

10 October 2014

The Manager
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sirs

Consolidated Activities Report – Proposed Business Strategy

The Board of HJB Corporation Limited (**Company**) confirms that its proposed business strategy remains the same as it appeared in Section 5.3 of the Prospectus lodged with ASIC and the ASX on 22 September 2014.

Please find **enclosed** a consolidated activities report setting out the Company's proposed business strategy.

If you have any questions, please do not hesitate to contact the undersigned to discuss on (+61 2) 8072 1400.

Yours faithfully



Andrew Whitten
Company Secretary

Consolidated Activities Report – Proposed Business Strategy

The Company intends to re-launch parts of its core business in the commercial and professional services industry of providing a broad range of recruitment, human resource and ancillary services across various industries. The Company will also actively consider the acquisition of other investments.

It was a condition of the Proposal that the Company retain its existing business assets (unencumbered) with the exception of the business assets sold by the Administrators, as announced to the ASX on 12 September 2013.

The Company intends to leverage HJB Business's assets including the 'HJB' and/or 'Hamilton James & Bruce' business names, domain names, websites, software and source code, plant & equipment, intellectual property and know how such as recruitment process documentation, work manuals, check lists, process and procedure manuals, marketing materials, industry knowledge, customer/supplier lists, and all other assets necessary to operate the HJB Business.

The Company's principal activities were the:

- (a) provision of permanent employee placements and temporary and contractor recruitment services; and
- (b) provision of management, contract and support human resource services across various industries.

It is intended to continue to trade under the Company's HJB brand which is well recognised utilising the Company's intellectual property, client list and contractor/employee relationships. In order to initially operate with low fixed overheads, we will consider forming strategic partnerships with other players in the recruitment, human resources and professional services industry to provide the Company fulfilment capability.

As a Company that has been through administration and is intending to investigate relaunching its former business, the Company's future operations may be affected by a range of factors as outlined in Section 8 of the Prospectus. Given the impact of the administration, the fact that the Company has not operated its former business for some time and does not have any employees or clients, the Board considers the relaunch of the business carries risk more typically associated with a start-up business than a mature business. There is also the risk following the investigation by the Company that the existing business may not be relaunched.

Furthermore, we intend to investigate introducing complementary professional services to expand the HJB Business model, including Talent Management; Employee Relations & Compliance; Education & Training; and Talent Agency Services.

It is proposed to deliver these services via an online model as the Company believes that the opportunity exists to build a scalable business servicing a broad range of clients across various industries.

As outlined in Section 3.1 of the Prospectus, the Company has budgeted \$220,000 in year 1 and \$230,000 in year 2 for the review and development of existing assets.

As outlined in Section 3.1 of the Prospectus, the Company has also budgeted \$195,000 in year 1 and \$195,000 in year 2 for the review and evaluation of new projects. In this regard, the Board will actively consider the acquisition and development of other investments, both



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within the human resources and professional services industry as well as in unrelated market segments.

The Company has a highly qualified Board and Advisory Committee with extensive private equity experience. The Board is constantly reviewing acquisition opportunities, however there are no acquisition opportunities sufficiently advanced to warrant disclosure. Whilst not being prescriptive, the Board is seeking acquisitions that will accelerate the transformation of the Company into a high growth and strong cash-flow generating business.

It should be noted that should the Company pursue an acquisition opportunity, the Company may be required by ASX to re-comply with Chapters 1 and 2 of the ASX Listing Rules at that time. This will depend on the transaction, which would also require Shareholder approval.