



HUNTER HALL INTERNATIONAL LIMITED

ABN 43 059 300 426

30 December 2016

Market Announcements Office
ASX Limited
Level 5, 20 Bridge Street
Sydney NSW 2000

HUNTER HALL INTERNATIONAL LIMITED (HHL) PETER HALL SELLS 19.9% OF HHL TO WASHINGTON H. SOUL PATTINSON (WHSP)

The Board of Hunter Hall International Limited (**ASX: HHL**) wishes to notify its shareholders that Peter Hall has advised the Board of HHL that he has agreed to sell part of his HHL shareholding, equivalent to 19.9% of the issued share capital of HHL, to Washington H. Soul Pattinson and Company Limited (**ASX:SOL**) for \$1.00 per share.

WHSP have stated their intention to make a takeover bid for all of the shares of HHL for at least \$1.00 per share. The terms of the agreement between Peter Hall and WHSP are attached. WHSP has also made an announcement to the market.

Peter Hall said "I have known Washington Soul Pattinson for many years having first met patriarch Jim Millner in his office above the chemist shop in Pitt Street in 1985. WHSP is a very fine Australian institution with diversified interests.

Should WHSP be successful in their takeover bid I feel confident that they would be good custodians of our investors' wealth. It has a similar investment philosophy to that of Hunter Hall and I am glad that they will provide shareholders and unitholders with continuity upon my exit from the business. WHSP is a patient, value oriented investment house. Our approaches are similar and I am confident that Hunter Hall's investors will continue to enjoy the same positive investment outcomes into the future.

I will work with the boards of Hunter Hall International, Hunter Hall Global Value and our executive and management team during my notice period to ensure a smooth transition. Hunter Hall is in good order with a strong balance sheet, a strong executive and investment team and the future is bright.

I would like to thank Nelson Lam of Chase Corporate Advisory for his indefatigable assistance during this transaction.

I also attach a brief personal statement which gives more background to my decision to retire."

Shareholders are advised to take no further action pending further advice from the Board.

Yours faithfully

Kevin Eley
Chairman

GPO Box 3955, Sydney NSW 2001, Australia
Telephone: +61 2 8224 0300
Email: invest@hunterhall.com.au
Website: www.hunterhall.com.au

Personal Statement by Peter Hall

I am now 56 years old and it is time to spend more time with my family and following my personal interests.

I am very proud of Hunter Hall's achievements over the long term where in our flagship Value Growth Trust we have turned \$1 invested at inception in May 1994 into \$16 at the time of our most recent unit prices. The same \$1 invested in the Australian Stock market would have turned into about \$7 and if invested in global stock markets would have increased to \$4.20. That is real wealth creation and we have been good corporate citizens providing capital and support to many fine Australian and international companies.

Hunter Hall has donated over \$10m to good causes in particular being one of the most important supporters of efforts to prevent the extinction of the Sumatran rhinoceros, of which fewer than 100 individuals remain and the Javan rhinoceros, of which about 60 animals remain.

Finally allow me to thank the many investors, advisors, stockbrokers, researchers, intermediaries and employees who have supported Hunter Hall over the years.

It is invidious to name individuals but I feel I must pay particular tribute to past and present members of the Boards of Hunter Hall International Limited and Hunter Hall Global Value Limited, Paula Ferrao, Deputy Chief Executive, Deputy Chief Investment Officers James McDonald and Jonathan Rabinovitz and Monica Hood, Christina Christopherson, Brooke Logan and Asher Lockhart for their loyal service over many years.



WASHINGTON H SOUL PATTINSON
AND COMPANY LIMITED

ABN: 49 000 002 728

Level 1, 160 Pitt Street Mall Sydney NSW 2000 Australia

GPO Box 479, Sydney NSW 2001 T: (02) 9232 7166 F: (02) 9235 1747

STRICTLY CONFIDENTIAL

30 December 2016

Mr Peter Hall
Hampshire Assets and Services Pty Ltd
Level 2
56 Pitt Street
Sydney NSW 2000

Dear Peter

Hunter Hall International Limited - Share Sale and Purchase Agreement

Hampshire Assets and Services Pty Ltd ACN 059 790 395 (**Seller**) holds 11,654,998 fully paid ordinary shares in Hunter Hall International Limited ACN 059 300 426 (**Target**), which represents as at the date of this deed an amount equal to 42.68% of the issued share capital of the Target.

