as well as others that are not listed here) may adversely affect the Company, or its Portfolio:

- (a) legislative changes;
- (b) regulatory changes;
- (c) taxation changes; and
- (d) foreign policy changes (including the status of trade agreements).

## **5. Additional Information**

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### **5.1 Disclosing Entity**

As Shares in the Company are quoted on the ASX, the Company is a “disclosing entity” for the purposes of the continuous disclosure regime under the Corporations Act. Amongst other consequences, this means that the Company is subject to regular reporting and disclosure obligations under the Corporations Act in addition to the ASX Listing Rules.

The Corporations Act requires the Company, as a disclosing entity, to comply with the reporting and disclosure obligations of the ASX Listing Rules and makes it an offence for the Company not to comply in certain circumstances. In addition, the Corporations Act requires the Company, as a disclosing entity, to comply with the accounting and financial reporting requirements of the Corporations Act for the half-year and full-year accounting periods. These financial statements, together with a Directors' statement and report and an audit or review report must be lodged with the ASIC.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities.

It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to exercise their Bonus Options to acquire additional Shares in the Company.

### **5.2 Availability of Information Regarding the Company**

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at an office of ASIC.

In addition, the Company will make available, free of charge, to any Eligible Shareholder who asks for it in the period prior to the issue date of the Bonus Options, a copy of any of the following documents:

- (a) the Company's annual financial report for the year ending 30 June 2016 (being the last annual financial report to be lodged with ASIC before the issue of this Prospectus);
- (b) the financial report of the Company for the half-year ending 31 December 2016 (being the last half yearly financial statements to be lodged with ASIC before the issue of this Prospectus); and
- (c) any other financial statements or reports lodged in relation to the Company with ASIC, and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the year ending 30 June 2016, and ending on the date of lodgement of this Prospectus with ASIC.

### 5.3 ASX announcements

The Company has made several ASX announcements after the date of the lodgement of the annual financial report for the Company for the year ending 30 June 2016 (**on 30 September 2016**), and before the lodgement of this Prospectus with ASIC. A summary of the announcements made is as follows:

Date	Subject of ASX release
01/06/2017	Amended Change of Director's Interest Notice - S McAuliffe
01/06/2017	Change of Director's Interest Notice – Stuart McAuliffe
01/06/2017	Change in substantial holding- John Hawkins Pty Ltd
01/06/2017	Change in substantial holding – John Bridgeman Limited
01/06/2017	Change in substantial holding – Henry Avery Partners Pty Ltd
01/06/2017	Change in substantial holding
30/05/2017	Correspondence sent to security holders
30/05/2017	Appendix 3B 30 May 2017
30/05/2017	Bonus issue of options
30/05/2017	Appointment of director
29/05/2017	John Bridgeman Limited Proposed expansion into Singapore
29/05/2017	Appendix 3B
26/05/2017	Update on dividend guidance
26/05/2017	Response to ASX Query
26/05/2017	Update on proposed sale of stake in JB Financial Group
24/05/2017	Trading Halt
16/05/2017	Business update - investment in JB Financial Group
15/05/2017	Announcement - Unadjusted net tangible assets
11/05/2017	Priority allocation in proposed new enhanced fund
11/05/2017	Priority allocation in proposed new global equities fund
08/05/2017	Trading update and dividend guidance - May 2017
04/05/2017	Appendix 3B
03/05/2017	JB Financial Group capital raising
28/04/2017	Benjamin Hornigold IPO closes oversubscribed
28/04/2017	JB Financial Group completes strategic acquisition
27/04/2017	Business update - JB Financial Group
26/04/2017	Business update - Appointment of FinTech CEO
24/04/2017	Market Outlook for April 2017
13/04/2017	Net Tangible Asset Backing
13/04/2017	Appendix 3B
07/04/2017	Appendix 3B 95000 options exercised





