



WINPAR HOLDINGS LIMITED

ACN 003 035 523

GPO Box 4248
Sydney
New South Wales 2001
1 December 2017

MARKET ANNOUNCEMENT

The company has offered to acquire all of the fully paid ordinary shares in Penrose Club Holdings Limited held by certain Penrose shareholders for a combination of cash and shares in Winpar.

A copy of the offer is attached.

Gordon Elkington
Secretary



WINPAR HOLDINGS LIMITED

ACN 003 035 523

GPO Box 4248
Sydney
New South Wales 2001
30 November 2017

Dear Penrose Shareholder

Offer to acquire your shares in Penrose Club Holdings Limited

Winpar Holdings Ltd (ACN 003 035 523) (**Winpar**) proposes to acquire all of the fully paid ordinary shares in Penrose Club Holdings Limited (ACN 001 371 204) (**Penrose Shares**) held by certain of the existing holders of Penrose Shares (each a **Penrose Shareholder**) for a combination of cash and shares in Winpar, on the terms and conditions of this letter and as detailed more fully in Annexure A.

Winpar is a public company, and its ordinary shares are listed on the National Stock Exchange of Australia (NSX code: WPH). Winpar currently holds 40.06% of the issued shares in Penrose. Winpar operates primarily as a value investor, and has accumulated a diverse portfolio of listed and unlisted securities. Winpar is looking to increase its assets and expand its shareholder base, including by acquiring Penrose and issuing Winpar Shares to accepting offerees.

As an Eligible Penrose Shareholder (**Offeree**), Winpar offers you the opportunity to sell all of your Penrose Shares (**Offeree Shares**) to Winpar on the terms and conditions contained in this letter and as detailed more fully in Annexure A to this letter (**Offer**).

To accept this Offer, you need to return a completed and signed acceptance form (in the form contained in Annexure B) (**Acceptance Form**), on or before 5:00pm (Sydney time) on 31 January 2018 (unless the Offer is extended), to:

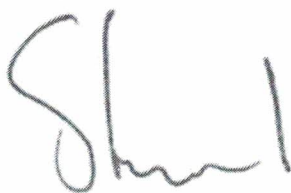
Winpar Holdings Ltd
GPO Box 4248
Sydney, New South Wales, 2001
Attention: Gordon Elkington

Before deciding whether to accept this Offer, it is important to note:

1. The estimated value of each Penrose Share is \$33.02 as at the Offer Date. We have estimated this value based on Penrose's unaudited financial statements as at 31 October 2017, which show net assets of \$2,515,998. Almost all of this amount is represented by cash (\$2,507,222). Penrose currently has no operating business or other activities, and its only source of income is interest on that cash holding. Accordingly, we consider that a fair estimate of the value of a Penrose Share is the net assets amount divided by the number of Penrose Shares on issue (76,188 ordinary shares), giving \$33.02 per share.
2. If Winpar gains a majority shareholding in Penrose, it will assess the options available to access Penrose's cash assets, and this may involve placing Penrose into liquidation. Penrose Shareholders who do not accept the Offer may be affected by Winpar's future decisions in this regard if they remain shareholders in Penrose. As Penrose is not listed on any stock exchange, there will be very limited opportunities to seek an alternative means of realising value for, or dealing with, your Penrose Shares.
3. There may be tax consequences for you if you accept the Offer. You should therefore seek independent taxation advice in relation to this Offer and your particular circumstances.

Please do not hesitate to contact me on 02 4920 2877 if you have any questions or would like to discuss the terms and conditions of this Offer. Alternatively, you can contact my fellow director, Gordon Elkington, on 02 8705 5486.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Shu' or 'Shun', with a long horizontal stroke extending to the right.

Steven Pritchard
Director
Winpar Holdings Ltd
Telephone: 02 4920 2877

ANNEXURE A - TERMS AND CONDITIONS OF OFFER

Offer

- 1.1 Winpar offers to acquire all of the Offeree Shares from the Offeree on the terms and conditions of this Annexure.
- 1.2 An Offeree may only accept this Offer in respect of all, but not some, of the Offeree Shares.
- 1.3 This Offer is dated 30 November 2017 (**Offer Date**).

Offer Period

- 1.4 Unless withdrawn or extended, the Offer will remain open for Acceptance by Eligible Penrose Shareholders during the period commencing on the Offer Date and ending on 5:00 pm (Sydney time) on 31 January 2018 (**Closing Date**) (**Offer Acceptance Period**).
- 1.5 This Offer will lapse on the Closing Date.
- 1.6 Notwithstanding clause 1.5, Winpar reserves the right to accept any Acceptances received after the Closing Date.

