



JOHN BRIDGEMAN LIMITED
ACN 603 477 185
LEVEL 9 RIVERSIDE CENTRE
123 EAGLE STREET
BRISBANE QLD 4000

JOHN.BRIDGEMAN

6 April 2017

Company Announcements Office
The National Stock Exchange of Australia

CLEANSING NOTICE issued under section 708A(12C) of the *Corporations Act 2001 (Cth)* (as inserted by ASIC Corporations (Sale offers: Securities issued on conversion of convertible notes) Instrument 2016/82)

1. Introduction

This Cleansing Notice has been prepared by John Bridgeman Limited ACN 603 477 185 (**JBL** or the **Company**) for the purposes of section 708A(12C)(e) of the *Corporations Act 2001 (Cth)* (**Corporations Act**) (as inserted by *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82*). Issuing this Cleansing Notice enables the fully paid ordinary shares in the capital of the Company (**Shares**) issued on the conversion of the convertible notes issued by the Company on the terms described below to be on-sold to retail investors without further disclosure.

This Cleansing Notice is important and should be read in its entirety.

2. Background and contents of Cleansing Notice

The Company wishes to inform the market that it has entered into agreements to raise \$4,108,000 by way of the placement (the **Offer**) of 2,600,000 unsecured unlisted convertible notes at a face value of \$1.58 per note (**Convertible Notes**).

The Offer was made to investors who are sophisticated or professional investors for the purposes of section 708 of the Corporations Act.

The terms of the Convertible Notes are set out in placement letters entered into between the Company and each of the subscribing noteholders (**Noteholders**), which are summarised in Section 4 below.

The Convertible Notes are for the principal or nominal amount of \$1.58 per Convertible Notes (**Face Value**) which is paid for in full by the subscribing Noteholder on application. The Convertible Notes bear interest at the rate of 8% per annum payable to the Noteholders every six month in arrears and have a maturity date of 6 April 2022 (**Maturity Date**).

The Company's directors (**Directors**) consider that the raising of capital by the issue of the Convertible Notes is in the best interests of the Company as it will secure, on acceptable terms, funding that is likely to be required by the Company for future potential investment opportunities.

This Cleansing Notice sets out the following:

- (a) in relation to the Offer:
 - (1) the effect of the issue on the Company;
 - (2) a summary of the rights and liabilities attaching to the Convertible Notes;
 - (3) a summary of the rights and liabilities attaching to the Shares that will be issued on conversion of the Convertible Notes; and
- (b) any information that:
 - (1) has been excluded from continuous disclosure notice in accordance with the Rules Governing the Listing of Securities on the National Stock Exchange of Australia Limited (ACN 000 902 063) (the **NSX Listing Rules**);
 - (2) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (B) the rights and liabilities attaching to the Shares; and
 - (3) any other information relating to the Company's status as a disclosing entity and where documents may be obtained.

3. The effect of the Offer on the capital structure of the Company

3.1 Effect of the issue on the Company

The principal effects of the issue of the Convertible Notes on the Company will be to:

- (a) increase the Company's cash reserves by \$4,108,000 upon the issue of the Convertible Notes (before any expenses associated with the issue of the Convertible Notes);
- (b) increase the number of unlisted unsecured convertible notes on issue from nil to 2,600,000;
- (c) give rise to the Company having liability for the amount of the face value of the Convertible Notes (**Redemption Amount**); and
- (d) if the Convertible Notes are converted, either whole or in part, increase the number of Shares on issue as a consequence of the issue of Shares on conversion of the Convertible Notes (**Conversion Shares**).

3.2 Pro forma balance sheet of the Company taking into account issue of the Convertible Notes

- (a) Set out below is a pro forma consolidated Statement of Financial Position as at 31 December 2016 for the Company based on the consolidated Statement of Financial Position as at 31 December 2016 for the Company adjusted to reflect the issue of Convertible Notes issued by the Company today, prepared on the basis of the accounting policies normally adopted by the Company.

- (b) The pro forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements. The pro forma financial information is not audited. The classification of the allocations between debt and equity for the Convertible Notes may change in the future.

John Bridgeman Limited Consolidated Pro-forma Balance sheet as at 31 December 2016			
	Actual	Pro-forma adjustment	Pro-forma
	31-December-2016	Convertible Notes Issued	31-December-2016
	\$000's	\$000's	\$000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2,352	4,030	6,382
Currency held as stock	1,857		1,857
Financial assets held at fair value	3,577		3,577
Trade and other receivables	6,249		6,249
Prepayments	55		55
Term deposits	80		80
TOTAL CURRENT ASSETS	14,170	4,030	18,200
NON CURRENT ASSETS			
Investments in equity accounted investees	1,043		1,043
Property, plant and equipment	844		844
Intangible Assets	10,487		10,487
Deferred tax assets	157		157
TOTAL NON-CURRENT ASSETS	12,531	-	12,531
TOTAL ASSETS	26,701	4,030	30,731
LIABILITIES			
CURRENT LIABILITIES			
Payables	4,574		4,574
Interest bearing liabilities	-	4,108	4,108
Provisions	147		147
Provision for income tax	483		483
TOTAL CURRENT LIABILITIES	5,204	4,108	9,312
NON CURRENT LIABILITIES			
Payables	1,156		1,156
TOTAL NON-CURRENT LIABILITIES	1,156	-	1,156
TOTAL LIABILITIES	6,360	4,108	10,468
NET ASSETS	20,341	78	20,263

EQUITY			
Issued capital	10,034		10,034
Reserves	214		214
Retained earnings	(144)	(78)	(222)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	10,104	(78)	10,026
Non-Controlling Interests	10,237		10,237
TOTAL EQUITY	20,341	(78)	20,263

3.3 Potential effect on Share Structure

- (a) As at the date of this Cleansing Notice the issued capital of the Company and the options held in respect of the Company is as follows:

Type of security	Securities prior to the issue of the Convertible Notes
Shares quoted on NSX	11,275,300 Shares (NSX:JBL)
Shares not quoted on NSX	7,400,000 Shares (NSX:JBL)
Options quoted on NSX	9,041,300 Options (NSX:JBLO)
Options not quoted on NSX	7,400,000 JBLOA Options 1,540,000 JBLOB Options 1,540,000 JBLOC Options 2,240,000 JBLOD Options 2,240,000 JBLOE Options

- (b) The Company has issued 2,600,000 Convertible Notes at \$1.58 per Convertible Note in order for the Company to raise a total amount of \$4,108,000.
- (c) The capital structure of the Company will be affected by the conversion of the Convertible Notes by the Noteholders which will result in additional Shares being issued and the liability position of the Company decreasing accordingly.
- (d) For every 1 (one) Convertible Note converted, one Share will be issued (the **Conversion Ratio**), subject to any adjustments in accordance with the terms of issue (see Attachment 1).
- (e) The Convertible Notes can be converted at any time prior to the Maturity Date at the request of the Noteholder, and Convertible Notes not converted at that time will be redeemed for their Face Value as at the Maturity Date.
- (f) If the Noteholders convert the maximum number of 2,600,000 Convertible Notes then 2,600,000 Shares would be issued (assuming the Conversion Ratio remains at 1:1). The actual effect on the Share capital of the Company will differ depending on how many Convertible Notes are converted. If all of the Convertible Notes are converted, and no Options are converted and no further Shares have been issued or bought-back since the date of this Cleansing Notice, then there will be 21,275,300 Shares on issue following the conversion of the last of the Convertible Notes.

4. Rights and liabilities attaching to the Convertible Notes

A summary of the key terms of the Convertible Notes are set out at Attachment 1.

5. Rights and liabilities attaching to Shares issued on conversion of the Convertible Notes

The Shares to be issued to the Noteholders on the conversion of the Convertible Notes will rank equally in all respects with all of the Company's existing Shares. The rights attaching to Shares, including the new Shares to be issued to the Noteholders on the conversion of the Convertible Notes, are set out in the Company's constitution (**Constitution**) and, in certain circumstances, regulated by the Corporations Act, the NSX Listing Rules and the general law.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders:

(a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a vote taken by a show of hands and, on a poll, one vote for every fully paid Share held by him or her.

(b) Dividends

The Directors may declare a dividend is payable and fix the amount and the time for and method of payment.

All fully paid Shares on which any dividend is declared or paid, are entitled to participate in that dividend equally.

(c) Transfer of Shares

Shares may be transferred, and transfers may be registered, in any manner required or permitted by the NSX Listing Rules. The Company must comply with and give effect to those rules and it may, in accordance with those rules, decline to issue certificates for holdings of Shares.

(d) Meetings and notice

Each shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices required to be sent to shareholders under the Constitution.

(e) Issue of further Shares

The Directors may allot, issue or grant options in respect of, further Shares on such terms and conditions as they see fit subject to compliance with the Corporation Act and the NSX Listing Rules.

(f) Variation of rights

If at any time the Share capital of the Company is divided into different classes of Shares, the rights attached to any class, may be varied or cancelled with the sanction of a special resolution of the Company (which must be passed by at least 75% of shareholders present and voting at a general meeting) and with either:

- (1) the consent in writing of the holders of 75% of the issued Shares of that class, or
- (2) by a special resolution passed at a meeting of the holders of the Shares of that class (which must be passed by at least 75% of class members present and voting at the meeting).

(g) Non-marketable parcels

The Constitution contains procedures to enable the Company to seek to sell non-marketable parcels on Shares on behalf of shareholders, unless the shareholder requests otherwise.