Date	Subject of ASX release
31/03/2017	Share Issue Pursuant to Conversion of Options
28/03/2017	Appendix 3B
28/03/2017	Change in Registered Office Address
23/03/2017	Priority in Benjamin Hornigold Ltd IPO
20/03/2017	Change in substantial holding John Bridgeman Limited
20/03/2017	Change in substantial holding John Hawkins Pty Ltd
20/03/2017	Change in substantial holding Henry Avery Partners Pty Ltd
20/03/2017	Change in substantial holding Stuart McAuliffe
17/03/2017	Net Tangible Asset Backing
14/03/2017	Change of Director's Interest Notice Stuart McAuliffe
14/03/2017	Change of Director's Interest Notice Ross Patane
14/03/2017	Market Outlook - March 2017
13/03/2017	Appendix 3B Shares issued pursuant to DRP
09/03/2017	DRP pricing and dividend franking update
09/03/2017	Update - Dividend/Distribution - HML
07/03/2017	Net Tangible Asset Backing
28/02/2017	Proposed pre-IPO capital raising and in-specie distribution
28/02/2017	Henry Morgan Limited - Interim Financial Results
28/02/2017	Half Yearly Report and Accounts
23/02/2017	Form 605 Elders FMC Pty Ltd
23/02/2017	Appendix 3Y Rosario Patane
23/02/2017	Appendix 3Y John McAuliffe
23/02/2017	Appendix 3Y Stuart McAuliffe
23/02/2017	Form 604 Change in Substantial Holding John Bridgeman Ltd
23/02/2017	Change in substantial holding
23/02/2017	Form 604 Change in Substantial Holding Stuart McAuliffe
23/02/2017	Form 604 Change in Substantial Holding Henry Avery Partners
23/02/2017	Form 604 Change in Substantial Holding John Hawkins Pty Ltd
23/02/2017	Form 604 Change in Substantial Holding for John McAuliffe
22/02/2017	Update - Dividend/Distribution - HML
21/02/2017	Change in substantial holding for HHL
20/02/2017	Appendix 3B
17/02/2017	Further announcement re purchase of shares in HHL
17/02/2017	Appendix 3B
16/02/2017	Proposed priority allocation under planned LIC

Date	Subject of ASX release
15/02/2017	Update in Year To Date Performance
15/02/2017	Appendix 3B
15/02/2017	Net Tangible Asset Backing
14/02/2017	Intention to purchase further shares in HHL
14/02/2017	Change in substantial holding
14/02/2017	Appendix 3B
10/02/2017	Appendix 3B
09/02/2017	Change of Director's Interest S McAuliffe options exercised
09/02/2017	Dividend franking update
08/02/2017	Appendix 3B
08/02/2017	Appendix 3B
07/02/2017	Appendix 3B
06/02/2017	Appendix 3B
03/02/2017	Appendix 3B
03/02/2017	Net Tangible Asset Backing
02/02/2017	Appendix 3B
31/01/2017	Becoming a substantial holder for HHL
30/01/2017	Appendix 3B
27/01/2017	Appendix 3B
25/01/2017	Letter mailed to Optionholders
23/01/2017	Business update - Investment in JB Financial Group
23/01/2017	Business Update - Strategic Partnership
20/01/2017	Appendix 3B
20/01/2017	Dividend & DRP information mailed to shareholders
19/01/2017	Dividend announcement and DRP
19/01/2017	Dividend/Distribution - HML
18/01/2017	Change in substantial holding
17/01/2017	Appendix 3B
17/01/2017	Business update - Strategic partnership with Shinsegae Food
06/01/2017	Appendix 3B
05/01/2017	Business update - JB Financial Group Ltd
05/01/2017	Net Tangible Asset Backing
28/12/2016	JB Financial Group Ltd
28/12/2016	Market Outlook
28/12/2016	Change in substantial holding

Date	Subject of ASX release
19/12/2016	Half-year interim dividend guidance
15/12/2016	Further business update December 2016
13/12/2016	Announcement of buy-back
12/12/2016	Net Tangible Asset Backing
12/12/2016	Henry Morgan Limited - Business update
01/12/2016	Net Tangible Asset Backing
25/11/2016	Net Tangible Asset Backing
18/11/2016	Business Update
14/11/2016	Market Outlook - November 2016
09/11/2016	Net Tangible Asset Backing
08/11/2016	AGM Results of Meeting
28/10/2016	Change of Director's Interest Notice - S McAuliffe
27/10/2016	Addendum to Annual Report
26/10/2016	Net Tangible Asset Backing
18/10/2016	Results of Meeting
10/10/2016	Change of Director's Interest Notice
07/10/2016	Net Tangible Asset Backing
07/10/2016	Notice of Annual General Meeting/Proxy Form

#### 5.4 **Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

#### 5.5 **Subsequent Events**

Save for information contained in the documents set out in section 5.2 and otherwise as disclosed to ASX, there has not arisen in the interval between 30 June 2016 and the date of this Prospectus any item, transaction or event of a material or unusual nature which it would be reasonable for investors and their professional advisers to expect to find disclosed in the Prospectus which is not already disclosed in this Prospectus and which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company;
- (b) the results of those operations; or
- (c) the state of affairs of the Company in the financial year subsequent to 30 June 2016.