Persons to whom the Offer is made

- 1.7 The Offer is made to each Eligible Penrose Shareholder to whom the letter accompanying this Annexure is addressed.
- 1.8 If at any time during the Offer Acceptance Period, the Offeree holds one or more parcels of Penrose Shares as a trustee or nominee, or otherwise on account of another person, a separate and distinct offer is deemed to have been made in relation to each of those parcels and any parcel the Offeree holds in the Offeree's own right. The Offeree may accept two or more such deemed separate corresponding offers at the same time as if they were a single offer for each distinct portion of Penrose Shares.

Purchase Price

- 1.9 The purchase price Winpar offers to the Offeree is:
 - (a) 20 fully paid ordinary shares in Winpar (**Payment Shares**); and
 - (b) a cash amount of AUD \$13.00 (**Payment Amount**)in exchange for every one Offeree Share (**Purchase Price**).
- 1.10 Winpar has been admitted to the official list of the National Stock Exchange of Australia (**NSX**). The Payment Shares are to be the same class as the Winpar Shares which have been granted official quotation by the NSX.
- 1.11 The Payment Shares to be issued as part of the Purchase Price will in all respects rank equally with all other Winpar Shares on issue.

Rights

- 1.12 Winpar will be entitled to all Rights (being those accrued at the Offer Date) in respect of the Acceptance Shares it acquires under the Offer.

1.13 If Winpar is entitled to any Rights in respect of the Acceptance Shares, the Offeree must provide Winpar all documents that Winpar requires to give it title to those Rights. If the Offeree does not provide those documents to Winpar or if the Offeree has received or become entitled to the benefit of those Rights before Winpar provides the Purchase Price to the Offeree it will deduct from the Purchase Price otherwise due to the Offeree the amount (or value, as reasonably assessed by Winpar) of those Rights.

1.14 If:

- (a) the Offeree (or any previous holder of the Offeree Shares) has received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
- (b) the Offeree (or any previous holder of the Offeree Shares) is entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (e.g. if the Right is to receive a dividend, if the Offeree is (or any previous holder of the Offeree Shares is) the registered holder of the relevant share at the record date for the dividend);

then:

- (c) in the case of Rights to non-cash benefits, Winpar may deduct the value (as reasonably assessed by Winpar) of such Rights from the Purchase Price otherwise payable to the Offeree;
- (d) in the case of Rights to cash benefits, Winpar may deduct the amount of any such Rights (together with the value, as reasonably assessed by Winpar) of any franking credits attached to the Rights) from the Purchase Price otherwise payable to the Offeree.

If Winpar does not, or cannot, make such a deduction, the Offeror must pay such value or amount to Winpar.

Representations and warranties

1.15 By accepting this Offer, an Accepting Shareholder:

- (a) represents and warrants to Winpar that, both at the Offer Date and at the time the Acceptance Shares are transferred:
 - (i) the Offeree is the sole registered owner of the Offeree Shares,
 - (ii) the Acceptance Shares are fully paid and free from any Encumbrances;
 - (iii) the Offeree has the full power, authority and capacity and has taken all other actions necessary to enable it to transfer legal and beneficial title to the Acceptance Shares (including any Rights) to Winpar;
 - (iv) in connection with the transactions contemplated herein, it has complied, and will duly comply, on a timely basis with all applicable laws of the jurisdiction of its existence;
 - (v) there is no material civil, criminal or administrative suit, action, proceeding, investigation, review or inquiry pending or threatened against or affecting the Offeree, or any of its properties or rights, that could delay the Offeree to consummate the transactions contemplated under this Offer;
 - (vi) where the Accepting Shareholder is accepting this Offer as a responsible entity of a fund or trustee of a trust:

- A. the Accepting Shareholder has the requisite power and capacity (including all necessary or desirable approvals and authorisations) under the trust deed for the fund or trust (as applicable) to accept the Offer, or otherwise give effect to, this deed and the transactions contemplated by this deed;
 - B. the Accepting Shareholder has the right to be fully indemnified out of the assets of the fund or trust (as applicable) in respect of all obligations of the Accepting Shareholder in respect of the Offer and the Acceptance, and has not done or omitted to do anything that would result in the Accepting Shareholder's right of indemnity being restricted or limited in any way and the assets of the fund or trust (as applicable) are sufficient to satisfy that right of indemnity;
 - C. no action has been taken, or is proposed, to remove the Accepting Shareholder as the responsible entity for the fund or trustee of the trust (as applicable), or to terminate the fund or trust (as applicable); and
 - D. there is not, and there will not be in the future, any restriction or limitation on the ability or the right of the responsible entity or trustee (as applicable) to be indemnified out of the assets of the fund or trust (as applicable); and
- (vii) where the Accepting Shareholder is accepting this Offer as a nominee or custodian of a beneficial holder:
- A. the Accepting Shareholder has the right to be fully indemnified out of the assets of the beneficial holder in respect of all obligations of the Accepting Shareholder in respect of the Offer and the Acceptance, and has not done or omitted to do anything that would result in the Accepting Shareholder's right of indemnity being restricted or limited in any way and the assets of the beneficial holder are sufficient to satisfy that right of indemnity; and
 - B. it is not aware that there is not, and there will not be in the future, any restriction or limitation on the ability or the right of the nominee or custodian (as applicable) to be indemnified out of the assets of the beneficial holder.
- (b) acknowledges and agrees that:
- (ii) neither the Offer nor the Offer Letter have been prepared having regard to Australian disclosure requirements and have not been registered or lodged with any government agency, regulator, securities commission or other official body in Australia;
 - (iii) the Offeree's ability to resell Payment Shares may be subject to any applicable restrictions that may apply to such resale and is advised to seek legal advice prior to any such resale;
 - (iv) an Acceptance is irrevocable and can only be accepted in respect of all of the Acceptance Shares, despite any difference in the number of Acceptance Shares actually held and the number specified in an Acceptance (in which event the number of Acceptance Shares will be the number of Acceptance Shares actually held);
 - (v) it will be deemed to have authorised Winpar to alter any Acceptance on its behalf to fill in any blanks, rectify any errors or omissions and insert the correct details of your Acceptance Shares as may be necessary to enable the Acceptance to be processed;
 - (vi) on request from Winpar, it will take all other legally required actions in the capacity of a registered holder of Acceptance Shares, as Winpar reasonably directs to effect the transfer of the Acceptance Shares to Winpar as contemplated by this Offer;

- (vii) it will receive the Payment Shares to be issued by Winpar and to be registered in the register of members of Winpar and be bound by the Winpar's constitution; and
- (viii) it is granting Winpar and each of its directors a power of attorney to execute any documents or do anything on its behalf as is necessary to effect the transfer of Acceptance Shares to Winpar.

Acceptance of Offer

1.16 To accept this Offer, the Offeree must:

- (a) complete and sign the Acceptance Form in accordance with the terms of the Offer and instructions on the form; and
- (b) ensure that the Acceptance Form is sent so that it is received before the expiry of the Closing Date at the address shown on the Acceptance Form.

1.17 The Acceptance Form which accompanies this Offer forms part of this Offer.

1.18 Winpar will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an Acceptance of the Offer. Winpar is not required to communicate with the Offeree prior to making its determination as to any of the matters referred to in this Section 1.18 or any determination to waive any requirement for a valid Acceptance of the Offer in respect of any of the Offeree Shares. The determination of such matters by Winpar will be final and binding on the Offeree.

1.19 Winpar may at its sole discretion waive any requirement for a valid acceptance of the Offer in respect of the Acceptance Shares.

Provision of Purchase Price

1.20 The obligation of Winpar:

- (a) to issue and allot the Payment Shares to the Offeree will be satisfied by Winpar entering the Offeree's name in the register of members of Winpar; and
- (b) to pay the Payment Amount to the Offeree will be satisfied by mailing a cheque to you.

1.21 Winpar will issue and allot Payment Shares, and pay the Payment Amount, within 10 Business Days of receipt of a valid Acceptance Form.

Withdrawal of Offer

1.22 Winpar may withdraw the Offer by written notice to each Eligible Penrose Shareholder, provided that the Offer remains open for at least one month after the date of this Offer.

Extension of Offer

1.23 Winpar may extend the Offer Acceptance Period (and may do so more than once) by notice to you, provided that the Offer does not remain open for more than 12 months after the Offer Date.

General

- 1.24 In the case of any Acceptance Shares held in joint names, any Payment Shares will be issued in the names of the joint holders, and applicable holding statements or cheques will be forwarded to the holder whose name appears first in Penrose's register of members as at Completion.
- 1.25 Winpar will do all things and execute all deeds, instruments, transfers or other documents and do all acts or things (on its own behalf or on behalf of each Accepting Shareholder) as may be necessary or desirable to give full effect to the provisions of this Offer and the transactions contemplated by it.
- 1.26 Other than in respect of stamp duty (discussed in section 1.27 below), each party will bear, and be responsible for, their own costs associated with the execution, completion of and carrying into effect this Offer.
- 1.27 Winpar will be liable for the stamp duty (if any) that is payable in respect of the Offer.
- 1.28 This Offer and any contract that results from your Acceptance of your Offer, is governed by and is to be construed in accordance with the laws applicable in New South Wales, Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

