



Benjamin Hornigold Ltd
ACN 614 854 045

ASX Announcement
(ASX: BHD)

24 June 2020

GENERAL MARKET UPDATE

The board of directors (Board) of the Benjamin Hornigold Ltd (Company) ASX:BHD hereby provide an update on the company's financial position and intentions.

The current board gained control of BHD with a strong mandate from shareholders in June 2019. Upon gaining access to company books and records we found that the company had very little cash and a majority of loans/arrangements with the John Bridgeman/JB Financial Group of companies. To date, we have spent significant time and effort in repatriating company funds from investments. This has been in the form of both litigation and applications via the Takeovers Panel. We have had success in this endeavor and now hold \$7.56 million in cash at bank following on from the Kings Currency repayment (ASX announcement 12/02/20).

We note that John Bridgeman Ltd and Henry Morgan Ltd have yet to lodge audited accounts for 18-19, JB Financial Group is currently in Receivership and the impact of Covid-19 to Kings Currency is likely to have been significant. Ensuring adequate security over the Bank Notes and a commercial rate of return resulted in capital being returned to BHD in February and successfully protected shareholders.

There remains potential for the recovery of further sums, but we have opted to take a commercial view when allocating shareholder funds. In each instance, and in light of the financial position of the John Bridgeman group of companies and subsidiaries, we want to see a clear pathway towards an outcome for BHD before committing funds.

Stated Objectives

Our key stated intentions upon seeking election as directors were to;

- Establish the financial position of the company
- recover cash in that process
- and to seek the lifting of the trading suspension on the ASX.

Related Party Transactions

On taking control of the company, we had limited access to books and records and very little cash at hand. As a result, the company was unable to allow trading to

continue until we were able to establish the financial position of the company and recover funds.

To date, the majority of time and energy has gone into recovering funds from the transactions that were entered into under the previous board. This has led to;

- A recovery of \$600,000 from JBFG and subsidiaries
- A recovery of \$7.782 Million in cash from the Kings Currency FX Notes
- A recovery of circa \$150,000 from John Bridgeman Ltd

BHD is now in a position of holding approximately \$7.56 Million in cash with an NTA of \$7.16 Million.

Investment Strategy

BHD's prospectus allowed for a broad investment strategy and our intentions are to work within the parameters of that strategy in constructing and managing an investment portfolio for the company.

We expect to commence cautiously, while building a relatively concentrated portfolio of our best 20 ideas. We may utilise low cost ETFs when seeking to gain broader market exposure.

We expect that as we progress through ongoing litigation, the company's funding requirement will decrease, and with the recovery of additional funds, allow the company to move toward a less conservative investment strategy.

Investment Management

Having considered the options of managing funds externally or in-house, we have elected to manage the investment portfolio internally in order to reduce costs. The current board has extensive experience and expertise to manage the portfolio.

This will result in substantial cost savings compared to the Management Services Agreement in place with John Bridgeman Limited (JBL).

Seeking to lift the trading suspension

The company is now in a position to resume activities as a Listed Investment Company and return to trading.

There has been a period of nearly two years since the ASX suspended BHD in July 2018. Ongoing concerns were communicated in the [*Reasons for Suspension released to market 21/06/19*](#). As a new independent board, we expect to have allayed the issues highlighted while returning the company to a position of financial clarity and stability.

Shareholders invested in BHD shares seeking exposure to investment markets and liquidity via the ASX listing. We are now ready to meet those shareholder expectations and as such ASX has indicated that it intends to reinstate the securities of BHD to official quotation from the commencement of trading on 25 June 2020.

By authority of the Board

Michael Glennon



Chairman / Company Secretary

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