

Supplementary Bidder's Statement

made by

Pritchard Equity Limited

(ACN 100 517 404)

1. Introduction

1.1 About this document

This document is a supplementary bidder's statement dated 22 August 2008 made by Pritchard Equity Limited ACN 100 517 404 (*Pritchard*) under section 643 of the *Corporations Act 2001* (Cth) (*Corporations Act*) (the *Supplementary Bidder's Statement*).

This Supplementary Bidder's Statement supplements and is to be read together with the Pritchard Bidder's Statement dated 5 August 2008 (the *Bidder's Statement*).

1.2 Important notices

A copy of this Supplementary Bidder's Statement was lodged with ASIC on 22 August 2008. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Bidder's Statement.

This Supplementary Bidder's Statement will prevail to the extent of any inconsistency with the Bidder's Statement.

1.3 Defined terms

Words defined in the Bidder's Statement have the same meaning in this Supplementary Bidder's Statement, unless the contrary intention appears.

2. Investment Decision

This Supplementary Bidder's Statement should not be taken as personal financial advice, as it does not take into account the individual investment objectives, financial and taxation situation or particular needs of each Property Fox A Class Shareholder. You may wish to obtain independent financial and taxation advice before making a decision whether or not to accept the Offer and (if you accept the Offer) whether PEQ A Ordinary Shares, PEQ B Ordinary Shares and PEQ Preferred Income Securities are an appropriate investment for you.

3. Important Dates

The Bidder's Statement is amended to reflect the following dates:

Original Bidder's Statement Lodged with ASIC	5 August 2008
Replacement Bidder's Statement Lodged with ASIC	22 August 2008

4. Important Information

The following sentence is inserted into the first paragraph of this section:

"It replaces the original Bidder's Statement lodged with ASIC on 5 August 2008 and contains amendments made as a result of matters raised by ASIC."

References to the "Bidder's Statement" in the first and second paragraph of this section have been amended to refer to the replacement bidder's statement and that the date of the replacement bidder's statement is 22 August 2008.

5. Contents

The contents page of the Bidder's Statement has been amended to reflect the inclusion of a Summary of the Material Risks in accepting the Offer.

6. Summary of Material Risks in accepting the Offer

The following summary of material Risks in accepting the Offer have been inserted into the Bidder's Statement after the section, Why you should accept the Offer:

- "1. Pritchard Equity relies on a number of key personnel.*
- 2. Pritchard Equity directly and indirectly owns or has an interest in a number of listed companies, whose market price may fluctuate.*
- 3. The portfolios of investments held by the Company and its associated entities are less diversified than those of many other listed investment companies.*
- 4. The stockbroking industry is subject to numerous regulatory requirements.*
- 5. Pritchard & Partners remuneration for managing Illuminator's portfolio is based partially on performance which is risky in a volatile market.*
- 6. The consideration under the Offer comprises solely of securities, being PEQ A Ordinary Shares, PEQ B Ordinary Shares and PEQ Preferred Income Securities which are relatively illiquid. The ownership of Pritchard Equity securities is more concentrated than that of Property Fox A Class Shares and there may be limited buyers for them.*
- 7. If acceptances under the Offer are less than 100%, there is a risk that Pritchard Equity is unable to achieve all of the potential benefits set out in this Bidder's Statement.*
- 8. Pritchard Equity may not be able to dispose of Property Fox's property investments when desired or for their book value.*
- 9. The consideration under the bid is securities quoted on the NSX, and their prices may rise and fall from day to day and are subject to stock market fluctuations.*

10. *The future earnings of Pritchard Equity and the value of its investments may be materially affected by general economic and climate and other factors.*

** Please refer to Section 5 of this Bidder's Statement for a complete description of these Risks."*

7. Detailed reasons why you should accept

The detailed reasons why you should accept summary is amended as follows:

- the third sentence under the heading, The Offer provides an attractive premium for Property Fox A Class Shareholders, has been amended by the inserting "3 and 4" after the number "2" to reflect the inclusion of Table 4;
- the paragraph under Chart 1 has been amended by:
 - the inclusion of the sentence "This VWAP is 35.76 cents per share";
 - the words "all of" being inserted in front of the words " the transaction";
 - the words " of this Bidder's Statement" being inserted after the "Table 3" in the third sentence; and
 - the inclusion of the sentence "The VWAP of Property Fox A Class Shares for the year to 30 June 2008 (including the Property Fox A Class Shares bought back by Property Fox) is 41.22 cents per share";
- footnotes 1 and 2 under Table 2 have been amended by the words "Table 4 below and" being inserted into the second sentence of each footnote after the words "Please refer to";
- the sentences "Please note that the indicative value determined by the directors of Pritchard Equity for the PEQ Preferred Income Securities is only an estimate and is not based on any detailed analysis of the value of the contingent dividend income stream. There is no guarantee that these shares will trade on NSX at this indicative value per my e-mail" have been inserted into footnote 3;
- footnote 4 has had the sentence "Please refer to Table 3 for the transactions taken into account in calculating the VWAP. The VWAP of Property Fox A Class Shares for the year to 30 June 2008 (including the Property Fox A Class Shares bought back by Property Fox is 41.22 cents per share" inserted after the first sentence in the footnote;
- the paragraph under footnote 4 has been amended to reflect the inclusion of Table 4 by the words "Table 4" being inserted after the words "Refer to";
- Table 4 and the following sentences have been inserted:

Table 4: Transactions in Pritchard Equity securities for the year ended 30 June 2008

Since the Company listed on NSX on 27 April 2006, there have only been 16 on-market trades of PEQ A Ordinary Shares and 5 on-market trades of PEQ B Ordinary Shares. The following table sets out the details of the on-market trades:

Date/Time	Price \$	Volume	Value \$
PEQ A Ordinary Shares			
24/04/07	1.10	1,000	1,100.00
22/01/07	1.00	11,250	11,250.00

16/01/07	0.85	5,000	4,250.00
23/05/06	0.85	5,000	4,250.00
4/05/06	0.85	250	212.50
4/05/06	0.85	250	212.50
4/05/06	0.85	250	212.50
4/05/06	0.85	250	212.50
4/05/06	0.85	250	212.50
3/05/06	0.85	1,000	850.00
2/05/06	1.00	250	250.00
2/05/06	1.00	250	250.00
2/05/06	1.00	250	250.00
2/05/06	1.00	250	250.00
2/05/06	1.00	250	250.00
2/05/06	1.00	250	250.00
PEQ B Ordinary Shares			
24/04/07	1.10	1,000	1,100.00
22/01/07	1.00	11,250	11,250.00
16/01/07	0.85	5,000	4,250.00
23/05/06	0.85	5,000	4,750.00
3/05/006	0.95	1,000	950.00

The PEQ Preferred Income Securities have only been quoted since 28 May 2008 and no on-market trades have taken place.

- to reflect the addition of the new Table 4, all subsequent tables in this section of the Bidder's Statement have been renumbered;
- the first paragraph under the heading "*PEQ Preferred Income Securities have a cumulative preferential dividend of \$10 per share per annum*" is amended as follows:
 - a full stop is inserted after the words "out of profits";
 - the deletion of the words "*and given*" before "*Property Fox*" in the new second sentence;
 - in the new second sentence, the words "*will not be able to pay further dividends unless it makes profit in the future*";
 - the deletion of an apostrophe and the letter "s" from the word "*Fox*"; and
 - the deletion of the words "loss making history it appears unlikely that any dividend will be paid in the near future".
- the second paragraph under the heading "*PEQ Preferred Income Securities have a cumulative preferential dividend of \$10 per share per annum*" is amended by the insertion of the sentence: "*However, there is no guarantee that Pritchard Equity will make profits in the future to enable it to pay these dividends*" at the end of the paragraph.
- the second paragraph under the heading "*Pritchard Equity directors and shareholders interests are aligned*" has been amended by:

- the words:

"based on the market values for the Pritchard Equity shares as set out in Table 2 on page 5 of this Bidders Statement. The shares have been acquired by the directors of Pritchard Equity and their associates at various times since the Company was incorporated in 2002. The total amount paid for these shares over this period was \$368,112"

being inserted after the monetary amount "\$1,078,768"; and

- the following sentence is inserted in the second paragraph under the heading "Pritchard Equity expects the liquidity of its shares to improve":

"Although the free float will increase if the Offer is successful, the directors of Pritchard Equity and their associates will continue to hold a substantial percentage of issued capital immediately after the close of the Offer and this may negatively impact liquidity."

