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Our ref 1037949



21 November 2018

The Manager
ASX Market Announcements
ASX Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

On-market takeover offer by Allensford Pty Ltd (ACN 629 924 901) in its capacity as trustee for the Allensford Unit Trust for all of the shares on issue in The Reject Shop Limited (ACN 006 122 676)

We act for Allensford Pty Ltd (ACN 629 924 901) in its capacity as trustee for the Allensford Unit Trust **(Allensford)**.

Pursuant to item 3 of subsection 635(1) of the Corporations Act 2001 (Cth) **(the Act)**, we enclose the Bidder's Statement in relation to Allensford's on-market bid for all fully paid ordinary shares on issue in The Reject Shop Limited (ACN 006 122 676) **(The Reject Shop)**.

The Bidder's Statement is being lodged today with the Australian Securities and Investments Commission and served on The Reject Shop.

Yours sincerely

Gilbert + Tobin

A handwritten signature in blue ink, appearing to read 'Neil Pathak'.

Neil Pathak
Partner
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A handwritten signature in blue ink, appearing to read 'Alon Takac'.

Alon Takac
Lawyer
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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 broker, financial adviser or legal adviser immediately.

Bidder's Statement

ACCEPT

THE UNCONDITIONAL ON MARKET CASH OFFER

**by Allensford Pty Ltd (ACN 629 924 901) as
trustee for the Allensford Unit Trust**

to purchase all of your ordinary shares in

**The Reject Shop Limited (ACN 006 122 676)
for \$2.70 per share**

**To accept this Offer you must instruct your broker to accept
the Offer in the manner described on page 4**

The Offer closes at 4.00pm (Sydney time) on 7 January 2019, unless extended

**Allensford Offer Information Line:
1300 351 603 (toll free for callers within Australia) or
+61 3 9415 4199 (for callers outside Australia)**

**Bell Potter Securities Limited (ABN 25 006 390 772), AFSL No. 243480 has been appointed as the
Broker for Allensford Pty Ltd (ACN 629 924 901) as trustee for the Allensford Unit Trust and will stand
in the market and accept TRS Shares offered to it at the Offer Price on 21 November 2018.**

Important notices

Nature of this document

This Bidder's Statement is issued under Part 6.5 of the Corporations Act 2001 by Allensford Pty Ltd (ACN 629 924 901) in its capacity as trustee for the Allensford Unit Trust (**Bidder**). All of the shares in Bidder and the units in the Allensford Unit Trust are owned by Bennamon Pty Ltd (ACN 126 160 852), which is wholly owned by Kin Group Pty Ltd. A copy of this Bidder's Statement was lodged with ASIC on 21 November 2018. Neither ASIC nor its officers takes any responsibility for the content of this Bidder's Statement. This Bidder's Statement is an important document and you should read it in its entirety.

Investment advice

In preparing this Bidder's Statement, Bidder has not taken into account the individual objectives, financial situation or needs of individual TRS Shareholders. Accordingly, before deciding whether or not to accept the Offer, you may wish to consult with your financial, tax or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which TRS operates, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets in Australia. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Bidder, its related bodies corporate or any of the officers or employees of any of them, nor any persons named in this Bidder's Statement or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to TRS information

The information in respect of TRS and TRS's securities contained in this Bidder's Statement has been prepared by Bidder using publicly available information. Further, the information in this Bidder's Statement concerning TRS and the assets and liabilities, financial position and performance, profits and losses and prospects of TRS has not been independently verified by Bidder. Accordingly, subject to the Corporations Act, Bidder does not make any representation or warranty (express or implied) as to the accuracy or completeness of any such information.

Further information relating to the TRS business may be included in TRS's Target's Statement which TRS must provide to TRS Shareholders in response to this Bidder's Statement.

Foreign jurisdictions

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Bidder's Statement does not constitute an offer (whether to sell or buy securities) in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify Bidder outside Australia.

This Bidder's Statement has been prepared having regard to Australian disclosure requirements and Australian accounting standards. These disclosure requirements and accounting standards may be different from those in other countries.

If you are not an Australian resident taxpayer or are liable for tax outside Australia you should seek specific tax advice in relation to the Australian and overseas tax consequences of accepting the Offer.

Privacy

Bidder has collected your information from the register of TRS Shareholders for the purpose of making the Offer and, if accepted, administering acceptances of the Offer in respect of your holding of TRS Shares. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to related bodies corporate and external service providers of Bidder, and may be required to be disclosed to regulators such as ASIC.

The registered address of Bidder is Level 16, 644 Chapel Street, South Yarra, Victoria, 3141.

Defined terms

Capitalised terms and certain abbreviations used in this Bidder's Statement have the defined meanings set out in section 12. Section 12 also contains rules of interpretation that apply to this Bidder's Statement.

Websites

TRS maintains a website at <https://www.rejectshop.com.au/>. Information contained in or otherwise accessible through this website is not part of this Bidder's Statement. All references to this website in this Bidder's Statement are for information purposes only.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

Currencies

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Bidder or TRS in respect of which different exchange rates may have been, or may be, used.

Time

All references to time in this Bidder's Statement are to Australian Eastern Standard Time.

How to accept the Offer

You may sell your TRS Shares to Bidder on-market by offering to sell some or all of your TRS Shares on ASX at the Offer Price on and from the Announcement Date until the end of the Offer Period.

Bell Potter will stand in the market to acquire on behalf of Bidder all TRS Shares offered at the Offer Price during normal trading on ASX on and from the Announcement Date, as follows:

- if you hold your TRS Shares in an Issuer Sponsored Holding (your SRN starts with an "I"), to sell your TRS Shares to Bidder you must instruct any Broker to accept the Offer before the end of the Offer Period;
- if you hold your TRS Shares in a CHESS Holding (your HIN starts with an "X"), to sell your TRS Shares to Bidder you must instruct your Controlling Participant (for example, your Broker) to accept the Offer before the end of the Offer Period; or
- if you are a Broker or a Participant, to sell your TRS Shares to Bidder you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules.

You are not required to complete any forms to accept the Offer.

KEY DATES	
Date of this Bidder's Statement	21 November 2018
Date from which TRS Shareholders can sell TRS Shares to Bidder	21 November 2018
Date of Offer	6 December 2018
Offer closes (unless extended)	4.00pm (Sydney time) on 7 January 2019
KEY CONTACTS	
Share Registrar for the Offer Computershare Investor Services Pty Limited GPO Box 52 Melbourne Victoria 3001 Australia	Allensford Offer Information Line* Numbers: 1300 351 603 (toll free) for callers within Australia +61 3 9415 4199 for callers outside Australia

* Please note that calls to the above numbers may be recorded.

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1 Letter to TRS shareholders

21 November 2018

Dear TRS Shareholder,

Offer for your TRS Shares

I am pleased to present you with this offer (the **Offer**) to acquire your shares in TRS for \$2.70 cash per TRS Share (the **Offer Price**), which delivers you certain and immediate value for your TRS Shares.

This Offer comes in the context of a challenging environment for discretionary retailers. There is increased competition for consumer discretionary spend following the emergence of a number of online discount retailers and continued high levels of competition in bricks and mortar discount department stores.

Unless managed appropriately, these factors are of particular concern for retailers such as TRS which have a significant fixed cost base (due to the large leased store network and associated costs) meaning the impact of a slowdown in sales is amplified.

TRS's financial performance has been deteriorating over time. Comparable store sales have declined or remained flat in four out of the five most recent financial years. Furthermore, TRS issued a profit downgrade in October 2018, announcing that comparable sales in the first 15 weeks of FY19 have continued to decline at a rate of -2.4% and reducing NPAT guidance for the first half of FY19 in the range of -37.9% to -43.5%.

With TRS approaching the critical Christmas trading period, decelerating comparable sales mean there is a significant risk that TRS's financial performance deteriorates further.

The Offer Price of \$2.70 cash per TRS Share represents a c. 19% premium to the 1-month volume weighted average price to 20 November 2018 of \$2.27 per share. Furthermore, accepting our all-cash offer delivers certain and immediate value while removing exposure to the risks and uncertainties associated with continuing to hold TRS Shares. As a TRS Shareholder, you are subject to a number of risks, including but not limited to:

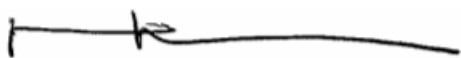
- the uncertain future market price of TRS Shares, which have significantly underperformed against the All Ordinaries Index over the last two years; and
- the possibility that trading at TRS stores continues to be adversely impacted by the challenging consumer environment and competition from other retailers.

The Offer is unconditional. You are permitted to sell some or all of your TRS Shares for 100% cash consideration at \$2.70 per share on market immediately and will be paid cash two Trading Days after your acceptance. Full details of the Offer, the reasons you should accept and instructions on how to accept are set out in this Bidder's Statement.

If you have any questions about this document or the Offer generally, please contact the Allensford Offer Information Line on 1300 351 603 (within Australia) or +61 3 9415 4199 (outside Australia), or consult with your professional adviser.

Thank you for considering this Offer. We look forward to receiving your acceptance.

Yours sincerely,



Nicholas Perkins
Director, Allensford Pty Ltd in its capacity as trustee for the Allensford Unit Trust

2 Why you should accept the Offer

- TRS's financial performance has been deteriorating over time
- TRS's 1H19 NPAT guidance range implies a significant decline from its 1H18 NPAT and meeting this guidance is likely to be heavily dependent upon the upcoming Christmas trading period
- Shares in TRS have significantly underperformed against the All Ordinaries Index
- TRS is facing significant challenges due to the discretionary retail environment in which it operates
- The Offer removes shareholder exposure to the significant risks associated with a continued investment in TRS
- The Offer is unconditional, with all-cash consideration providing certainty and immediate value to shareholders at a premium to recent trading prices
- As at the date of this Bidder's Statement, there is no other takeover proposal for your TRS Shares

2.1 TRS's financial performance has been deteriorating over time

Whilst headline sales growth has been positive, as illustrated below, this has been heavily supported by new store openings. Comparable sales (as disclosed by TRS) have declined or remained flat in four out of the five most recent financial years, with this negative trend continuing in the first 15 weeks of FY19 (as announced by TRS in its pre-AGM trading update on 17 October 2018).

Since the beginning of FY11, whilst headline sales have grown 70% in total, representing a compound annual growth rate (CAGR) of 6.9% per annum, comparable sales growth has been, on average, only 0.1% per annum¹. Furthermore, TRS's significant fixed cost base (due to the large leased store network and associated costs) means that TRS may be less able to absorb any slowdown in sales.

Figure 1: Total annual reported sales growth rates²

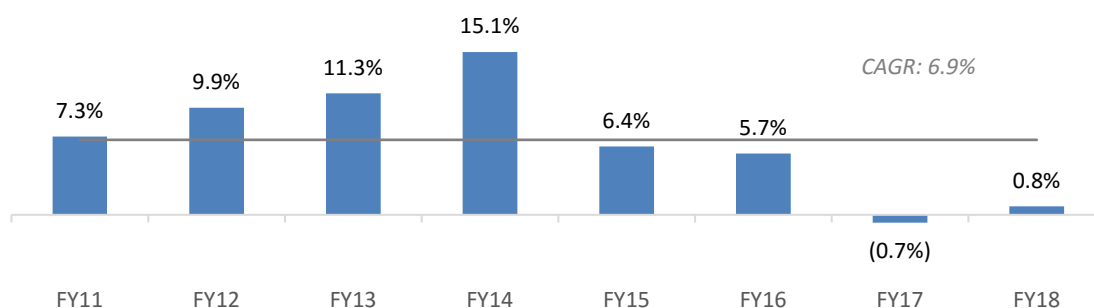
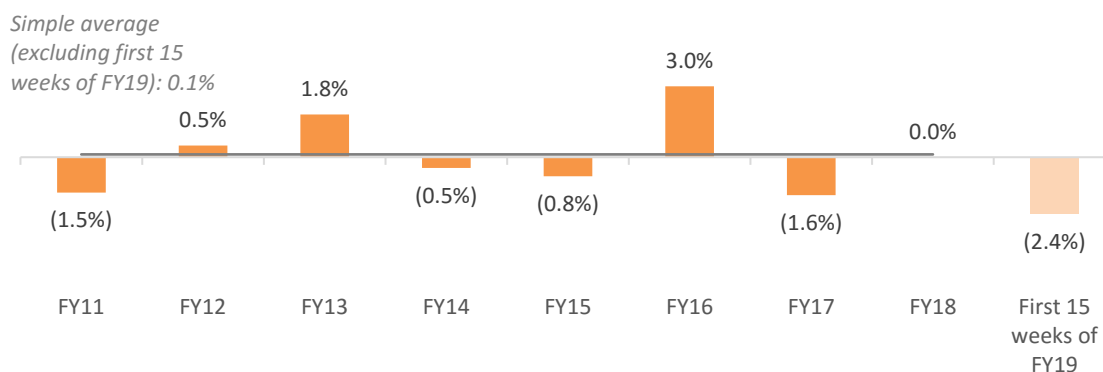


Figure 2: Comparable sales growth rates



2.2 TRS's 1H19 NPAT guidance range implies a significant decline from its 1H18 NPAT and meeting this guidance is likely to be heavily dependent upon the upcoming Christmas trading period

As part of the pre-AGM trading update released on 17 October 2018, TRS provided revised guidance for 1H19 NPAT of \$10 million to \$11 million, down from previous guidance of \$17.7

¹ Represents the simple average of the annual comparable store sales growth figures as published in TRS's annual results presentations in FY11 to FY18.

² Total annual reported sales growth rates are based on total sales revenue in each financial year as reported in the consolidated statement of comprehensive income in TRS's Annual Reports.

million (i.e. 1H19 NPAT consistent with 1H18). This implies a decline in the range of –37.9% to –43.5% from 1H18 to 1H19.

TRS has cited the “weak retail environment” and “competition for the discretionary spend of consumers” as reasons for the downgrade. Both of these factors are unlikely to change in the Australian medium-term economic outlook.

The ability to achieve this reduced NPAT guidance is likely to be heavily dependent upon the upcoming Christmas trading period over November / December, which has been described by TRS as a “key selling period” for the company. Therefore, as at the date of this Bidder’s Statement, there is no absolute certainty that TRS will be able to meet its 1H19 NPAT guidance.