6. The company is a “disclosing entity”

The Company is a “disclosing entity” under the Corporations Act and, accordingly, is subject to regular reporting and disclosure obligations under both the Corporations Act and the NSX Listing Rules.

These obligations require the Company to notify NSX of information about specific events and matters as they arise. In particular, the Company has an obligation under NSX Listing Rule 6.5 and section 674 of the Corporations Act (subject to certain limited exceptions) to notify the NSX immediately once it is or becomes aware of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors’ statement and report, and an audit report or review. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

7. Copies of documents

The Company will provide a copy of each of the following documents, free of charge, to any person on request:

- (a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 30 June 2016 (**2016 Financial Report**);
- (b) any half-year financial report lodged by the Company with ASIC after the lodgement of the 2016 Financial Report and before the lodgement of this Cleansing Notice with NSX; and
- (c) any continuous disclosure documents given by the Company to NSX after the lodgement of the 2016 Financial Report and before the lodgement of this Cleansing Notice with NSX.

A list of the continuous disclosure documents given by the Company to NSX after the lodgement of the 2016 Financial Report and before the lodgement of this Cleansing Notice with NSX is set out in the table below.

Date	Announcement
30/09/2016	John Bridgeman Limited Annual Report 2016
07/10/2016	Notice of Annual General Meeting
12/10/2016	John Bridgeman Limited - Business Update
14/10/2016	On-market share buy-back
24/10/2016	Business update
08/11/2016	AGM Results of Meeting
21/11/2016	Business update
01/12/2016	Notice of change in interests of substantial shareholder - Jarrad Stuart
12/12/2016	Business update
16/12/2016	Updated Corporate Governance Statement and Securities Trading Policy
30/12/2016	Business update - Bartholomew Roberts Ltd
03/01/2017	John Bridgeman Limited announces plans to launch a new listed investment company
17/01/2017	Business update - Strategic partnership with Shinsegae Food
17/01/2017	Share Issue Pursuant to Exercise of Options
20/01/2017	Trading Halt - Pending information
20/01/2017	NSX Price Query
20/01/2017	Company Response to Price Query
23/01/2017	Reinstatement to Official Quotation
31/01/2017	Investment update - HHL
31/01/2017	NSX Awareness Letter
31/01/2017	NSX Awareness Letter Response
01/02/2017	John Bridgeman Limited announces shares bought back at the end of January 2017 under its on-market share buy back
13/02/2017	Announcement regarding updated investment in HHL
13/02/2017	Share Issue Pursuant to Exercise of Options
14/02/2017	Announcement regarding intention to purchase further shares in HHL by John Bridgeman Limited and Henry Morgan Limited
16/02/2017	John Bridgeman Limited announces its intentions to launch a new listed investment company
17/02/2017	Further market announcement re purchase of further shares in Hunter Hall International Limited
21/02/2017	Update by John Bridgeman Limited regarding investment in Hunter Hall International Limited
07/03/2017	Change in Substantial Holding for Henry Avery Partners Pty Ltd

Date	Announcement
07/03/2017	Change in Substantial Holding for Jan Holmes Pty Ltd
07/03/2017	Change in Substantial holding for John Hawkins Pty Ltd
07/03/2017	Change in Substantial holding for Stuart McAuliffe
07/03/2017	John McAuliffe Ceasing to be a Substantial Shareholder
07/03/2017	Peter & Carolyn Aardoom Ceasing to be Substantial Shareholder
07/03/2017	Christine Normile Ceasing to be Substantial Shareholder
15/03/2017	Half Yearly Financial Report
15/03/2017	Financial Report Commentary
22/03/2017	Priority Offer in Benjamin Hornigold Ltd IPO
23/03/2017	Issue of Shares pursuant to Exercise of Options
27/03/2017	Change in Registered Office Details
29/03/2017	Market Outlook March 2017
04/04/2017	Company request for Trading Halt

8. Information excluded from the continuous disclosure notice

As at the date of this Cleansing Notice, the Company advises that it has fully complied with its disclosure obligations under the NSX Listing Rules and the Corporations Act, and, in particular, there is no information which the Company has excluded from any of its continuous disclosure notices given in accordance with the NSX Listing Rules and the Corporations Act as at the date of this Cleansing Notice which it would be reasonable for investors and their professional advisors to require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
- (b) the rights and liabilities attaching to the Convertible Notes and Shares.

9. No Responsibility

Neither the NSX nor ASIC take responsibility for the contents of this Cleansing Notice.

Yours faithfully



Stuart McAuliffe
Managing Director
John Bridgeman Limited

Terms of Convertible Notes

The following is a broad summary of the rights, privileges and restrictions attaching to the Convertible Notes. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Noteholders.