8. Information on Pritchard Equity and its Securities

Section 1.1. - Overview of Pritchard Equity and its principal activities

Section 1.1 of the Bidder's Statement is amended as follows:

- the second paragraph is amended by:
 - the deletion of the word "and" after the word "medium";
 - the insertion of the word "to" after the word medium; and
 - the insertion of the following words "(that is, 3 to 5 years)" after the words "long term investments";
- two new paragraphs are inserted after paragraph 4:

"In Pritchard Equity's 31 December 2007 balance sheet, listed portfolio investments are carried at \$1,304,509. Since December 2007, the group has disposed of a majority of its listed investments.

As at 5 August 2008, the market value of the remaining portfolio investments was approximately \$663,913. This includes the group's investment in Property Fox of \$105,420. The cash and cash equivalents of Pritchard Equity as at 31 December 2007 were \$119,284 and as at 5 August 2008 had increased to \$396,201. Pritchard Equity's external borrowings were reduced from \$93,758 as at 31 December 2007 to \$2,057 as at 5 August 2008."

Section 1.2.1. Cameron Stockbrokers Limited

The "Background" section under Section 1.2.1 of the Bidder's Statement is amended by the inclusion of the following sentence after the first sentence ending in "...Cameron Capital Limited (Cameron Capital)":

"Cameron Capital's results are equity accounted by Pritchard Equity. The equity accounted value of the investment in Cameron Capital is \$1,060,021 as at 31 December 2007."

Section 1.2.2. Illuminator Investment Company Limited

- The paragraph under the heading "Background" is amended to read as follows:
*"Pritchard Equity currently holds approximately 16% of the issued capital of Illuminator Investment Company Limited (**Illuminator**), a company listed on the NSX. This investment is not equity accounted. As at 5 August 2008 the investment in Illuminator had a market value of approximately \$189,149."*
- The fifth paragraph under the heading "Financial Information" is amended to read as follows:
"Illuminator investments consist of listed securities, with approximately 80% being listed in Australia and the balance overseas. As at 5 August 2008 the total market value of Illuminator's portfolio was approximately \$1,264,327."

Section 1.2.3. Portfolio Investments

Section 1.2.3. of the Bidder Statement is amended as follows:

- in the first bullet point:
 - the date, 31 December 2007 has been deleted and replaced by 5 August 2008;
 - the phrase "(or 2% of issued shares)" has been inserted after the abbreviation "FMI";
 - the amount "\$80,509" has been replaced by the word and amount "approximately \$69,531";
- in the second bullet point, the third sentence has been amended as reads as follows:
"As at 5 August 2008, the Pritchard Equity group held 38,000 fully paid ordinary shares in NSX (or 0.05% of the fully paid ordinary shares on issue), with a market value of approximately \$5,320 and 700,000 partly paid ordinary shares with a book value of \$1 in total"
- in the third bullet point:
 - the date, 31 December 2007 has been deleted and replaced by 5 August 2008;
 - and the words "(or 4% of the ordinary shares on issue)" have been inserted after the words "25 fully paid ordinary shares in PCH";
- in the fourth bullet point has been amended and reads as follows:
"Property Fox (via its related entities as disclosed in section 2.6 of this Bidder's Statement) with a market value as at 5 August 2008 of \$105,420."
- the following paragraph has been inserted after the fourth bullet point:
"The balance of Pritchard Equity's listed investments portfolio is made up of investments in approximately 20 other ASX and NSX listed companies. None of these investments is individually material in the context of Pritchard Equity's overall financial position."

Section 1.4.3. Summary Balance Sheet

The following note is inserted after the Summary Balance Sheet:

"See Section 1.1 of this Bidder's Statement for updated guidance on the market value of investment portfolio assets."

Section 1.7. Substantial shareholders and Top 20 shareholders in Pritchard Equity

Section 1.7. of the Bidder Statement is amended by the inclusion of the following sentence and table after footnote 1:

"Assuming a 100% or 66% acceptance of the Offer, Mr Pritchard's voting power would become:

Acceptance Level	Voting power %
100%	57.19%
66%	59.61%

9. Information on Property Fox and its Securities

2.2.2. Property Fox Assets

- The following is inserted below the third bullet point:

"As at 31 December 2007, Property Fox's balance sheet disclosed cash and cash equivalent assets of \$1,614,136."

2.2.3. Property Fox Liabilities

- The following new section 2.2.3 is inserted into the Bidder's Statement and the subsequent sections renumbered:

As at 31 December 2007, Property Fox's balance sheet, under current liabilities, disclosed "other financial liabilities" of \$446,250 being interest bearing liabilities.