Furthermore, a reduction in earnings may ultimately adversely impact TRS’s ability to maintain dividends per share at recent levels.

2.3 Shares in TRS have significantly underperformed against the All Ordinaries Index

Over the last two years, TRS’s share price has fallen 68.8% from \$7.80 (the closing price on 18 November 2016) to \$2.43, the closing price on 20 November 2018, being the last Trading Day prior to the Announcement Date. Conversely, over the same period, the ASX All Ordinaries Index has gained 6.1%.

Moreover, since 16 October 2018 (being the last Trading Day prior to the release of TRS’s pre-AGM trading update), TRS’s share price has fallen 45.6% from \$4.47 to \$2.43, the closing price on 20 November 2018, being the last Trading Day prior to the Announcement Date.

Figure 3: TRS share price performance vs. All Ordinaries Index (last two years)³



2.4 TRS is facing significant challenges due to the discretionary retail environment in which it operates

A number of factors point to potential challenges facing the discretionary retail environment in which TRS operates. These challenges include increased competition for consumer discretionary spend due to a range of reasons, including:

³ Source: IRESS.

- the emergence of a number of low-price online retailers such as Amazon, Kogan and Catch Group; and
- high levels of competition in bricks and mortar discount department store retailing.

Unless managed appropriately, these factors are of particular concern for retailers such as TRS which have a significant fixed cost base (due to the large leased store network and associated costs) meaning the impact of a slowdown in sales is amplified. Accepting Bidder's all cash offer delivers certain value.

2.5 The Offer removes shareholder exposure to the significant risks associated with a continued investment in TRS

The certainty of this cash offer should be compared with the uncertainties of, and risks associated with, remaining a TRS Shareholder. As a TRS Shareholder, you are subject to a number of risks, including but not limited to:

- the uncertain future market price of TRS Shares, which have significantly underperformed against the All Ordinaries Index over the last two years; and
- the possibility that trading at TRS stores continues to be adversely impacted by the challenging consumer environment and competition from other retailers.

Accepting the Offer removes your exposure to these risks.

2.6 The Offer is unconditional, with all-cash consideration providing certainty and immediate value to shareholders at a premium to recent trading prices

The cash consideration of \$2.70 per share represents an 18.9% premium to the 1-month volume weighted average price (VWAP)⁴ to 20 November 2018 of \$2.27 and an 11.1% premium to the closing share price of \$2.43 on 20 November 2018, being the last Trading Day prior to the Announcement Date.

There are no conditions attached to the Offer and you can sell any or all of your TRS Shares for 100% cash consideration at \$2.70 per share on market immediately and be paid cash two Trading Days after your acceptance. The offer is not subject to any financing or due diligence conditions.

If you wish to sell only some (and not all) of your TRS Shares, you are permitted to do so.

Page 4 of this Bidder's Statement provides instructions on how you may accept the Offer.

2.7 As at the date of this Bidder's Statement, there is no other takeover proposal for your TRS Shares

As at the date of this Bidder's Statement, no other party has announced an offer to acquire all of TRS's Shares or any alternative control transaction.

If Bidder acquires less than 100% of TRS, then, depending on the circumstances at the relevant time, the liquidity of your TRS Shares may be substantially reduced which would further reduce your ability to readily dispose of your TRS Shares in the future.

⁴ VWAP is calculated based on cumulative value traded on ASX and CHI-X divided by cumulative volume traded on ASX and CHI-X. 1-month VWAP calculated from 22 October 2018 to 20 November 2018 (inclusive). Source: IRESS.

3 Frequently asked questions

You may have questions in relation to the Offer. The following set of questions and answers is intended to assist in your understanding of the Offer. They are qualified by, and should be read in conjunction with, the detailed information contained in this Bidder's Statement. You should read the Bidder's Statement in full before deciding whether or not to accept the Offer.

Question	Answer
What is the Offer?	Bidder is making an on-market, unconditional cash offer to acquire your TRS Shares at \$2.70 cash per TRS Share, on the terms set out in this Bidder's Statement.
When can I sell my TRS Shares?	<p>You can sell your TRS Shares on-market to Bidder immediately.</p> <p>Bell Potter will stand in the market on behalf of Bidder and purchase all TRS Shares offered to it at the Offer Price from the Announcement Date until 7 January 2019, being the date the Offer is scheduled to close (unless extended or withdrawn in accordance with the Corporations Act).</p>
What is the Bidder's Statement?	This Bidder's Statement has been prepared by Bidder for distribution to TRS Shareholders. It contains information about the Offer and other information relevant to your decision whether to accept the Offer.
Who is Bidder?	<p>The bidder is Allensford Pty Ltd (ACN 629 924 901) in its capacity as trustee for the Bidder Trust and has been incorporated specifically for the purpose of acquiring an interest in TRS Shares, including those pursuant to the Offer.</p> <p>All of the shares in Bidder and the units in the Bidder Trust are owned by Bennamon Pty Ltd, which is wholly owned by Kin Group, which is ultimately controlled by the Geminder family.</p>
Can I sell part of my shareholding?	<p>Yes.</p> <p>You may sell some or all of your TRS Shares. You are able to choose the number of TRS Shares you wish to sell until the end of the Offer Period.</p>
If I accept the Offer, when will I receive consideration for my TRS Shares?	The usual rules for settlement of transactions which occur on-market on ASX will apply to Bidder's purchase of TRS Shares on-market. This means that, if you accept the Offer, you will be paid cash on a T+2 basis (being 2 Trading Days after your acceptance).
When does the Offer close?	The Offer closes at 4.00pm (Sydney time) on 7 January 2019, unless it is extended or withdrawn under the Corporations Act.
Can the Offer Period be extended?	Yes, the Offer Period can be extended in accordance with the Corporations Act.

Question	Answer
What are the conditions to the Offer?	The Offer is not subject to any conditions.
Where to go if I have questions?	If you have questions in relation to the Offer, please contact your Broker or legal, financial or professional adviser.
Will I need to pay brokerage or stamp duty on acceptances?	<p>No stamp duty will be payable by you on the transfer of your TRS Shares pursuant to the Offer.</p> <p>As the Offer is taking place by way of an on-market takeover bid, the Offer will be made during trading hours on ASX. TRS Shareholders who accept the Offer may only do so through Brokers or Controlling Participants who are members of ASX. You should ask your Broker or Controlling Participant if any fees or charges will apply. Any fees or other charges of such Brokers or Controlling Participants will be the sole responsibility of the accepting TRS Shareholder.</p> <p>Bidder will bear its own brokerage on transfers of TRS Shares acquired through acceptances of the Offer.</p>
How do I accept the Offer?	<p>The Offer can only be accepted by selling some or all of your TRS Shares on ASX through your Broker to Bell Potter, acting on behalf of Bidder, before the end of the Offer Period.</p> <p>You are not required to complete an application form to accept the offer.</p> <p>If your TRS Shares are registered with an Issuer Sponsored Holding (your SRN starts with an "I"), you may instruct a Broker of your choice to sell you TRS Shares and accept the Offer on your behalf.</p> <p>If your TRS Shares are held in a CHESS Holding (your HIN starts with an "X"), you will need to instruct your Broker to accept the Offer for you.</p>
What will happen if I don't accept the Offer?	<p>If you do not accept the Offer, you will retain your TRS Shares and will not receive the Offer Price.</p> <p>If Bidder becomes entitled to compulsorily acquire your TRS Shares, it intends to proceed with compulsory acquisition on the same terms as the Offer.</p>
What are the tax consequences of accepting the Offer	<p>A general summary of the likely Australian tax consequences of accepting the Offer is set out at section 10 of this Bidder's Statement. You should not rely on that summary as advice for your own affairs.</p> <p>You should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer for your TRS Shares.</p>

4 Details of the Offer

4.1 The Offer – on-market takeover bid

Bidder in its capacity as trustee for the Bidder Trust will make the Offer pursuant to an on-market takeover bid to purchase all TRS Shares on issue and listed for quotation on ASX or to be issued and listed during the Offer Period (excluding all TRS Shares held by Bidder) for \$2.70 cash per share on the terms and conditions set out in this Bidder's Statement.

While the offer is for all TRS Shares, if a TRS Shareholder wishes to sell some (and not all) of their TRS Shares, the TRS Shareholder is permitted to do so.

Bidder has appointed Bell Potter to act as broker and accept TRS Shares offered to it at the Offer Price until the end of the Offer Period.

4.2 Offer Price

The Offer Price is \$2.70 for each TRS Share.

4.3 No conditions

The Offer is not subject to any conditions.

4.4 Performance Rights

The Offer will not extend to the acquisition of any Performance Rights (or any other securities that confer rights to be issued TRS Shares).

However, the Offer will extend to all TRS Shares that are issued and listed for quotation on ASX at any time during the Offer Period as a result of the vesting or exercise of any Performance Rights (or any other securities that confer rights to be issued TRS Shares).

4.5 How the Offer will be made

Bell Potter, on behalf of Bidder, will stand in the market and purchase all TRS Shares offered to it for sale on ASX at the Offer Price from the time trading in TRS Shares commences on the Announcement Date, on the same terms of the Offer.

4.6 Persons to whom the Offer is made

The Offer is open to all holders of TRS Shares which Bidder does not own.

4.7 Offer Period

The Offer will officially commence at the start of trading on ASX on 6 December 2018 and will end at the close of trading on ASX on 7 January 2019 (unless extended or withdrawn in accordance with the Corporations Act).

From the time trading in TRS Shares commences on the Announcement Date, Bell Potter will stand in the market to acquire on behalf of Bidder all TRS Shares offered to it at the Offer Price, prior to the commencement of the Offer Period.

4.8 Extension of Offer Period

Bidder may, at its discretion and in accordance with the Corporations Act, extend the Offer Period.

The Offer Period will be automatically extended by law if Bidder's voting power in TRS increases to more than 50% during the last seven days of the Offer Period. In this case, the Offer Period will end on the 14th day after Bidder's voting power in TRS increases to more than 50%.

Bidder may extend the Offer Period in its discretion at any time prior to the last five Trading Days of the Offer Period or in certain limited circumstances at any time prior to the end of the Offer Period (subject to compliance with the law).

4.9 Payment Date

The usual rules for settlement of transactions which occur on-market on ASX will apply in respect of Bidder's purchase of TRS Shares pursuant to the Offer. This means that if you accept the Offer, you will be paid on a T+2 basis (being two Trading Days after your acceptance).

4.10 Brokerage and other costs

As the Offer by Bidder is pursuant to an on-market takeover bid, the Offer will be made during normal trading on ASX. Accepting TRS Shareholders may only accept the Offer through Brokers who are members of ASX. Any brokerage fees charged by such Brokers will be the sole responsibility of the accepting TRS Shareholder.

Bidder will bear its own brokerage fees on transfers of TRS Shares acquired through acceptances of the Offer.

No stamp duty or GST will be payable by you on the transfer of TRS Shares pursuant to the Offer (other than GST payable to your Broker in respect of brokerage fees charged to you).

4.11 Withdrawal of Offer

Bidder may withdraw the Offer in respect of any Offers that are unaccepted at any time:

- with the written consent of ASIC and subject to the conditions (if any) specified in such consent;
- where a Prescribed Occurrence occurs, if at the time of the Prescribed Occurrence Bidder's voting power in TRS is at or below 50%; or
- upon the occurrence of an Insolvency Event in relation to TRS (regardless of the Bidder's voting power in TRS).

Notice of withdrawal of the Offer must be given by Bidder to ASX.

4.12 Variation of Offer

Bidder may vary the Offer in accordance with the Corporations Act. If a TRS Shareholder has sold its TRS Shares prior to any such variation, that TRS Shareholder will not receive any benefit from the variation.

4.13 Jurisdiction

The Offer and any contract that results from a TRS Shareholder's acceptance of the Offer are governed by the laws of Victoria.

5 Information on Bidder and the Bidder Group

5.1 Overview of Bidder and Bidder group

Bidder in its capacity as trustee for the Bidder Trust has been incorporated specifically for the purpose of acquiring an interest in TRS Shares, including those acquired pursuant to the Offer.

As set out in the structure chart below, all of the shares in Bidder and units in the Bidder Trust are wholly owned by Bennamon Pty Ltd, which in turn is wholly owned by Kin Group.

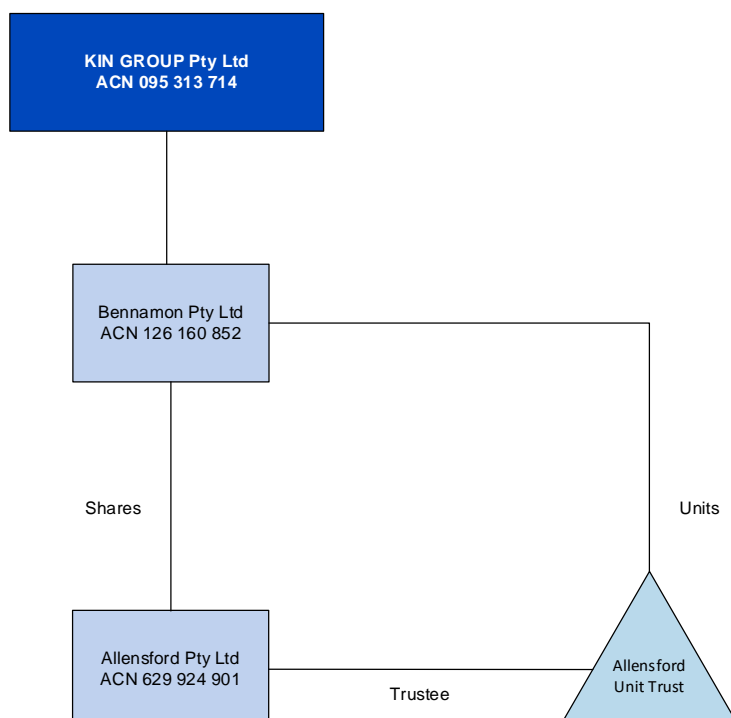
Kin Group is a diversified, global, long-term focused investor ultimately controlled by the Geminder family with offices in Melbourne, Australia and New York City, USA.

Kin Group focuses on long-term strategic investments in a variety of industries, including packaging, food and beverage businesses and property, led by experienced investment professionals.