Term	Description
Issuer	John Bridgeman Limited ACN 603 477 185 (Company)
Issue/ Subscription Date	6 April 2016
Eligibility	The Offer was made to sophisticated and professional investors for the purposes of section 708 of the Corporations Act as at the date of acceptance of the Offer.
Face Value	The Convertible Notes each have a \$1.58 face value to raise a principal amount of \$4,108,000.
Maturity Date	6 April 2022 being the fifth anniversary of the Issue Date.
Ranking	The Convertible Notes rank for payment with all other unsecured creditors and obligations of the Company, but prior to shareholders' rights to return of capital paid up on their Shares.
Interest	The Company must pay interest in arrears on the Face Value at 8% per annum, paid on each of the stated Interest Payment Dates, being dates every six months following the Issue Date until the earlier of the Maturity Date or the request of the Noteholder to the Company to convert the Convertible Notes.
Conversion Rights	Convertible Notes may be converted at any time up until the Maturity Date in accordance with a conversion notice given to the Company. A conversion notice may only be given for the lesser of the number of Notes which have an aggregate Face Value of \$50,000 and the balance of the relevant Noteholder's holding of Convertible Notes.
Conversion Ratio	1 Share issued for every Convertible Note converted, subject to any adjustments to the Conversion Ratio as outlined below.
Adjustment to Conversion Ratio for reorganisation of capital	If there is a reconstruction (including consolidation, subdivision or reduction) of the issued capital of the Company, the basis for conversion of the Convertible Notes will be reconstructed in the same proportion as the issued capital of the Company is reconstructed, and will be in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on the shareholders of the Company (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital), nor any benefits being taken away from the Noteholder, but in all other respects the terms for conversion of the Convertible Notes will remain unchanged.
Adjustment to Conversion Ratio for a pro rata issue	<p>If the Company undertakes a <i>pro rata</i> offer (excluding a bonus issue) to Shareholders, then the Conversion Ratio must be adjusted in accordance with the following formula:</p> $NR = OR + E[P - (S+O)]/N+1$ <p>Where:</p> <p>NR = the new Conversion Ratio of the Notes.</p> <p>OR = the old Conversion Ratio of the Note prior to the pro rata offer.</p> <p>E = the number of shares into which one Note is Convertible.</p>

Term	Description
	<p>P = average market price per share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex-rights date or ex-entitlements date.</p> <p>S = the subscription price of a share under the pro rata issue.</p> <p>O= the dividend due but not yet paid on the existing underlying shares (except those to be issued under the pro rata issue).</p> <p>N = the number of shares with rights or entitlements that must be held to receive a right to 1 new share.</p>
Adjustment to Conversion Ratio for a bonus issue	If a bonus issue of Shares is made by the Company, then the number of Shares to be issued on conversion of a Convertible Note will be increased by the number of bonus shares that the Noteholder would have received if the Convertible Note had been exercised prior to the record date for the bonus issue.
Conversion Shares	Conversion Shares issued upon conversion of a Convertible Note will be fully paid ordinary Shares and rank equally with all other fully paid Shares from their date of issue.
Redemption	<p>All Convertible Notes which have not been otherwise redeemed or converted on the Maturity Date, and which are not the subject of an outstanding conversion notice, shall be redeemed.</p> <p>Upon the occurrence of a Takeover Event the Company may redeem all (but not some) of the Convertible Notes.</p> <p>Takeover Event means that if at any time on or before the Maturity Date, an off market bid, a market bid, scheme of arrangement, or offer or invitation is made to all holders of ordinary Shares to purchase or otherwise acquire ordinary Shares from them within a specified period and the bid, scheme or offer becomes unconditional, and the offeror has at least 50% of the voting power (as that term is defined by the Corporations Act) in the Company.</p>
Open market purchase	The Company and any of the Company's subsidiaries may at any time purchase Convertible Notes in the open market or otherwise and at any price. Convertible Notes purchased may be held, resold or cancelled at the discretion of the purchaser (and, if the Convertible Notes are to be cancelled, the Company), subject to compliance with any applicable law or requirement of NSX.
Transferability	<p>The Convertible Notes may be transferred in accordance with written notice to the Company signed by the transferor and transferee, subject to the transferee warranting and representing to the Company (in a form satisfactory to the Company) that the transferee:</p> <p>(1) is aware that no disclosure document has been prepared in connection with the issue of the Notes; and</p> <p>(2) is a Sophisticated Investor or Professional Investor within the meaning of sections 9 and 708, as applicable, of the Corporations Act.</p>
Rights of Noteholder	<p>The Notes confer no rights on a Holder:</p> <p>(a) to vote at any meeting of Shareholders of the Company, although Noteholders may attend meetings of Shareholders at the discretion of the chairman of the relevant meeting of Shareholders;</p> <p>(b) to subscribe for new securities or to participate in any bonus issues of securities of the Company; or</p>

Term	Description
	(c) to otherwise participate in the profits or property of the Company, except as set out in these Terms of Issue.