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ASX Announcement – 10 February 2017

Increased Offer Price of \$1.60 per share for Hunter Hall International Limited

- Revised Offer Price of \$1.60 per HHL Share
- Revised Offer free from all Conditions
- Accelerated seven Business Day payment terms

WHSP Hunter Hall Pty Ltd ACN 616 648 241 (**Bidder**), a directly wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited ACN 000 002 728 (**WHSP**) (ASX: SOL), today announced that it is increasing its Offer Price to \$1.60 cash per HHL Share for all the shares in HHL not already owned by WHSP (**Revised Offer**), and is declaring the Offer free from all Conditions.

Revised Offer Price is highest current non-contingent offer

The Bidder's Revised Offer represents:

- a 60% premium to the Offer Price in the Bidder's Statement;
- a 7% premium to the takeover offer from Pinnacle Ethical Investment Holdings Limited (**Pinnacle Bidder**) (**Pinnacle Offer**) of \$1.50 cash per HHL Share if the Pinnacle Bidder achieves a relevant interest in HHL Shares which is not greater than 50% and subject to the satisfaction of certain conditions; and
- a 29% discount to the closing price of HHL Shares on ASX on 9 February 2017 of \$2.25, being the last Trading Day prior to the date of this First Supplementary Bidder's Statement.

See the attached Supplementary Bidder's Statement for further information.

Free from conditionality

The Bidder is now declaring the Offer free from all Conditions.

Funding

The Bidder will satisfy any payment required under the Revised Offer from the funds WHSP has undertaken to provide to the Bidder. WHSP will obtain those funds from WHSP's existing uncommitted cash reserves and invested funds at call. WHSP will ensure that the necessary funds are made available to the Bidder to enable the Bidder to pay the Revised Offer consideration (and costs associated with the Revised Offer).

Accelerated seven Business Day payment terms

The Bidder will send payment of the consideration due under contracts formed on acceptance of the Offers within seven Business Days of valid acceptances being received in accordance with the terms of the Offers.

Timetable

Supplementary Bidder's Statement lodged with ASIC, ASX and served on HHL	10 February 2017
Expected date for despatch of the Supplementary Bidder's Statement to HHL's shareholders	10 February 2017
Offer closes (unless extended)*	7:00pm (Sydney time) on 20 February 2017

* The closing date for the Offer may be extended as permitted by the Corporations Act.

Supplementary Bidder's Statement

Accompanying this announcement is a Supplementary Bidder's Statement which contains the information in this announcement and other important information. The Supplementary Bidder's Statement will be sent to HHL shareholders. Shareholders should read this Supplementary Bidder's Statement carefully. Capitalised terms in this announcement have the same meaning given to those terms in the Supplementary Bidder's Statement dated 10 February 2017 and the Bidder's Statement dated 11 January 2017 unless the context requires otherwise.

If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Offer Information Line on 1300 652 821 (within Australia) or +61 3 9415 4104 (from outside Australia).

The Offer Information Line is open between 9:00 am and 5:00 pm (Sydney time) during the Offer Period.

About WHSP

WHSP is an Australian public company that listed on the Australian Stock Exchange in 1903. WHSP is an investment house with investments in a diverse portfolio of assets across a range of industries. Further information on WHSP can be found at www.whsp.com.au

This document is a supplementary bidder's statement dated 10 February 2017 and is issued by WHSP Hunter Hall Pty Ltd ACN 616 648 241 (**Bidder**), a directly wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited ACN 000 002 728 (**WHSP**), under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**). It incorporates a notice under section 650D and 650F of the Corporations Act. This is the first supplementary bidder's statement issued by the Bidder in relation to its takeover offer for Hunter Hall International Limited ACN 059 300 426 (**HHL**) dated 11 January 2017 (**Offer**).

This supplementary bidder's statement (**First Supplementary Bidder's Statement**) supplements and is to be read together with the Bidder's Statement dated 11 January 2017. This First Supplementary Bidder's Statement will prevail to the extent of any inconsistency with the Bidder's Statement.

A copy of this First Supplementary Bidder's Statement was lodged with ASIC on and provided to ASX on 10 February 2017. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this First Supplementary Bidder's Statement or the merits of the Offer. This First Supplementary Bidder's Statement has been approved by a resolution passed by the directors of the Bidder. Words and phrases defined in the Bidder's Statement have the same meaning in this First Supplementary Bidder's Statement unless the context requires otherwise.

Increased Offer Price of \$1.60 per HHL Share

- Revised Offer Price of \$1.60 per HHL Share
- Revised Offer free from all Conditions
- Accelerated seven Business Day payment terms
- Acceptance by email

Dear HHL Shareholder,

On 10 February 2017, the Bidder announced that it is increasing its Offer Price to \$1.60 cash per HHL Share for all the shares in HHL not already owned by WHSP (**Revised Offer**), and is declaring the Offer free from all Conditions. The Bidder also announced that Acceptance Forms may now be sent by email.

The Bidder encourages you to accept the Revised Offer for your HHL Shares as soon as possible.

1. Free from conditionality

The Offer has been subject to a number of Conditions. The Bidder hereby gives notice in accordance with section 650F of the Corporations Act that:

(a) the Bidder hereby frees:

- (i) each Offer dated 11 January 2017 made by the Bidder in relation to the HHL Shares; and
- (ii) each contract resulting from acceptance of the Offers,

from all Conditions set out in section 8.7 of the Bidder's Statement; and

(b) as at the date of this First Supplementary Bidder's Statement, the WHSP Group (which includes the Bidder) has voting power of 19.99% in HHL.

2. Notice of status of Conditions

The Bidder hereby gives notice in accordance with Section 630(3) that:

- (a) the Offers have been freed from all Conditions set out in section 8.7 of the Bidder's Statement; and
- (b) as at the date of this First Supplementary Bidder's Statement:
 - (i) so far as the Bidder knows, none of the Conditions set out in section 8.7 of the Bidder's Statement were fulfilled; and
 - (ii) the WHSP Group (which includes the Bidder) have voting power of 19.99% in HHL.

3. Revised Offer Price is highest unconditional cash offer

The Bidder hereby gives notice in accordance with Section 650D of the Corporations Act that it varies the Offer by increasing the Offer Price by \$0.60. The Offer Price is now \$1.60 for each HHL Share.

The Bidder's Revised Offer represents:

- a 60% premium to the Offer Price in the Bidder's Statement;
- a 7% premium to the takeover offer from Pinnacle Ethical Investment Holdings Limited (**Pinnacle Bidder**) (**Pinnacle Offer**) of \$1.50 cash per HHL Share if the Pinnacle Bidder achieves a relevant interest in HHL Shares which is not greater than 50% and subject to the satisfaction of certain conditions (see section 4 of this First Supplementary Bidder's Statement also); and
- a 29% discount to the closing price of HHL Shares on ASX on 9 February 2017 of \$2.25, being the last Trading Day prior to the date of this First Supplementary Bidder's Statement.

Each HHL Shareholder who accepts, or who has already accepted, the Offer will be entitled to receive the increased Offer Price.¹ Details on how to accept the Offer are summarised in section 10 of this First Supplementary Bidder's Statement.

4. Pinnacle Offer

On 30 January 2017, the Pinnacle Bidder, an indirectly wholly owned subsidiary of Pinnacle Investment Management Group Limited, issued its bidder's statement in relation to its off-market takeover offer to acquire all of the shares in HHL. Under the Pinnacle Offer, the Pinnacle Bidder is offering to acquire HHL Shares at an offer price of \$1.50 per HHL Share subject to the satisfaction of certain conditions, which would increase to \$2.00 per HHL Share, if the following additional conditions were satisfied:

- the Pinnacle Bidder achieves a relevant interest in HHL Shares which is greater than 50%;
- there is no material adverse change in the financial performance or financial prospects of HHL;
- there is no reduction in capital or other distribution from Hunter Hall Global Value Limited (**HHV**) other than distributions in the ordinary course or as a result of the on-market share buyback of up to 10% of the issued capital announced on 31 December 2016;

¹ Subject to the other terms of the Offer.

- Hunter Hall Investment Management Limited remains the manager of HHV;
- HHL continues to have cash and portfolio investments of at least \$25 million; and
- HHL's total funds under management is at least \$900 million.

If these conditions are satisfied or waived, and the Pinnacle Offer increases to \$2.00 per HHL Share, the Bidder's Revised Offer would represent a 20% discount to the \$2.00 price.

As at the date of this First Supplementary Bidder's Statement, the Pinnacle Offer has not yet opened.

5. Risks regarding the Pinnacle Bidder's conditional increase in offer consideration

The Bidder believes that there is a significant risk that the Pinnacle Bidder will not achieve a relevant interest in HHL Shares which is greater than 50%. This risk is heightened because the Bidder owns 19.99% of all HHL Shares. There is no certainty that the other conditions to Pinnacle Bidder's possible price increase will be satisfied.

6. Accelerated seven Business Day payment terms

As the Revised Offer is unconditional, the Bidder will send payment of the consideration due under contracts formed on acceptance of the Offers within seven Business Days of valid acceptances being received in accordance with the terms of the Offers.

7. Additional payment if you have already accepted the Offer

Each HHL Shareholder who has already accepted the Offer is entitled to receive the increased Offer Price. Within seven days after the date of this First Supplementary Bidder's Statement, HHL Shareholders who have already accepted the Offer, will automatically be sent a further \$0.60 per HHL Share.

8. Acceptance by email

The Bidder today announced that Acceptance Forms may now also be sent by email. Acceptance Forms sent in this manner will be treated as valid if the Acceptance Form is completed and signed in accordance with the instructions on it and a scanned version of:

- the Acceptance Form; and
- all other documents required by the instructions on the Acceptance Form,

are emailed to #AUCSMELCorporateActions@computershare.com.au, so that they are received before the end of the Offer Period.

The original Acceptance Form (using the enclosed pre-addressed envelope if you wish) and all other documents required by the instructions on it must be returned to the postal address given on the Acceptance Form as soon as practicable afterwards.

