

19 September 2018

## Update on JB Financial Group transaction

Henry Morgan Limited (ASX: HML) ('Henry Morgan,' 'the Company') refers to its announcement of 22 August 2018. This announcement provided an update on the meeting materials and Independent Expert's Report (IER) lodged with ASX on 20 July 2018 in relation to an offer made by JB Financial Group Pty Ltd ('JB Financial Group') for certain Henry Morgan investments ('the JBFG Transaction').

The Company has not received any further queries from the ASX in relation to these meeting materials. In addition, the Company has received no explanation as to why ASX will not lift the suspension of trading in the Company's securities at this time.

Pursuant to the transaction documentation with JB Financial Group, the Company was offered (in summary):

- the opportunity to exercise a put option to sell its direct and indirect shareholding in JB Financial Group Pty Ltd;
- an exclusive trading arrangement with minimum service standards with JB Trading House Pty Ltd; and
- a convertible note with JB Trading House which did not require any cash payment on the part of Henry Morgan.

JB Financial Group's offer was subject to certain conditions being satisfied by 30 September 2018. These conditions included the requirement to obtain an IER and the approval from the Company's shareholders. The IER was obtained with the independent expert concluding that the proposed transaction was both fair and reasonable to non-associated shareholders of HML. However, the Company has been unable to despatch the meeting materials (including the IER) to shareholders because ASX has not provided its approval for this despatch.

As a result, the condition in relation to shareholder approval is unlikely to be satisfied by 30 September 2018 and, unless the condition is waived or extended, it is unlikely that the JBFG Transaction will proceed.

The Board of Henry Morgan also refers to the announcement made by John Bridgeman Limited (NSX: JBL) ('JBL') on 10 September 2018 in relation to an off-market takeover offer proposed to be made for all of the issued shares in Henry Morgan that are not currently owned by JBL.

The independent directors of HML have engaged Leadenhall to prepare an independent expert's report on whether the JBL offer is fair and reasonable to non-associated shareholders. The independent directors of Henry Morgan have undertaken to consider JBL's offer in good faith as provided by the Bid Implementation Agreement. Subject to Henry Morgan's confirming due diligence and its assessment of the offer and the matters referred to in the independent expert's report that will be prepared on the



Henry Morgan

# Announcement

Henry Morgan Limited

ACN 602 041 770

instructions of the Company's independent directors, the Company's independent directors have undertaken to unanimously recommend the JBL offer to Henry Morgan shareholders in the absence of a superior proposal.

HML shareholders will be provided with a Bidder's Statement and Target's Statement over the coming weeks. These documents will contain the independent expert's report and a recommendation from Henry Morgan's independent directors in relation to the offer.

Shareholders should consider this information and make their own decision in light of their own circumstances as to whether to accept the JBL offer.

Further details will be provided as they become available.

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