Washington H. Soul Pattinson and Company Limited ACN 000 002 738 or its nominee (**Purchaser**) proposes to acquire, and the Seller proposes sell, 5,434,653 fully paid ordinary shares in the Target, representing an amount equal to 19.9% of the issued share capital of the Target as at the date of this agreement (**Sale Shares**).

Expressions used or defined in the ASX Settlement Operating Rules have the same meaning in this agreement.

1. Sale and purchase

- (a) The Seller must sell, and the Purchaser must buy, the Sale Shares for the amount of A\$1.00 cash per Sale Share (which amounts to A\$5,434,653 in aggregate) (**Purchase Price**) free and clear of all encumbrances on the terms of this agreement.
- (b) The Purchaser is not obliged to complete the purchase of any of the Sale Shares unless the purchase of all of the Sale Shares is completed simultaneously.

2. Completion

- (a) Completion of the sale and purchase of the Sale Shares (**Completion**) will take place by 4:00 pm on 30 December 2016 (or at such other time or place as the Purchaser and the Seller may agree in writing).
- (b) At Completion:
 - (i) the Seller must deliver to the Purchaser:

- (A) a duly executed share transfer form or a Registrable Transfer Document in respect of the Sale Shares as requested by the Purchaser; and
 - (B) any other document reasonably required by the Purchaser to effect the transfer to it of the Sale Shares including any documents necessary to effect a conversion from the CHES sub-register to the issuer sponsored sub-register; and
- (ii) the Purchaser must pay the Purchase Price in cleared funds as directed by the Seller.

3. Agreement to announce takeover bid

Within 10 business days of the date of this agreement, or such longer period as the Purchaser and the Seller may agree in writing, the Purchaser must make a public announcement to ASX stating that it intends to make a takeover bid under Chapter 6 of the *Corporations Act 2001 (Cth)* (**Corporations Act**) for all of the issued shares in the Target:

- (a) for at least A\$1.00 per Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
- (b) on conditions not less favourable than those set out in **Annexure A**,
(**Takeover Bid**).

4. ASX Announcement

We agree that Hunter Hall International Limited may make an Australian Securities Exchange announcement that attaches this agreement.

5. Warranty of the Seller

The Seller warrants to the Purchaser that it is the registered legal holder of the Sale Shares, that there are no encumbrances over or affecting the Sale Shares and has the power to enter into and to perform its obligations under this agreement in respect of the Sale Shares.

6. Further assurances by the Seller

The Seller must do all things (including executing any document) that the Purchaser may reasonably require to give full effect to its obligations under this agreement in respect of the Sale Shares.

7. Uncommitted Shares

- (a) The Seller makes no promise that it will procure acceptance of any offer by the Purchaser to acquire any shares in the Target other than the Sale Shares (**Uncommitted Shares**).
- (b) The Purchaser and the Seller agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Seller's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares or otherwise deal with the Uncommitted Shares.

8. Exclusivity

- (a) The Seller represents and warrants that, other than the discussions with the Purchaser in connection with this agreement, the Seller:

- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than the Purchaser acquiring shares in the Target (**Competing Proposal**); or
 - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the offer period under the Takeover Bid, the Seller must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offer period under the Takeover Bid, the Seller must promptly inform the Purchaser if it is approached by any person with or in respect of a Competing Proposal and provide in writing to the Purchaser:
 - (i) the identity of that person; and
 - (ii) details of:
 - (A) the Competing Proposal made by the person making the approach; and
 - (B) any discussions between such person and the Seller (or its representatives).

9. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
 - (i) in writing, in English and signed by a person duly authorised by the sender; and
 - (ii) hand delivered or sent by prepaid post or email to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

Purchaser

Address: Level 1, 160 Pitt Street, Sydney NSW 2000
 Email: TBarlow@whsp.com.au
 Attention: Mr Todd Barlow

Seller

Address: Level 2, 56 Pitt Street, Sydney NSW 2000
 Email : phall@hunterhall.com.au
 Attention: Mr Peter Hall

- (b) A Notice given in accordance with this section 9 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
 - (i) if hand delivered, on delivery;
 - (ii) if sent by prepaid post, on the third business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
 - (iii) if sent by email, immediately after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

9. Miscellaneous

This agreement is governed by the laws of New South Wales and the Seller and the Purchaser agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in New South Wales. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Sydney time.

10. Acceptance

Please indicate the Seller's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by email, to the offices of the Purchaser.

