

25 September 2017

Market Update

BDO – Independent Review of NTA

Henry Morgan Limited (ASX:HML) (**Company**) refers to its previous announcement of 31 August 2017 concerning the appointment of BDO Corporate Finance (QLD) Ltd (**BDO**) to review the Company's valuation of its unlisted investments including, most notably JB Financial Group Ltd (**JB Financial**) a financial services company in which the Company holds a 20.39% equity interest (after the issue of new JB Financial ordinary shares on completion of the Genesis Proprietary Trading Pty Ltd acquisition discussed below). The results of this review will be included in the Company's determination of the net tangible asset backing of its quoted securities (**NTA**) and will be provided to the ASX. Detailed information has been provided to BDO to assist in this review. Given the extent of recent investment activity by the Company and the developing business activities of the entities in which the Company has invested (including JB Financial) the review process is ongoing. The Company will update the market as to the progress of the BDO review as new information is available.

The Company's Managing Director Stuart McAuliffe said that, "The past year has been a period of rapid growth for the Company's unlisted investments. The acquisition by JB Financial of key strategic assets supporting the operations of JB Financial's investments is expected to deliver positive returns to the Company. Details of these investments have been provided to BDO to be considered in the context of their review. In the last week, subsequent to the commencement of BDO's review, JB Financial has progressed two further acquisitions."

JB Financial Group Ltd – Investment Update

JB Financial acquisition of Genesis Proprietary Trading Pty Ltd

Following on from the Company's announcements of 23 June 2017 and 15 August 2017, the Board of HML advises that JB Financial has completed its acquisition of Genesis Proprietary Trading Pty Ltd (**Genesis**), one of Australia's largest interest rate derivative proprietary trading companies headquartered in Sydney, with offices in Melbourne, Manly and Warriewood.

100% of the issued shares of Genesis. were acquired for a consideration of \$11 million, half of which was paid by way of an issue of fully paid ordinary shares in JB Financial at \$6.14 per share. Cash consideration paid by JB Financial to the Genesis shareholders, after settlement adjustments for net liabilities assumed, was \$3,891,066.44.

JB Financial considers that the Genesis business is highly complementary to JB Financial's existing broking operations, and delivers further scale to JB Financial's broking division. Genesis' current management team will continue to operate the Genesis business. Several key personnel within the Genesis management team, including Messrs Nick Scarf, Ben Gregory and Justin Williams, will join JB Financial's management ranks. Their addition to the JB Financial management team will enable the ready realisation of the growth opportunities provided by the acquisition of the Genesis business.

Announcement

Henry Morgan Limited

ACN 602 041 770

JB Financial purchase of American Express currency exchange assets

The Company refers to its announcement of 23 June 2017. The Board of HML advises that JB Financial has completed all documentation in relation its acquisition of certain assets of American Express Wholesale Currency Services Pty Limited (**Amex Wholesale**). Completion has been set for early October 2017.

At completion, JB Financial will acquire a state of the art high capacity vault for storing currency from Amex Wholesale and will acquire the assignment of a lease over the secured vault premises. The vault is a core physical asset used for the supply of foreign currency throughout Australia. JB Financial has an option to renew the lease over the secured vault premises for a further 10 years upon the expiry of the initial lease term in July 2022.

As announced by HML on 23 June 2017, JB Financial had proposed to acquire the rights to operate the 64 retail foreign exchange outlets forming part of the American Express retail currency exchange business. This proposal involved JB Financial obtaining third party consents to the assignment of the rights to operate these retail foreign exchange outlets. These third party consents are still the subject of consideration by those third parties.

JB Financial's CEO, Stuart McAuliffe, said that, "The Amex Wholesale acquisition places JB Financial in a market leading position in foreign currency exchange. The acquisition provides scale, significant FX infrastructure and a tremendous team of American Express-trained people possessing many years of experience. The acquisition provides JB Financial with a platform for expansion and the team to achieve it."

ENDS

Stuart McAuliffe
Managing Director
Henry Morgan Limited