

3 January 2014

Company Announcements
ASX Limited

Off-market bid by Gro-Aust Holdings Limited (Bidder) to acquire all ordinary shares in Tranzact Financial Services Limited (Target)

Please find enclosed:

- (a) a covering letter to Target shareholders; and
- (b) a copy of a notice of variation dated 3 January 2014, which extends the offer period to 23 January 2014, in relation to the Bidder's off-market takeover bid for all of the issued shares in the Target.

Yours faithfully



Paul Foley
Director
Gro-Aust Holdings Limited

enclosure

3 January 2014

Dear Tranzact Shareholder,

Cash takeover bid for Tranzact – time is running out

Since 20 November 2013, you have had the opportunity to accept Gro-Aust's offer to acquire all of your shares in Tranzact for A\$0.12 per share as set out in Gro-Aust's bidder's statement dated 6 November 2013, as supplemented from time to time (**Offer**). **The Offer will not stay open forever.**

In sections 5.3(c) and 5.4(c) of Part 1 of its bidder's statement, Gro-Aust set out its intention to cause Tranzact to be delisted from ASX. **Most of the pre-conditions for delisting have now been satisfied:**

- (a) Gro-Aust now owns or controls more than 75% of Tranzact's ordinary shares;
- (b) the Offer will be open for more than two weeks following Gro-Aust owning or controlling more than 75% of Tranzact's ordinary shares; and
- (c) Gro-Aust indicated in its bidder's statement that it intends to cause Tranzact to be delisted.

The only substantial further requirement to be satisfied before Gro-Aust can cause Tranzact to be delisted (in accordance with draft ASX Guidance Note 33) is that the number of Tranzact shareholders with holdings worth at least \$500 needs to fall to fewer than 150.

There is now a significant risk that if you do not sell your Tranzact shares or accept the Offer, you may be left with shares in an unlisted company. If that happens, there will be no organised market for Tranzact shares and you may need to try to sell your shares off-market if you wish to realise them in future. There is no guarantee that Gro-Aust will make any further offer for your shares.

Tranzact's independent directors have recommended that Tranzact shareholders ACCEPT the Offer.

The Offer is unconditional with 5 business day payment terms and the offer price cannot be increased (in the absence of a competing proposal). TRANZACT SHAREHOLDERS SHOULD ACCEPT IMMEDIATELY.

Instructions on how to accept the Offer are set out in the bidder's statement as supplemented from time to time and in the acceptance form that accompanied the bidder's statement.

The Offer has been extended so that it is scheduled to close at 7.00pm Sydney time on 23 January 2014 (but may be extended).

Yours sincerely



Paul Foley

Chairman

Gro-Aust Holdings Limited

Corporations Act 2001 (Cth)

Section 650D(1)

NOTICE OF VARIATION OF OFFER – EXTENSION OF OFFER PERIOD

To: Tranzact Financial Services Limited (ABN 84 089 997 731) (**Tranzact**)

Australian Securities and Investments Commission (**ASIC**)

Each holder of shares in Tranzact to whom the Offer referred to below has been made

This is a notice given by Gro-Aust Holdings Limited (New Zealand Company Number 1262146) (**Gro-Aust**) in relation to the offers dated 20 November 2013 made under its off-market takeover bid for all of the ordinary shares in Tranzact (**Offer**) and contained in its bidder's statement dated 6 November 2013 (as supplemented by its supplementary bidder's statements dated 20 November 2013, 3 December 2013 and 17 December 2013).

In accordance with section 650D(1) of the *Corporations Act 2001 (Cth)* (**Act**), Gro-Aust gives notice that the Offer is varied by extending the period during which the Offer remains open for acceptance until 7.00pm (Sydney, Australia time) on 23 January 2014.

A copy of this notice was lodged with ASIC on 3 January 2014. Neither ASIC nor any of its officers takes any responsibility for the contents of this Notice.

This notice has been approved by a resolution of the Directors of Gro-Aust.

Dated 3 January 2014

Signed for and on behalf of Gro-Aust Holdings Limited



Paul Foley

Chairman

Gro-Aust Holdings Limited