The Bidder is not obliged to pay the consideration to which you are entitled until your original Acceptance Form, together with all other documents required by those instructions on it, are received at the postal address given on the Acceptance Form.

See section 10 of this First Supplementary Bidder's Statement for further information on how to accept the Offer.

9. Accept the Offer as soon as possible

The Bidder encourages HHL Shareholders to accept the Revised Offer as soon as possible to enable payment to be made at the earliest possible time. Set out below is a summary of how to accept the Offer. Full details (other than in relation to acceptance by email, details of which are contained in section 10 of this First Supplementary Bidder's Statement) are contained in section 8.3 of the Bidder's Statement dated 11 January 2017 which was sent to HHL Shareholders in January 2017.

10. How to accept the Offer

CHESS Holdings

If your HHL Shares are in a CHESS Holding (Holder Identification Number is prefixed with 'X'), to accept you must either:

- **instruct** your Controlling Participant (usually your Broker) to accept the Offer on your behalf, so as to be effective before the end of the Offer Period. However, if you are the Controlling Participant in respect of your HHL Shares, to accept the HHL Offer you must initiate acceptance of the Offer before the end of the Offer Period; or
- **complete and sign** the enclosed Acceptance Form in accordance with the instructions on it and **return** it (using the enclosed pre-addressed envelope if you wish) together with all other documents required by those instructions on it, so that they are **received** at the address given on the Acceptance Form in sufficient time for your Controlling Participant to act on your instruction before the end of the Offer Period.

Issuer Sponsored Holding

If your HHL Shares are held in an Issuer Sponsored Holding (Securityholder Reference Number is prefixed with 'I') or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your HHL Shares, to accept the Offer in respect of those HHL Shares, you must **complete and sign** the enclosed Acceptance Form in accordance with the instructions on it and **return** it (using the enclosed pre-addressed envelope if you wish) together with all documents required by the instructions on it, so that they are received at the address given on the Acceptance Form before the end of the Offer Period.

Participants

If you are a Participant (typically, a Broker), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Operating Rules.

Emailed Acceptances

To accept by email:

- **complete and sign** the enclosed Acceptance Form in accordance with the instructions on it and email it together with all other documents required by those instructions on it to #AUCSMELCorporateActions@computershare.com.au, so that they are received before the end of the Offer Period;
- **return** the original Acceptance Form (using the enclosed pre-addressed envelope if you wish) together with all other documents required by those instructions on it, to the postal address given on the Acceptance Form as soon as practicable afterwards.

If your Acceptance Form is returned by email it will be deemed to be valid if the email is received before the end of the Offer Period, but you will not be entitled to receive the consideration to which

you are entitled until your original Acceptance Form, together with all other documents required by those instructions on it, are received at the postal address given on the Acceptance Form.

11. Funding

Based on documents lodged with ASX up until 9 February 2017, being the last Trading Day prior to the date of this First Supplementary Bidder's Statement, there are 27,309,816 HHL Shares on issue, 5,434,653 of which were already held by the WHSP Group prior to the Offer. Consequently, the maximum number of HHL Shares which could be acquired by the Bidder under the Offer is 21,875,163.

Accordingly, following the increase in the Bidder's Offer Price to \$1.60 for each HHL Share, the maximum amount of cash which may be required by the Bidder to settle acceptances under the Offer is \$35,000,260.80 (**Revised Maximum Offer Consideration**).

WHSP has undertaken to the Bidder to provide, or procure the provision of, funds to the Bidder to satisfy the Revised Maximum Offer Consideration and all costs associated with the Revised Offer. That undertaking is not subject to any conditions and no demand for repayment of any funds provided may be made during the period in which the Bidder has an outstanding obligation to make payment under the Revised Offer.

WHSP will ensure the necessary funds are made available to the Bidder to pay the Revised Offer consideration (and costs associated with the Revised Offer).

The funds WHSP will provide to the Bidder to enable the Bidder to pay the Revised Maximum Offer Consideration and all costs associated with the Revised Offer will be obtained from WHSP's existing uncommitted cash reserves and invested funds at call. Whilst WHSP has not specifically set aside any cash amounts in its own reserves to satisfy the consideration under the Revised Offer, the funds available from such sources materially exceeds the Revised Maximum Offer Consideration and all costs associated with the Revised Offer.

12. Timetable and process

The Bidder's Offer is scheduled to close at 7:00 pm (Sydney time) on 20 February 2017, unless the Offer is withdrawn or the Offer Period is extended as permitted by the Corporations Act.

13. Additional Information

For further details on the Offer, please refer to the Bidder's Statement dated 11 January 2017.

If you have any questions in relation to the Offer or how to accept it, or if you have lost your Acceptance Form and require a replacement, please call the Offer Information Line on 1300 652 821 (within Australia) or +61 3 9415 4104 (from outside Australia). The Offer Information Line is open between 9:00 am and 5:00 pm (Sydney time) during the Offer Period.

Yours sincerely



Todd Barlow
Director
WHSP Hunter Hall Pty Ltd

Dated 10 February 2017