#### 5.6 **Liability of Other Persons Named in this Prospectus**

Notwithstanding that they may be referred to elsewhere in this Prospectus:



- (a) HopgoodGanim Lawyers are named in the Corporate Directory as Solicitors to the Issue. As such, they have been involved in providing advice to the Company on the law relating to the Issue. However, they do not make any other statement in this Prospectus and did not authorise or cause the issue of this Prospectus. HopgoodGanim Lawyers will be paid for work performed in accordance with usual time based charge out rates and estimate that their fees at the date of this Prospectus are in the order of \$20,000 exclusive of GST.
- (b) To the extent that the Prospectus includes statements by the Manager or includes statements based on any statement of, or information provided by the Manager, the Manager consents to each such statement being included in the Prospectus in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this Prospectus.
- (c) To the extent that the Prospectus includes statements by JBM or includes statements based on any statement of, or information provided by JBM, JBM consents to each such statement being included in the Prospectus in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this Prospectus.
- (d) Link Market Services Limited has given, and as at the date hereof has not withdrawn, its consent to be named as the Share Registry in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of this Prospectus other than recording of its name as Share Registry to the Company. Link Market Services Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

## 5.7 Electronic Prospectus

This Prospectus is available in a paper version and in electronic form. The electronic version will be available on the Company's website, [www.henrymorgan.com.au](http://www.henrymorgan.com.au), from the date of this Prospectus until the Expiry Date or where all Bonus Options have been exercised, whichever is the earlier to occur. The Offer constituted by this Prospectus in electronic form is made only to Eligible Shareholders receiving this Prospectus in electronic form in Australia. Persons who access the electronic form of this Prospectus must ensure that they download and read the entire Prospectus.

While the Company believes that it is extremely unlikely that during the period of the Offer the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that this will not occur. Any Shareholder in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company.

## 5.8 Authorisation

The Prospectus is issued by the Company. Each of the Directors has consented to the lodgement of the Prospectus with the ASIC.

Signed on behalf of the Directors of Henry Morgan Limited by:

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**Stuart McAuliffe**  
Managing Director  
**Henry Morgan Limited**  
2 June 2017



## 6. Glossary

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When used in this Prospectus the following words and phrases have these meanings:

<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX or Australian Securities Exchange</b>	ASX Limited or the securities exchange operated by ASX Limited (as the context permits or requires).
<b>ASX Listing Rules</b>	The Official Listing Rules of the ASX.
<b>Bonus Options</b>	The 7,071,786 Options (approximately) to subscribe for Shares, exercisable at \$2.05 each on or before 5:00pm (Brisbane time) 15 June 2020, to be issued to Eligible Shareholders pursuant to this Prospectus.
<b>Company or Henry Morgan or HML</b>	Henry Morgan Limited ACN 602 041 770.
<b>Corporations Act</b>	The Corporations Act 2001 (Cth).
<b>Eligible Shareholder</b>	A Shareholder on the Record Date who has a registered address in Australia or New Zealand or such other place determined by the Company in which it would be lawful to make the Issue.
<b>Exercise Price</b>	\$2.05 per Bonus Option.
<b>IPO Prospectus</b>	The Company's initial public offering replacement prospectus dated 5 November 2015.
<b>Issue or Offer</b>	The issue of the Bonus Options pursuant to this Prospectus.
<b>Listing Rules</b>	The official Listing Rules of ASX.
<b>Management Services Agreement</b>	The Management Services Agreement between the Company and the Manager.
<b>Manager</b>	John Bridgeman Limited ACN 603 477 185.
<b>NTA</b>	Net Tangible Assets.
<b>Official Quotation</b>	Official quotation on ASX.
<b>Options</b>	Options to acquire Shares.
<b>Portfolio</b>	Means the portfolio of the Company.
<b>Record Date</b>	8 June 2017.
<b>relevant interest</b>	Has the meaning given to it the Corporations Act.
<b>Shares</b>	Fully paid ordinary shares in the capital of the Company.
<b>Shareholders</b>	Holders of Shares in the Company.



## 7. Corporate Directory

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Directors and Company Secretary	Share Registry
John McAuliffe (Chairman) Stuart McAuliffe (Managing Director) Ross Patane (Non-Executive Director) Vanessa Gunner (Non-Executive Director) Jody Wright (Company Secretary)	Link Market Services Limited Level 15, 324 Queen Street Brisbane QLD 4000 Tel: 1300 657 159 <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>
Registered Office	Solicitors to the Offer
Level 9 Riverside Centre 123 Eagle Street Brisbane QLD 4000 Tel: 1300 110 436 <a href="http://www.henrymorgan.com.au">www.henrymorgan.com.au</a>	HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: +61 7 3024 0000 Fax: +61 7 3024 0300 <a href="http://www.hopgoodganim.com.au">www.hopgoodganim.com.au</a>