5.2 Ownership and structure of Bidder

The chart below sets out the ownership structure of Bidder. Bidder is wholly owned by Bennamon Pty Ltd, which in turn is wholly owned by Kin Group. Kin Group is owned by Salvage Pty Ltd, which is a trustee company for the Geminder family trust.

Mr Raphael Geminder is the sole director and shareholder of Salvage Pty Ltd and accordingly Kin Group is ultimately controlled by the Geminder family.



5.3 Directors of Bidder

Raphael Geminder

Raphael Geminder has over 30 years executive and investment experience in private and public companies throughout Australia and globally. Raphael founded Kin Group, a diversified, long-term and focused investment group in 2000 and it has since executed numerous investments in a range of industries and regions. Raphael founded Pact Group Limited (ASX: PGH) in 2002 and currently serves as its Executive Chairman. Prior to this, Raphael was the co-founder and Chairman of Visy Recycling, growing it into the largest recycling company in Australia. Raphael was appointed Victoria's first Honorary Consul to the Republic of South Africa in July 2006. He also holds a number of other advisory and Board positions. Raphael holds a Master of Business Administration in Finance from Syracuse University, New York.

Nicholas Perkins

Nicholas Perkins is the Managing Director and General Counsel of Kin Group, located in Melbourne. Since 2003, Nicholas has worked in various roles within Kin Group and its subsidiary businesses. Nick currently sits on the boards of a number of portfolio investments spanning Kin Group's packaging, food and beverage and property portfolios. Nick holds a Bachelor of Arts and a Bachelor of Laws degree from the University of Melbourne.

Zachary Midalia

Zac Midalia is an Investment Director at Kin Group focused on Multi-Unit Retail, FMCG and Real Estate. He was previously the Head of M&A in North America and Latin America at Restaurant Brands International (NYSE: QSR), a 3G Capital portfolio company and owner of 24,000+ restaurants globally including the Burger King, Tim Hortons and Popeyes brands. Prior to this, Zac was an Investment Associate at Mark Carnegie's M.H Carnegie & Co, where he focused on real estate private equity and growth equity. He holds a Master of Business Administration from Columbia Business School and a Bachelor of Commerce from University of Sydney.

Joel Cohen

Joel Cohen is the Finance and Investment Director of Kin Group, with more than 30 years association with the Geminder family. During this period, Joel has held various senior finance roles drawing upon his extensive experience and knowledge across a wide range of financial disciplines. He is CPA qualified and holds a Bachelor of Commerce from the University of Auckland.

6 Information on TRS

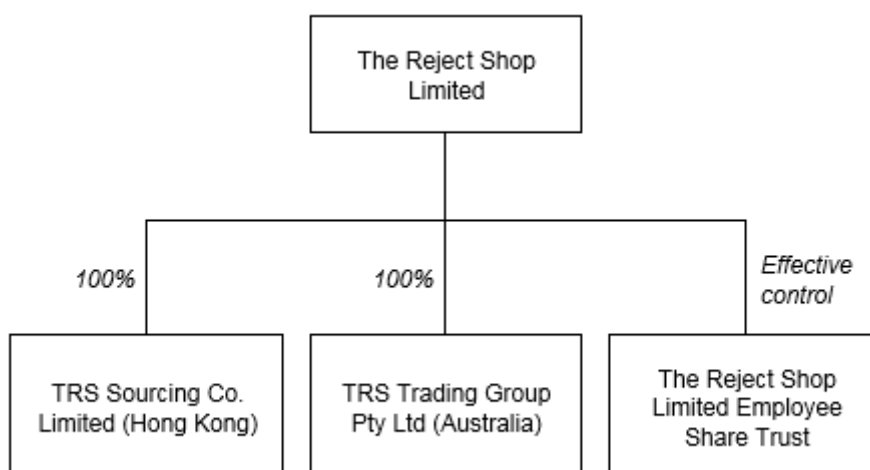
6.1 Important information

The following information about TRS is based on publicly available information and has not been independently verified. Accordingly, Bidder does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on TRS and the TRS Group in this Bidder's Statement should not be considered comprehensive. Further information relating to TRS's businesses or TRS Shares may be included in the Target's Statement in relation to the Offer, which will be sent to you directly by TRS.

6.2 History and structure

TRS is an Australian public company listed on the ASX (ASX: TRS). TRS was founded in Melbourne in 1981 and listed on the ASX on 1 June 2004.



6.3 TRS's principal activities, assets and operations

TRS is a discount variety retailer offering a wide range of general consumer merchandise. This includes products for everyday needs, such as toiletries, cosmetics, homewares, personal care products, hardware, basic furniture, household cleaning products, kitchenware, confectionary and snack food; and lifestyle and seasonal merchandise, such as seasonal gifts, cards and wrap, toys, leisure items and home decorations.

According to TRS's Chairman's Address on 17 October 2018, TRS has 358 retail stores in Australia.

On 22 August 2018, TRS lodged with the ASX its FY18 Appendix 4E and Annual Report for the financial year ended 1 July 2018. This document noted that TRS had finished the financial year with total assets of approximately \$233 million, total liabilities of approximately \$82 million, a cash balance of approximately \$15 million and no outstanding borrowings.

6.4 TRS board of directors

As at the date of this Bidder's Statement, based on TRS's public disclosures, the TRS Directors are:

William Stevens	Non-Executive Chairman
Kevin Elkington	Non-Executive Director
Michele Teague	Non-Executive Director
Selina Lightfoot	Non-Executive Director
Ross Sudano	Managing Director

Further information in respect of TRS's management personnel is available at:
<https://www.rejectshop.com.au/aboutus/managementteam>

6.5 Other financial information

On 17 October 2018, TRS provided a trading update for the first 15-week period of the FY19 financial year, and profit guidance for the first half of the FY19 financial year. This announcement stated that since the release of the company's FY18 financial results on 22 August 2018, year to date comparable sales performance for the 15-week period had fallen to -2.4%, versus positive comparable sales of circa 1% previously assumed for the first half of the FY19 financial year. This announcement stated that trading conditions for TRS were impacted by several factors:

- Weak retail environment resulting in sales deterioration, with this deterioration accelerating markedly during September and early October.
- Continued absence of real wage growth and increases in the cost of many basic expenses (incl. mortgage rates), which ensures that competition for the discretionary spend of consumers remains high.
- Increased investment in TRS promotional pricing, particularly in the fast-moving consumer goods space, to ensure TRS value proposition is not damaged in light of increased investments in promotional pricing across many retailers.

In light of the developments provided in the trading update, TRS revised its profit (NPAT) guidance for the first half of the FY19 financial year from \$17.7 million (i.e. consistent with the first half of the FY18 financial year) to a range of \$10 million to \$11 million.

6.6 Publicly available information

TRS is a company listed on the ASX and is therefore subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. As such, TRS is required to lodge various documents with the ASX and ASIC.

For information concerning the financial position and affairs of TRS, you should refer to documents lodged with the ASX and ASIC by TRS which may be obtained from the ASIC office.

TRS's annual report for the year ended 1 July 2018 was given to the ASX on 22 August 2018. Since 1 July 2018, TRS has made a number of announcements to the ASX that may be relevant to its financial position. A copy of each of these announcements may be obtained from the ASX.