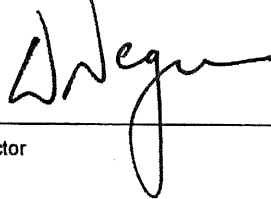
Yours faithfully



Todd Barlow

Managing Director

EXECUTED by Washington H. Soul
Pattinson and Company Limited ACN
000 002 738 in accordance with section 127
of the *Corporations Act 2001* (Cth):



Signature of director

WARWICK NEGUS

Name (please print) **DIRECTOR**

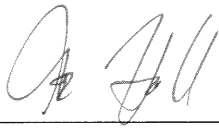


Signature of Director / Company secretary

TODD BARLOW

Name (please print)

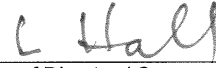
EXECUTED by Hampshire Assets and
Services Pty Ltd ACN 059 790 395 in
accordance with section 127 of the
Corporations Act 2001 (Cth):



Signature of director

ROD HALL

Name (please print)



Signature of Director / Company secretary

LEN HALL

Name (please print)

ANNEXURE A

1. OFFER PRICE

Where the Purchaser determines to proceed to make offers under the Takeover Bid (**Offer**) for all of the issued shares in the Target (**Shares**), the Purchaser intends to offer at least A\$1.00 per Share.

2. CONDITIONS

The Offer will be subject to the following conditions:

- (a) **(No Prescribed Occurrences)** None of the following events occurs (each a '**Prescribed Occurrence**') during the period beginning on the date the Bidder's Statement is given to the Target and ending at the end of the offer period under the Takeover Bid:
 - (i) the Target converts all or any of its Shares into a larger or smaller number of shares;
 - (ii) the Target or a subsidiary of the Target resolves to reduce its share capital in any way;
 - (iii) the Target or a subsidiary of the Target:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the *Corporations Act 2001* (Cth);
 - (iv) the Target or a subsidiary of the Target issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than the issue of shares on the exercise of any options that are on issue as at the date of announcement of the bid;
 - (v) the Target or a subsidiary of the Target issues, or agrees to issue, convertible notes;
 - (vi) the Target or a subsidiary of the Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) the Target or a subsidiary of the Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (viii) the Target or a subsidiary of the Target resolves to be wound up;
 - (ix) a liquidator or provisional liquidator of the Target or of a subsidiary of the Target is appointed;
 - (x) a court makes an order for the winding up of the Target or of a subsidiary of the Target;
 - (xi) an administrator of the Target, or of a subsidiary of the Target, is appointed under section 436A, 436B or 436C of the *Corporations Act 2001* (Cth);
 - (xii) the Target or a subsidiary of the Target executes a deed of company arrangement; or

- (xiii) a receiver, a receiver and manager, or other controller (as defined in the *Corporations Act 2001* (Cth)) is appointed in relation to the whole, or a substantial part, of the property of the Target or of a subsidiary of the Target.
- (b) **(No prescribed occurrences between announcement and service)** None of the events listed in sub-paragraphs (i) to (xiii) of paragraph (a) happens during the period beginning on the date of the announcement of the Takeover Bid (**Announcement Date**) and ending at the end of the day before the Bidder's Statement is given to the Target.
- (c) **(Conduct of business)** Neither the Target nor a subsidiary of the Target undertaking any of the following, without the written consent of the Purchaser:
 - (i) declaring, or distributing any dividend, bonus or other share of its profits or assets;
 - (ii) making any changes in its constitution or passing any special resolution;
 - (iii) giving or agreeing to give any encumbrance over any of its assets other than in the ordinary course of business;
 - (iv) borrowing or agreeing to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
 - (v) releasing, discharging or modifying any substantial obligation to it of any person, firm or corporation or agreeing to do so;
 - (vi) entering or agreeing to enter into any contract of service or varying or agreeing to vary any existing contract of service with any director, manager or fund manager, or paying or agreeing to pay any retirement benefit or allowance to any director, manager or employee, or making or agreeing to make any substantial change in the basis or amount of remuneration of any director, manager or employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect prior to the Announcement Date);
 - (vii) conducting its business other than in the ordinary course; or
 - (viii) having threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager) other than proceedings before the Takeovers Panel.

No person has any right (whether subject to conditions or not) as a result of the Purchaser acquiring Target Shares to:

- (i) acquire, or require the Target or a subsidiary of the Target to dispose of, or offer to dispose of, any material asset of the Target or a subsidiary of the Target; or
- (ii) terminate or vary any material agreement with the Target or a subsidiary of the Target.