



Henry Morgan

HENRY MORGAN LIMITED
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26 March 2018

Lisa Banh
Senior Listings Adviser, Listings Compliance
ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

Email: lisa.banh@asx.com.au

Dear Ms Banh,

LETTER TO HENRY MORGAN LIMITED ("HML")

Our responses to each question set out in your letter of 19 March 2018:

1. At the time of the issue of the Prospectus, it was the intention of the Company not to invest in unlisted securities even though the management services agreement with the Company's investment manager allowed such investments provided that no more than 10% of its Portfolio is invested in unlisted securities at the time of the investment. The investment was made by the investment manager in accordance with the management services agreement.

On 18 October 2016, shareholders approved a removal of the restriction on the investment manager's investments in unlisted securities enabling the Company access to sophisticated investment opportunities offered in the unlisted environment, which have the potential to provide relatively high returns on investment in pre-IPO placements.

2. Provided separately.
3. The dates on which HML was issued shares in Bartholomew Roberts Pty Ltd (**BRL**), along with the number of shares issued on each date.

Date of share issue	Number of shares
13 October 2016	1,200,000
19 December 2016	55,556
17 May 2017	40,040
25 May 2017	202,020



Henry Morgan

4. Provided separately.
5. At the time of the issue of the Prospectus, it was the intention of the Company not to invest in unlisted securities even though the management services agreement with the Company's investment manager allowed such investments provided that no more than 10% of its Portfolio is invested in unlisted securities at the time of the investment. The investment was made by the investment manager in accordance with the management services agreement.

The Company confirms that on 13 October 2016, the value of unlisted securities held (including the 1,200,000 BRL shares acquired) was \$1,250,105 representing approximately 5.75% of the Company's Portfolio at the time of the investment.

On 18 October 2016, shareholders approved a removal of the restriction on the investment manager's investments in unlisted securities enabling the Company access to sophisticated investment opportunities offered in the unlisted environment, which have the potential to provide relatively high returns on investment in pre-IPO placements.

6. HML's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policies or otherwise by its board or an officer with delegated authority from the board to respond to ASX on disclosure matters.

Yours faithfully

Kevin Mischewski
Company Secretary
Henry Morgan Limited



26 March 2018

Mr Kevin Mischewski
Company Secretary
Henry Morgan Limited
GPO Box 3112
Brisbane QLD 4000

By email: kmischewski@henrymorgan.com.au

Dear Mr Mischewski,

Henry Morgan Limited ("HML")

ASX Limited ("ASX") refers to the following:

- A. HML's Replacement Prospectus dated 5 November 2015 ("Prospectus") released on the ASX Market Announcements Platform on 4 February 2016 which contains a summary of HML's investment guidelines, including that it may not hold unlisted securities:

3.4 Investment guidelines

The key investment guidelines for the Manager in implementing the Company's investment strategy are contained in the Management Services Agreement and include:

Objective	To provide investors with moderate to high Portfolio appreciation over the long-term through active management of the Portfolio.
Portfolio Investments	To include the following potential exchange traded futures contracts: <ul style="list-style-type: none">▪ fixed income;▪ commodities;▪ currencies; and▪ cash.
Currency Hedging	As required.
Unlisted Securities	The Company may not hold unlisted securities.
Borrowings	Borrowings are not a planned element of the Company's investment strategy.
Percentage of Capital Invested	No investment to be placed by the Manager that will result in greater than 50% of the Company's total capital invested in futures products.

- B. HML's announcement on 18 October 2016 titled "Result of Extraordinary General Meeting", confirming that shareholders approved the amendment to HML's investment guidelines, such that HML could now invest in unlisted securities.
- C. HML's Half Year Report and Accounts for the period ended 31 December 2016, lodged on the ASX Market Announcements Platform on 28 February 2017, disclosing the acquisition of 36.4% of Bartholomew Roberts Ltd ("BRL") in 3 tranches during the half year, as well as the acquisition of 25% of JB Financial Group Ltd ("JBFG") on 8 August 2016.

Acquisitions

On 8 August 2016 the Company acquired 25% of the issued shares of JB Financial Group Ltd (JBFG) (formerly JB Broking Ltd), a newly established company. During the half year the Company injected \$6,250,000 additional capital into JBFG and increased its ownership to 35.5%.

- JBFG owns 100% of the shares of JB Markets Pty Ltd, which holds an Australian Financial Services License (#323182) and operates as a broking firm.
- In two tranches during November and December 2016 JBFG acquired a total of 80.6% of the issued capital of King's Currency Exchange Pty Ltd (Kings) and a non-operating associate of Kings for total consideration of \$7,678,000. Kings operate the Crown Currency Exchange and King's Currency Exchange businesses which have a corporate history of more than 30 years and provide retail foreign exchange services through a network of foreign currency exchange stores.

On 2 November 2016, the Company acquired 50% of the issued capital of K-Ching Holdings Pty Ltd and K-Ching Pty Ltd (K-Ching) for total consideration of \$300,000. K-Ching Pty Ltd is an established business involved in retailing via vending machines.

During the half year, in three tranches, the Company acquired 36.4% of BRL for consideration of \$1,700,000.

- D. The financial accounts for Bartholomew Roberts Limited ("BRL") for the period from 22 April 2016 to 30 June 2017 ("BRL Accounts").

Page 4 of the BRL Accounts describes the issue of shares to HML as follows.

- the Company issued a further 2,227,616 to other investors consisting of 1,930,000 shares at \$1.00, 55,556 shares at \$9.00, and 242,060 shares at \$9.90 per share. These included 1,497,616 shares issued to Henry Morgan Limited which held 37.29% of the issued shares in the Company at 30 June 2017.

Page 24 of the BRL Accounts shows the following changes to the issued capital of BRL.

	2017	
	Shares	\$
a. Share capital		
Ordinary shares fully paid	4,016,212	11,538,488
b. Movements in shares on issue		
Balance at the beginning of the period	-	-
Ordinary shares issued on:		
22 April 2016	1,000,000	1,000,000
13 October 2016	2,077,417	2,077,417
1 November 2016	100,000	400,000
19 December 2016	55,556	500,000
30 December 2016	214,444	1,930,000
17 May 2017	326,735	3,234,677
25 May 2017	242,060	2,396,394
Balance at the end of the period	4,016,212	11,538,488

Having regard to the above, ASX asks HML under Listing Rule 18.7 to respond separately to each of the following questions and requests for information for the purposes of ASX being satisfied that HML is in compliance with the Listing Rules:

1. Please explain why HML acquired shares in JBFG, an unlisted company, on 8 August 2016, even though this contravened the investment guidelines outlined in the Prospectus.
2. In accordance with listing rule 4.9, please provide for release to market the latest accounts of BRL.
3. Please provide the dates on which HML was issued shares in BRL, along with the number of shares issued on each date.
4. Please provide copies of any documents or emails supporting the issue dates of the BRL shares in question 3 above (this is to allow ASX to verify HML's response to this letter, and is not for release to the market).
5. If HML was issued any shares in BRL prior to 18 October 2016, please explain why these shares were acquired prior to the receipt of shareholder approval to permit the acquisition by HML of unlisted securities.
6. Please confirm that HML's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of HML with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (i.e. **before 9.30 a.m. AEDT on Monday, 26 March 2018**).

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at lisa.banh@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to HML's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that HML's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Lisa Banh
Senior Adviser, Listings Compliance