In addition, the Corporations Act requires the TRS Directors to provide a Target's Statement to TRS Shareholders, setting out certain material information regarding TRS.

7 Information on TRS securities

7.1 Disclaimer

Bidder has prepared the information about TRS securities contained in this Bidder's Statement from publicly available information. This information has not been independently verified by Bidder. Accordingly, Bidder makes no representation or warranty as to the accuracy or completeness of such information and assumes no responsibility for it. Further information relating to TRS securities may be included in the Target's Statement which TRS must provide in response to this Bidder's Statement

7.2 TRS's issued securities

Based on documents lodged by TRS with ASX before the date of this Bidder's Statement, TRS has the following securities on issue as at the date of this Bidder's Statement:

- 28,908,148 ordinary shares; and
- 702,100 unquoted Performance Rights.

TRS's ordinary shares are quoted on the ASX.

7.3 TRS's Performance Rights

TRS's performance rights plan was established in 2004 to form the basis of TRS's ongoing long-term incentive scheme for selected senior employees.

Under the performance rights plan the TRS board may in its absolute discretion grant Performance Rights to executives selected by the board, which are exercisable into ordinary shares (at an exercise price of \$1.00 on the exercise of one or more Performance Rights on a particular day).

Performance Rights will lapse on the earliest of (a) the expiry of the performance right; (b) 30 days after the executive ceases to be employed by TRS; and (c) the executive providing notice to the TRS that it wishes the performance right to lapse.

7.4 Effect of the Offer on performance rights

It is not clear based on TRS's public disclosures whether the Offer will cause the Performance Rights to vest automatically or otherwise empower the board to accelerate vesting.

However, the TRS board has a broad discretion to determine that a Performance Right may be exercised at any time by informing the Performance Right holder of that decision in writing.

To the extent that any Performance Rights vest and are exercised, the Offer will extend to the TRS Shares that are on issue during the Offer Period.

7.5 Bidder's interests in TRS's securities

As at the date of this Bidder's Statement and the date of the Offer:

- Bidder's voting power in TRS is 2.72%; and
- Bidder has a relevant interest in 786,588 TRS Shares.

7.6 Dealings in shares in the previous four months

Neither Bidder nor any Associate of Bidder has provided, or agreed to provide, consideration for Shares under any purchase or agreement during the four months before the date of this Bidder's Statement other than as described below:

Description	Price per TRS share	Date of acquisition	Number of TRS Shares
On-market purchase by Bidder	\$2.15	12 November 2018	784,388
On-market purchase by Bidder	\$2.20	12 November 2018	2,200

7.7 Inducing benefits given during previous four months

Except as set out in this Bidder's Statement, neither Bidder nor any of its Associates has, during the period of four months ending on the day immediately before the date of the Offer, given, offered or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to:

- (a) accept the Offer; or
- (b) dispose of TRS Shares,

which benefit was not offered to all TRS Shareholders under the Offer.

7.8 Escalation agreements

Neither Bidder nor any Associate of Bidder has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

8 Bidder's intentions in relation to TRS

8.1 Introduction

This section 8 sets out Bidder's intentions in relation to:

- (a) the continuation of TRS's business and assets;
- (b) any major changes to be made to the business of TRS, including any redeployment of the assets of TRS; and
- (c) the future employment of the present employees of TRS and the future appointment of the TRS directors.

These intentions are based on the information concerning TRS, its business and the general business environment which is known to Bidder at the time of preparation of this Bidder's Statement.

Given that Bidder has not had the benefit of a due diligence investigation into TRS, Bidder does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, tax and financial implications of its current intentions. Final decisions regarding these matters will only be made by Bidder in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section 8 are statements of current intent only (based on publicly available information) which may change as new information becomes available to Bidder or as circumstances change.

The intentions of Bidder described in this section 8 reflect the intentions of Kin Group as the parent company of Bidder.

8.2 Post Offer review

After the Offer Period, Bidder intends to undertake a general operational review of TRS's operations covering strategic, financial and operating matters. Following this review, Bidder will give further considerations to its intentions set out in this section 8. Final decisions will only be reached after that review has been concluded and the results have been evaluated in light of all material information, facts and circumstances that exist at the time.

Consequently, the statements set out in this section 8 are statements of Bidder's current intentions only and may vary as circumstances and further information arise. The statements and intentions set out in this section should be read in that context.

8.3 Intentions if Bidder acquires 90% or more of TRS Shares

This section 8.3 sets out Bidder's current intentions if it acquires relevant interests in 90% or more of TRS Shares and is entitled to compulsorily acquire the remaining TRS Shares under the Corporations Act.

(a) Corporate matters

Compulsory acquisition and delisting

Bidder intends to proceed with compulsory acquisition of the outstanding TRS Shares in accordance with the provisions of Chapter 6A of the Corporations Act.

If Bidder does compulsorily acquire the outstanding TRS Shares, it will arrange for TRS to be removed from the official list of the ASX.

TRS Board

Bidder will replace some or all of the TRS Board with its nominees. The identity of such directors and nominees has not yet been decided.

(b) General operational review

Bidder intends to conduct a general review of TRS's operations on both a strategic and operation level to evaluate TRS's performance, profitability and prospects in relation to its business.

Bidder's review will be focused on repairing TRS's deteriorating financial performance. Based on information currently available to Bidder, the review will focus on matters including pricing, inventory, identifying and discontinuing poorly performing stock, store design, branding and reviewing supplier relationships.

(c) Management and employees

Bidder recognises TRS's management and employees to be an integral part of the TRS business' success. The TRS business relies on the motivations and the quality of its 5,000+ team members. TRS's largest assets are its people.

Bidder looks forward to working constructively with the staff in an open and transparent manner. Bidder is committed to maintaining TRS's ability to be a strong, attractive employer.

As part of its general review of TRS's operations subsequent to the transaction, Bidder will review TRS's employee and management make up. Bidder does not have any present intention to materially reduce or increase TRS's current staffing levels.

8.4 Intentions if Bidder acquires 50.1% or more of TRS Shares

This section 8.4 sets out Bidder's intentions if Bidder has voting power in TRS of 50.1% or more at the close of the Offer, but is not entitled to compulsorily acquire the remaining TRS Shares.

(a) Corporate matters

Remaining listed on the ASX

Bidder presently considers that the advantages of remaining listed on the ASX outweigh the disadvantages and Bidder has no current intentions to cause TRS to cease to remain listed on the ASX.

TRS Board

Subject to the Corporations Act and TRS's constitution and all other relevant matters, Bidder intends to seek to replace some of the members of the TRS Board so that Bidder nominees are commensurate with Bidder's shareholding in TRS. The identity of the proposed nominees to the TRS Board or which current TRS Directors would be removed will be the subject of discussion with the TRS Board at the relevant time. Such nominees may include current directors of Bidder and, to the extent Bidder identifies suitable external talent with appropriate retail experience, Bidder will also consider discussing their nomination to the TRS board. Any decisions as to these matters will be made subject to those discussions.

(b) General operational review and review of management and employees

If Bidder controls TRS following the close of the Offer, Bidder currently intends to endeavour to procure that the TRS Board acts consistently with the intentions of Bidder set out in sections 8.3(b) and 8.3(c) above.