Interpretation and definitions

- 1.29 In this Offer and in the Acceptance Form:
- (a) headings are for convenience only and do not affect the interpretation of the documents; and unless the context otherwise requires;
 - (b) the singular includes the plural and vice versa;
 - (c) a gender includes all genders;
 - (d) references to persons include corporations;
 - (e) references to dollar or \$ are references to Australian currency;
 - (f) references to "you" are to a person to whom the Offer is made;
 - (g) the word 'including' or 'includes' means 'including, but not limited to' or 'includes, without limitation';
 - (h) references to legislation, rules or other documents include those instruments as amended, supplemented or replaced, and in the case of legislation includes regulations, rules and instruments made under that legislation; and
 - (i) references to time are references to the prevailing time in Sydney, Australia.
- 1.30 In this Offer Letter and in the Acceptance Form, the following terms have the meaning shown below:

Acceptance or Acceptance Form	means a written acceptance of the Offer received from, or on behalf of, an Accepting Shareholder, in the form contained in Annexure B, or such other form as Winpar decides to accept (in its sole discretion).
Acceptance Shares	means those Penrose Shares held by an Accepting Shareholder as at the time immediately prior to Completion.
Accepting Shareholder	means an Eligible Penrose Shareholder who has accepted the Offer or has been deemed to have accepted the Offer.
Business Day	means a day that is not a Saturday, Sunday or a declared public holiday in Sydney, Australia.
Closing Date	means the date specified in clause 1.4, subject to any extension in accordance with the terms and conditions of this Offer.
Completion	means, in respect of an Offer, the completion of the acquisition by Winpar of the Acceptance Shares and the provision of the Purchase Price to an Accepting Shareholder.
Corporations Act	means the <i>Corporations Act</i> 2001 (Cth), as amended from time to time.
Eligible Penrose Shareholder	means a registered holder of a Penrose Share who is not an Excluded Penrose Shareholder.
Encumbrance	means any mortgage, pledge, encumbrance, charge, security interest, lien, hypothecation or other adverse interest of any kind, an interest or power reserved in or over an interest in any asset by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, a security interest within the meaning of section 12(1) of the <i>Personal Property Securities Act 2009</i> (Cth).
Excluded Penrose Shareholder	means each of the following Penrose Shareholders <ul style="list-style-type: none"> (a) Regional and Community Investment Co.; (b) Milly Elkington; (c) Gordon Elkington; (d) Henley Underwriting and Investment Company Pty Ltd; and (e) Winpar.
Offer	means the Offer to acquire the Offeree Shares on the terms and conditions contained in this Annexure A.
Offer Acceptance Period	has the meaning given in clause 1.4 of this Annexure.
Offeree	means the Eligible Penrose Shareholder to whom the Offer is made.
Offeree Shares	means the Penrose Shares that are registered in the Offeree's name, whether so registered before or after the date of the Offer but, in any event, immediately prior to Completion.

Penrose Share	means a fully paid ordinary share in the capital of Penrose, whether issued before or after the date of this Offer.
Purchase Price	means the purchase price offered to Eligible Penrose Shareholders in accordance with the terms and conditions of this Offer.
Rights	means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of the Penrose Shares.
Winpar Share	means a fully paid share in the capital of Winpar.

ANNEXURE B - ACCEPTANCE FORM

Winpar Holdings Ltd
Level 11
66 Clarence Street
Sydney, New South Wales, 2000
Attention: Gordon Elkington

I/We: *Insert name and address of Penrose Shareholder (as that name and address is recorded with Penrose Share Registry):*

irrevocably, accept the offer made by Winpar Holdings Ltd (**Winpar**) dated 30 November 2017 (**Offer**) to acquire all of my/our ordinary shares held in Penrose, on the terms and conditions contained in the Offer, being:

insert number shares held:

I/ We, the Accepting Shareholder named above acknowledge and agree:

- (a) that the Acceptance is irrevocable and that I/we are, and will be deemed to have, agreed to the terms and conditions of the Offer, including the representations and warranties deemed to be made by me/us as contained in the terms of the Offer;
- (b) to receive the Purchase Price to be issued by Winpar; and
- (c) that by executing and returning the Acceptance, I/we am/are granting Winpar and each of its directors a power of attorney to sign any documents or do anything on my/our behalf as is necessary to effect the transfer of Accepting Shares to Winpar and the issue of Payment Shares in my/our name.

Individuals and joint holders:

Signature

Signature

Date:

Signature

Date:

Companies (affix common seal if appropriate):

Director

Director/Secretary

Date:

Sole Director and Sole Secretary

Date: