

18 February 2019

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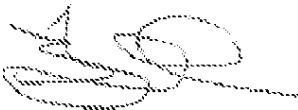
Dear ASX

**John Bridgeman Limited off-market takeover bid for Henry Morgan Limited –
Second supplementary bidder's statement**

We act for John Bridgeman Limited (**JBL**).

We **attach** by way of service under section 647(3)(b) of the *Corporations Act 2001* (Cth) a copy of JBL's second supplementary bidder's statement.

Yours sincerely

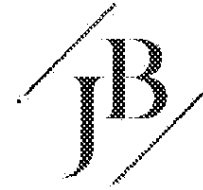


Ben Wood
Partner

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Supplementary Bidder's Statement

JOHN BRIDGEMAN
LIMITED

John Bridgeman Limited

1 Introduction

This document is the second supplementary bidder's statement (**Supplementary Bidder's Statement**) to the bidder's statement dated 31 October 2018 as supplemented by the first supplementary bidder's statement dated 22 November 2018 (**Original Bidder's Statement**) issued by John Bridgeman Limited ACN 603 477 185 (**JBL**) in relation to JBL's off-market takeover bid for all of the ordinary shares in Henry Morgan Limited ACN 602 041 770 (**HML**).

This Supplementary Bidder's Statement is given pursuant to Division 4 of Part 6.5 of the *Corporations Act 2001* (Cth) (**Corporations Act**) in compliance with the requirements of section 643 Corporations Act.

The Supplementary Bidder's Statement supplements and is to be read together with the Original Bidder's Statement. This document prevails in the event of any inconsistency with the Original Bidder's Statement.

This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your legal, financial, tax or other professional advisor immediately.

1.1 Important notices

A copy of the Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 18 February 2019. Neither ASIC nor any of its officers take any responsibility for the contents of this Supplementary Bidder's Statement.

1.2 Defined terms

Unless the context otherwise requires, capitalised terms in this Supplementary Bidder's Statement have the same meaning given to them in section 13 of the Original Bidder's Statement. The rules of interpretation set out in section 13.2 of the Original Bidder's Statement also apply to the Supplementary Bidder's Statement, unless the context otherwise requires.

2 Takeovers Panel update

2.1 Proceedings

JBL refers to the applications made to the Takeovers Panel (**Panel**) on 28 December 2018 by shareholders in HML (and Benjamin Hornigold Limited ACN 614 854 045 (**BHD**))¹. The Panel subsequently made a declaration of unacceptable circumstances in relation to the affairs of each

¹ The applicants in relation to both applications were Jonathan Allan Dixon, Ms Wendy Lynn Cowan, Mrs Susan Jean Dixon ATF Dixon Super Fund, GM Enterprises Australia Pty Ltd ATF GTM Super Fund and Inspired Asset Management Pty Ltd.

of HML and BHD on 25 January 2019 (**Declarations**), and correspondingly made final orders on 8 February 2019 (**Orders**).

2.2 What are the Declarations

In making the Declarations, the Panel considered that (among other things):

- (a) the Original Bidder's Statement did not adequately disclose:
 - (i) various relationships and transactions between JBL, HML, BHD, Bartholomew Roberts Pty Limited, JB Financial Group Pty Ltd, JB Trading House Pty Ltd and their associates;
 - (i) the risk that HML Shareholders will receive materially less value if JBL obtains voting power of 50% or less in either or both HML and BHD;
 - (ii) the financial position of JBL and JB Financial Group Pty Ltd, including that audit opinions in both their recent accounts refer to a material uncertainty regarding going concern;
 - (iii) details of the financial effects of the \$4.5 million loan given to JBL by BHD on or around 17 September 2018 (**JBL Loan**) (and its repayment), and the extension of loans by HML to JBL and BHD to JBL and JB Financial Group Pty Ltd and how each of these transactions may impact upon HML Shareholders' decision to accept the Offer; and
- (b) HML Shareholders did not have sufficient time or information to consider the Offer.

To remedy the unacceptable circumstances referred to in the Declarations, the Panel issued the Orders (the terms of which are substantially set out in section 2.3 below).

Copies of the Declarations (and Orders) are available in full to HML Shareholders through the ASX platform under the HML code or the Panel's website www.takeovers.gov.au.

2.3 What are the Orders

The commencement date of the Orders is 14 February 2019 (**Commencement Date**).