Until Bidder has undertaken its general operational review, it is not able to determine whether any change to TRS's current stated dividend policy of paying a minimum of 60% of NPAT in dividends will be required. Until completion of that review, there is no intention to make any change to TRS's current dividend policy.

8.5 Intentions if Bidder acquires less than 50.1% of TRS Shares

If Bidder has less than 50.1% voting power in TRS at the close of the Offer, it intends to:

- (a) seek to obtain representation on the TRS Board which is at least consistent with its proportionate shareholding;
- (b) work with the TRS Board to implement the intentions of Bidder as set out in sections 8.3(b) and 8.3(c) above to the extent possible and appropriate; and
- (c) gain a more detailed understanding of the business assets and operations in order to evaluate performance, profitability and prospects of TRS in light of the information then available to Bidder.

8.6 Limitations on ability to implement intentions

The ability of Bidder to implement the intentions set out in sections 8.4 and 8.5 will be subject to:

- (a) the legal obligations of the TRS Directors at the time, including any nominees of Bidder, to act in good faith in the best interests of TRS Shareholders and for proper purposes and to have regard to the interests of all TRS Shareholders; and
- (b) the law (including the Corporations Act) and the ASX Listing Rules, including in particular the requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest and related party transactions.

These obligations and requirements may limit Bidder's ability to implement the intentions described in section 8.4 and 8.5 or may require the approval of TRS Shareholders (other than Bidder) in order to implement these intentions. Accordingly, this section 8 must be read and understood on this basis.

9 Sources of consideration

9.1 Total cash consideration

The consideration for the acquisition of the TRS Shares to which the Offer relates will be paid in cash.

As at the date of this Bidder's Statement, TRS has 28,908,148 shares on issue. If acceptances are received for all TRS Shares on issue as at the date of this Bidder's Statement (which the Bidder does not already own) or if Bidder becomes entitled to and exercises the right of compulsory acquisition under the Corporations Act, the amount of cash consideration that Bidder would be required to pay would be approximately \$75,928,212.

In addition, if all unvested Performance Rights are exercised into TRS Shares, and the holders TRS Shares accept the Offer in respect of all of the Shares issued to them, an additional \$1,895,670 will be payable by Bidder under the Offer. Accordingly, the maximum amount that Bidder could be required to pay under the Offer is \$77,823,882 (**Maximum Cash Consideration**).

9.2 Sources of cash consideration

The consideration for the acquisition of TRS Shares under the Offer will be paid by Bidder having been funded by borrowings and equity subscriptions from entities within Bidder Group. Each of these entities will in turn be funded by Bidder's ultimate parent entity, Kin Group, which has irrevocably agreed to provide such funds (directly or through its wholly owned subsidiaries) up to the Maximum Cash Consideration, plus an amount for transaction costs (**Total Aggregate Amount**).

Bidder is not permitted under the terms of those arrangements to apply those funds for any other purpose.

Kin Group has through its group companies, cash reserves deposited at Australian banks significantly in excess of the Total Aggregate Amount and the funds committed by Kin Group to Bidder are internally allocated for this transaction and are not required for any other arrangements or obligations of Kin Group or its subsidiaries.

For further information about Kin Group and its business interests and background, please refer to section 5.

Under the intercompany arrangements:

- (a) funding is not subject to any conditions; and
- (b) repayment cannot be called for until after Bidder has met all of its obligations under the Offer.

Having regard to the matters set out in this section 9, Bidder is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to satisfy its payment obligations under the Offer, as well as its costs associated with the Offer.

The Offer is not subject to any financing defeating conditions.

10 Tax considerations

10.1 Introduction

The following is a general description of the Australian income tax, goods and services tax (**GST**) and stamp duty consequences to TRS Shareholders of the acceptance of the Offer, being the disposal of their TRS Shares in return for cash consideration.

The comments below are relevant only to those TRS Shareholders who are individuals, complying superannuation entities, trusts, partnerships and companies that hold their TRS Shares on capital account.

These comments do not apply to TRS Shareholders:

- who acquired their TRS Shares under an employee share or option scheme;
- that hold TRS Shares on revenue account or as trading stock;
- who are exempt from Australian income tax;
- subject to the Taxation of Financial Arrangements regime in Division 230 of the Income Tax Assessment Act 1997 (Cth) which have made certain elections (e.g., to apply the fair value or reliance on financial reports methodologies); or
- who are non-Australian resident and have held their TRS Shares at any time in carrying on business at or through a permanent establishment in Australia.

The following tax comments are based on the tax law in Australia in force as at the date of this Bidder's Statement. Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor or relied upon as tax advice. The precise implications of disposal will depend upon each investor's specific circumstances. Investors should seek their own professional advice on the taxation implications of disposing of their TRS Shares, taking into account their specific circumstances.

This summary does not constitute financial product advice as defined in the Corporations Act, is confined to taxation issues, and is only one of the matters investors need to consider when making a decision about their investments. Investors should consider taking advice from a licensed adviser before making a decision about their investments.

10.2 Australian resident TRS Shareholders

CGT consequences of accepting the Offer

Acceptance of the Offer by Australian resident TRS Shareholders will involve the disposal of their TRS Shares by way of transfer. This disposal will have Australian CGT implications.

The time of the CGT event is when a TRS Shareholder disposes of their TRS Shares. TRS Shareholders should be taken to have disposed of their TRS Shares for CGT purposes when the contract to sell their TRS Shares is formed, which should be the date of acceptance of the Offer.

Calculation of the gain or loss

No CGT consequences should arise on a disposal of TRS Shares by a TRS Shareholder that acquired their TRS Shares for CGT purposes prior to 20 September 1985.

TRS Shareholders that acquired their TRS Shares on or after 20 September 1985 will:

- derive a capital gain on the disposal of TRS Shares where the capital proceeds received on disposal exceeds the CGT cost base of the TRS Shares; and
- incur a capital loss on the disposal of their particular TRS Shares to the extent that the capital proceeds on disposal are less than the CGT reduced cost base of the TRS Shares.

The capital proceeds should be equal to the Offer Price. The CGT cost base of the TRS Shares is broadly the amount paid to acquire the TRS Shares plus any transaction and incidental costs. To the extent that a TRS Shareholder incurs a capital loss they will need to consider whether their CGT reduced cost base is different from the CGT cost base of the TRS Shares.

If a TRS Shareholder derives a net capital gain in a year, this amount is, subject to the following comments, included in the TRS Shareholder's assessable income. If a TRS Shareholder incurs a net capital loss in a year, this amount is carried forward and is available to offset against capital gains derived in subsequent years, subject in some cases to the TRS Shareholder satisfying certain rules relating to the recoupment of carried forward losses.

CGT discount

A CGT discount may be available on the capital gain for Australian resident TRS Shareholders who are individuals, trustees or complying superannuation entities provided the particular shares are held for at least 12 months prior to sale. Any current year or carry forward capital losses should offset the capital gain before the CGT discount can be applied.

The CGT discount for individuals and trusts is 50% and for complying superannuation entities is 33.3%. In relation to trusts, the CGT discount rules are complex, but the discount may flow through to presently entitled beneficiaries of the trust where the beneficiary would themselves be entitled to apply the CGT discount.

