

29 October 2019

UPDATE ON JB FINANCIAL GROUP

The Company has received correspondence that Christopher John MacDonnell of Restructuring Solutions and Andrew McCabe and Joseph Hayes of Wexted Advisors have been appointed as receivers and managers by Partners For Growth (PFG) under its security over JB Financial Group Pty Ltd (JBFG).

JBFG is the sole shareholder of King's Currency Exchange Pty Ltd (**King's Currency**) and BHD understand that the shares of King's Currency is also subject to a security interest held by PFG and are among the assets over which the receivers have been appointed as receivers and managers.

The Company has notified the receivers and managers that it believes that the Kings Currency foreign currency notes are held on trust and are not the assets of Kings Currency.

The Company has also notified the receivers and managers of the Kings Currency foreign currency notes order made by the Takeovers Panel.

Outstanding loans and assets

The majority of the Company's assets are loans and service agreements with JBFG and its subsidiaries, being:

- JBFG Convertible Loan – Approximately \$2.6 million;
- JBFG Unsecured Loan – Approximately \$900,000 (repayable 31st October 2019);
- Kings Currency Foreign Currency Banknotes – Approximately \$7.4 million including outstanding payments under the Service Agreement for June to September (repayable under Takeover Panel Orders); and
- John Bridgeman Ltd Loan – Approximately \$1.1 million. John Bridgeman's primary investments are (directly and indirectly) in JBFG.

As disclosed in our announcement on the 23rd October, the JBFG Convertible Loan and JBL Loan are in default and the Company believes that they are immediately repayable in full.

PFG maintains that it holds a fixed charge over the King's Currency foreign currency notes. The Company disputes PFG's characterisation and maintains that the King's Currency foreign currency notes are held on trust for the Company.

The Company intends to defend its rights to the return of its property and the enforcement of its rights under the loans and service agreements with JBFG and its subsidiaries.

ENDS

Benjamin Hornigold Ltd

Tel: **02 8117 8123**

Email: **cosec@bhdlimited.com.au**