The effect of the Orders include that:

- (a) by the end of the fifth day after the commencement date of the Orders, all acceptances received by JBL from HML Shareholders are cancelled;
- (b) within five days of the Commencement Date, JBL must dispatch a supplementary bidder's statement to HML Shareholders which explains the effect of the Declaration and Orders (being this Supplementary Bidder's Statement);
- (c) within 30 days after the Commencement Date, JBL must dispatch to HML Shareholders:
 - (i) a replacement bidder's statement which includes the information specified in the Orders and set out in further detail below (**Replacement Bidder's Statement**); or
 - (ii) a supplementary bidder's statement which states that the Offer is closed or has been cancelled in accordance with the Orders;

- (d) within 14 days of the dispatch of the Replacement Bidder's Statement (if dispatched), HML must dispatch to HML Shareholders:
 - (i) a supplementary target's statement which discloses the recommendation of the Voting Directors following the Voting Directors' consideration of the Replacement Bidder's Statement and supplementary independent expert's report; and
 - (ii) a supplementary independent expert's report stating whether, as at the date of that report, the Offer is fair and reasonable following consideration of the Replacement Bidder's Statement, the repayment of the JBL Loan and the cancellation of acceptances under the Offer; and
- (e) if JBL does not dispatch the Replacement Bidder's Statement within the time period specified in the Orders, the Offer made by JBL will be cancelled.

2.4 What the Orders mean for you

This means that if you have previously accepted the Offer, your acceptance of the Offer will be cancelled on or around 19 February 2019.

As at the date of this Supplementary Bidder's Statement, JBL's intention is to dispatch the Replacement Bidder's Statement in accordance with the Orders. HML Shareholders will therefore be provided with further disclosure and, subject to the satisfaction of the remaining Orders, the opportunity to accept the Offer.

If you wish to accept the Offer, you will need to complete and return to JBL the acceptance form which will be attached to the Replacement Bidder's Statement. Further information about what to do is set out in section 2.6.

2.5 Requirements of the Replacement Bidder's Statement

The Replacement Bidder's Statement will, in accordance with the Orders, include:

- (a) a covering statement that HML Shareholders should wait until they receive a supplementary target's statement supplementary independent expert's report before deciding whether to accept the Offer;
- (b) a description of the various relationships and transactions between JBL, HML, BHD, Bartholomew Roberts Pty Limited, JB Financial Group Pty Ltd, JB Trading House Pty Ltd and their associates;
- (c) the risk that HML Shareholders will receive materially less value if JBL obtains voting power of 50% or less in either or both HML and BHD;
- (d) the most recent financial statements of JBL and HML, which note the effect of the repayment of the JBL Loan;
- (e) a prominent statement noting that the most recent audit opinions of JBL and JB Financial Group Pty Ltd refer to a material uncertainty regarding going concern;
- (f) details of the financial effects of the JBL Loan (and its repayment), the extension of loans by BHD to JBL and JB Financial Group Pty Ltd and the extension of a loan by HML to JBL and how each of these transactions may impact upon HML Shareholders' decision to accept the Offer; and

- (g) acceptance forms that are identifiably different from the acceptance forms in the Original Bidder's Statement.

JBL may also reintroduce any conditions in the Replacement Bidder's Statement which were contained in the Original Bidder's Statement. Where JBL elects to do so, its notice dated 24 December 2018 which freed the bids from the Defeating Conditions has no effect as it is stated to apply to that Defeating Condition.

As at the date of this Supplementary Bidder's Statement, JBL intends to reintroduce all conditions contained in Schedule 2 of the Original Bidder's Statement.

2.6 What to do

HML Shareholders who wish to accept the Offer will need to wait until they receive the Replacement Bidder's Statement, which will include a new acceptance form. JBL also encourages HML Shareholders to wait until they receive a supplementary target's statement from HML (and accompanying supplementary expert's report) before deciding whether or not to accept JBL's Offer.

HML Shareholders should carefully read the Replacement Bidder's Statement, and the supplementary target's statement and supplementary independent expert's report, before making any decision as to whether or not to accept the Offer.

To accept the Offer, a new and completed acceptance form will need to be returned to JBL in accordance with the instructions in the Replacement Bidder's Statement.

If you do not wish to accept the Offer, you do not need to take any further action. Even if you have already accepted the Offer, your acceptance will be cancelled in accordance with the Orders and, unless you return a completed acceptance form to JBL under the Replacement Bidder's Statement, you are under no further obligations to JBL with respect to your HML Shares.

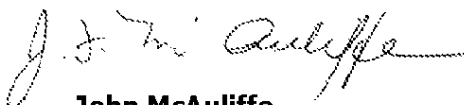
3 Extension of Offer Closing Date

The Directors of JBL have resolved to extend the Offer. The Offer is now scheduled to close (unless extended further or withdrawn in accordance with the Corporations Act, or cancelled in accordance with the Orders) at 7.00pm (Sydney time) on 15 April 2019.

4 Approval of the Supplementary Bidder's Statement

The Supplementary Bidder's Statement has been approved by a unanimous resolution of the directors of JBL.

This Supplementary Bidder's Statement is dated 18 February 2019, which is the date it was lodged with ASIC.



John McAuliffe
Chairman
John Bridgeman Limited