Indexation

Where a TRS Shareholder acquired TRS Shares at or before 11.45am on 21 September 1999 and is an individual, complying superannuation entity or the trustee of a trust, the TRS Shareholder may choose to adjust the cost base (but not the reduced cost base) of their TRS Shares, to the extent it includes expenditure incurred at or before that time, to include indexation by reference to changes in the consumer price index from (generally) the calendar quarter in which the expenditure was incurred until the quarter ended 30 September 1999. These indexation adjustments are taken into account only for the purposes of calculating a capital gain; they are ignored when calculating the amount of any capital loss.

TRS Shareholders that make this choice are not entitled to apply the CGT discount and as such are entitled to either apply the indexation or CGT discount rules.

Non-Australian resident TRS Shareholders

Non-Australian resident TRS Shareholders should generally only be subject to Australian CGT on disposal of their TRS Shares where:

- The non-Australian resident TRS Shareholder, together with associates, holds 10% or more of TRS's issued securities at the time of disposal, or for a 12 month period in the 24 months prior to disposal; and

- more than 50% of the market value of the assets of TRS is represented (directly or indirectly) by real property interests (including leases and mining rights) at the time of disposal.

10.3 Non-resident capital gains tax (CGT) withholding

Broadly, where a foreign resident disposes of certain direct or indirect interests in Australian real property, the purchaser is required to withhold an amount from the purchase price and pay that amount to the Australian Taxation Office. The current rate of withholding is 12.5%.

The sale of the TRS Shares through acceptance of the Offer should not be subject to this withholding because this is an on-market offer. TRS Shares disposed of on an approved stock exchange (including the ASX) are an 'excluded asset' for the purposes of this withholding.

10.4 Stamp Duty

There will be no stamp duty payable by TRS Shareholders on the disposal of their TRS Shares.

10.5 GST

There will be no GST payable by TRS Shareholders on the disposal of their TRS Shares other than GST payable to your Broker in respect of brokerage charged to you.

TRS Shareholders should seek independent professional advice regarding whether they are able to claim GST credits on expenses associated with the disposal of their TRS Shares.

11 Additional information

11.1 Consents

Each of the parties in the table below:

- has consented and has not, before the date of this Bidder's Statement, withdrawn its consent, to being named in this Bidder's Statement in the form and context in which they are named;
- has not caused or authorised the issue of the Bidder's Statement;
- does not make nor purport to make any statement in the Bidder's Statement or any statement on which a statement in the Bidder's Statement is based; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Bidder's Statement.

Consenting party	Role
Gilbert + Tobin	Legal adviser to Bidder
Flagstaff Partners	Financial adviser to Bidder
Computershare Investor Services Pty Limited	Share Registrar for the Offer
Bell Potter Securities Limited	Broker under the Offer

As permitted by ASIC Class Order 13/521, this Bidder's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Pursuant to the Class Order, the consent of the parties making those statements is not required for, and those persons have not consented to, the inclusion of such statements in this Bidder's Statement. TRS Shareholders may, during the Offer Period, obtain a copy of those documents (free of charge) and within 2 Business Days by contacting the Allensford Offer Information Line 1300 351 603 (toll free for callers within Australia) and +61 3 9415 4199 (for callers outside Australia). Calls to these numbers may be recorded.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, the Bidder's Statement contains security price trading data sourced from IRESS Limited without its consent.

11.2 Regulatory and other approvals

There are no regulatory approvals that Bidder is required to obtain before acquiring TRS Shares under the Offer.

11.3 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- material to the making of a decision by a TRS Shareholder whether or not to accept the Offer; and
- known to Bidder which has not previously been disclosed to TRS Shareholders.

12 Definitions and interpretation

12.1 Definitions

In this Bidder's Statement unless the context otherwise appears, the following terms have the meanings shown below:

\$ or A\$ means Australian dollars, the currency of the Commonwealth of Australia.

1H means the financial half year ended or ending on or about 31 December of the relevant year.

AGM means annual general meeting.

All Ordinaries Index means the market index on the ASX denoted by index code "XAO".

Announcement Date means the date on which the Offer was announced by Bidder, being 21 November 2018.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in section 12 of the Corporations Act.

ASX means Australian Securities Exchange.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means the operating rules of ASX Settlement which govern the electronic transfer, settlement and registration of securities in Australia through CHESS.

Bell Potter means Bell Potter Securities Limited (ABN 25 006 390 772), the Broker to the Offer appointed by the Bidder.

Bidder's Statement means this document, being the statement of Bidder under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

Bidder means Allensford Pty Ltd in its capacity as trustee for the Bidder Trust.

Bidder Group means the Bidder in its capacity as trustee for the Bidder Trust and its related bodies corporate (as defined in the Corporations Act).

Broker means a person who is a share broker and a participant in CHESS.

Bidder Trust means the Allensford Unit Trust.

Business Day means a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.

CAGR means compound annual growth rate.

CGT means capital gains tax.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities in Australia.

Controlling Participant has the meaning given in the ASX Settlement Operating Rules.

Corporations Act means the Corporations Act 2001 (Cth).

EBITDA means earnings before interest, tax, depreciation and amortisation.

FY means the financial year ended or ending on or about 30 June of the relevant year.

Insolvency Event means any of the events set out in section 652C(2) of the Corporations Act.

Issuer Sponsored Holdings means a holding of TRS Shares on TRS's issuer sponsored subregister.

Kin Group means Kin Group Pty Ltd (ACN 095 313 714).

Listing Rules means the listing rules of ASX as amended or varied from time to time.

NPAT means net profit after tax.

Offer means the offer for TRS Shares under the terms set out in Section 4 of this Bidder's Statement.

Offer Price means the price of \$2.70 per TRS Share.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with Section 4 of this Bidder's Statement.

Participant has the meaning given in the ASX Settlement Operating Rules.

Performance Rights means performance rights granted to select executives and senior employees pursuant to TRS's 2004 performance rights plan.

Prescribed Occurrence means any of the events set out in section 652C(1) of the Corporations Act.

Register means the register of TRS Shareholders and Performance Rights holders maintained by TRS in accordance with the Corporations Act.

SRN means a Security Holder Reference Number, which is the numbers which starts with an "I" allocated by TRS to identify a TRS Shareholder with an Issuer Sponsored Holding.

Target's Statement means the target's statement to be issued by TRS in response to this Bidder's Statement in accordance with the Corporations Act.

Trading Day has the meaning given to that term in the Listing Rules.

TRS means The Reject Shop Limited (ACN 006 122 676).

TRS Shares means fully paid ordinary shares in the capital of TRS.

TRS Board means the board of directors of TRS.

TRS Group means TRS and its subsidiaries (as defined in the Corporations Act).

TRS Shareholder means a person who is registered as the holder of TRS Shares in the Register.

12.2 Interpretation

In this Bidder's Statement, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a Section, attachment and schedule is a reference to a Section of and an attachment and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Sydney, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

13 Approval of Bidder's Statement

This Bidder's Statement has been approved by resolution of the Directors of Allensford Pty Ltd in its capacity as trustee for the Allensford Trust.

Signed for and on behalf of **Allensford Pty Ltd in its capacity as trustee for the Allensford Unit Trust** by:



Signature of Nicholas Perkins
Director of Allensford Pty Ltd in its capacity as trustee for the Allensford Unit Trust