However, Note 7 to the Property Fox Financial Statements for the period ending 31 December 2007 disclosed a joint venture loan agreement under which the total amount payable as at 31 December 2007 is stated to be \$1,190,000 and a liability of \$452,500 being Property Fox's interest in the joint loan being recorded and included in "other financial liabilities".

10. Effect of the Offer on Pritchard Equity

4.3.7. Pro forma adjustments relation to the impact of acquisition accounting

Section 4.3.7. of the Bidder's Statement is amended by the inclusion of the following paragraph after the second paragraph:

"For the purpose of determining the market price of the PEQ A Ordinary Shares and PEQ B Ordinary Shares to be issued, the last on-market sale price for these shares of \$1.10 was used."

4.4. Effect on Capital Structure

Section 4.4. of the Bidder's Statement is amended by the inclusion of the following table and sentences after the first table in the section:

"The percentage of the Merged Entity to be held by Property Fox shareholders at these acceptance levels will be:

	PEQA	PEQB	PEQPA
If 100% acceptance	35.29%	11.95%	91.31%
If 66% acceptance	26.47%	8.22%	87.39%

Please note that only PEQB shares have voting rights."

4.5. Dividend Policy

Section 4.5. of the Bidder's Statement is amended as follows:

- the following sentence is inserted as the last sentence in paragraph one:

" As a dividend may only be paid out of profits of the Company, dividends will not be paid where there are no profits or accumulated profits."
- the following sentence is inserted as the last sentence in paragraph two:

"PEQ A Ordinary Shares and PEQ B Ordinary Shares are entitled to a dividend as determined by the directors of Pritchard Equity."

11. Risks

5.3.1. Issue of PEQ A Ordinary Shares, PEQ B Ordinary Shares and PEQ Preferred Income Securities as consideration

Section 5.3.1 of the Bidder's Statement is amended as follows:

- The following sentence has been inserted after the first sentence in paragraph one:

"The rights and liabilities attaching to these securities are set out in more detail in Annexure 4 of this Bidder's Statement."
- The following sentence has been inserted after the first sentence in paragraph three:

"If Pritchard Equity makes profits sufficient to pay some, but not all, of the dividend on the PEQ Preferred Income Securities then a pro-rata dividend will be paid to the extent of available profits, and the remainder will accumulate for payment at a later date as and when profits permit."
- The following paragraphs have been inserted at the end of Section 5.3.1:

"The Company may convert any PEQ Preferred Income Securities into PEQ A Ordinary Shares at any time by giving 60 days written notice. The conversion terms of the securities are set out in Part 2(i) of Annexure 4 of this Bidder's Statement.

As outlined in Section 1.8 of this Bidder's Statement, the PEQ A Ordinary Shares and PEQ B Ordinary Shares being offered as consideration under the Offer have only had limited on-market trades and the PEQ Preferred Income Securities were quoted on 28 May 2008 and have not yet been traded. The substantial shareholding of Mr Steven Pritchard in Pritchard Equity further reduces the liquidity of these securities.

In comparison to Property Fox, the securities of Pritchard Equity are closely held with Mr Steven Pritchard being the controlling shareholder. The presence of this controlling shareholder is likely to diminish the likelihood of a third party takeover offer."

12. Annexure 4 – Rights and Liabilities attaching to PEQ A Ordinary Shares, PEQ B Ordinary Shares and PEQ Preferred Income Securities

Part 2(i) of Annexure 4 to the Bidder's Statement is amended to include the following paragraph:

"For example, taking the 31 December 2007 balance sheet figures for Pritchard Equity would result in 100 PEQ Preferred Income Securities being converted into 7,136 PEQ A Ordinary Shares. In this example:

m = 100 PEQ Preference Income Securities

e = 1,369,486 total number of issued ordinary shares

a = \$2,069,819 consolidated net assets

i = \$150,817 minority interests

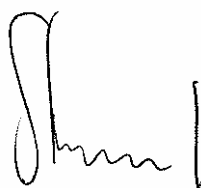
Therefore: $n = 100 \times 100 \times 1,369,486 / (2,069,819 - 150,817)$

$n = 7,136"$

13. Directors' authorisation

This Supplementary Bidder's Statement was approved by a unanimous resolution of all of the Directors of Pritchard on 22 August 2008.

Signed for and on behalf of Pritchard Equity Limited.



Chairman