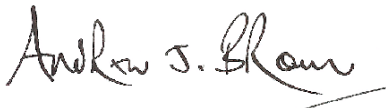


Company Announcements Platform
Newcastle Stock Exchange Limited

**Takeover Bid for Winpar Holdings Limited (ACN 003 035 523) – Notice that Offers
have been sent**

Pursuant to Section 633(1) Item 8, Trent Capital Limited gives notice that despatch of the Bidder's Statement and offer document lodged with ASIC on and dated 5 December 2003 in relation to Trent Capital Limited's off-market bid for all of the ordinary shares in Winpar Holdings Limited has today been completed as required by Section 633(1) Item 6 of the Corporations Act.

We enclose a copy of the Bidder's Statement and offer document which has been sent to all holders of bid class securities.



Andrew Brown
Managing Director

Dated: 12 December 2003

Bidder's Statement
for the Offer by

Trent Capital Limited
(ABN 52 001 746 710)

to acquire all the shares in

Winpar Holdings Limited
(ACN 003 035 523)

The consideration for the Offer is:
2 Trent Capital Limited Shares
for every
3 Winpar Holdings Limited Shares

BARON

Financial Adviser and Licensed Dealer to the Offer



WATSON MANGIONI
Solicitors to the Offer

This is an important document and requires your immediate attention.

If you are in any doubt as to how to deal with it, you should consult your financial or other professional adviser.

To accept this Offer please complete the enclosed Acceptance Form and return to Baron, Winpar Holdings Limited Takeover Offer, GPO Box 5135, Sydney NSW 2001.

The Offer is dated 11 December 2003 and will expire at 5.00pm Sydney time on 19 January 2004 unless earlier withdrawn or extended. This Bidder's Statement replaces the replacement Bidder's Statement lodged with ASIC on 14 November 2003. It incorporates changes made by the Supplementary Bidder's Statements dated 14 November 2003 and 5 December 2003. ASIC takes no responsibility for this Bidder's Statement.

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1. Important Information

Bidder's Statement and Offer

This is a replacement Bidder's Statement dated 5 December 2003 given by the Bidder to Winpar and each holder of Winpar Shares under Part 6.5 of Chapter 6 of the Corporations Act. The Bidder's Statement in this document incorporates into the original Bidder's Statement dated 6 November 2003 (**Original Bidder's Statement**) the changes made by the Supplementary Bidder's Statement dated 14 November 2003 and the Supplementary Bidder's Statement dated 5 December 2003. It sets out the disclosures required by the Corporations Act together with the terms of the Offer.

This Bidder's Statement was approved by an unanimous resolution of the directions of the Bidder. It includes an Offer dated 11 December 2003.

ASIC

A copy of this Bidder's Statement was lodged with ASIC on 5 December 2003.

Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

Investment decision

This Bidder's Statement does not take into account the individual investment objectives, financial situation or any particular needs of each Winpar Shareholder or any other person. Winpar Shareholders may wish to seek independent financial and taxation advice before making a decision as to whether to accept the Offer.

Intermediary authorisation

As Trent does not hold a dealers licence or Australian financial services licence under the Corporations Act, the Offer is being made pursuant to an intermediary authorisation in accordance with Section 911A(2)(b) of the Corporations Act. Trent has engaged Baron Partners Limited (**Baron**), a licensed securities dealer, to make the Offer set out in this Bidder's Statement.

Trent will only issue the new Trent Shares to Winpar Shareholders who accept the Offer pursuant to acceptances made through Baron as agent for Trent.

No responsibility for the contents of this Bidder's Statement is taken by Baron. The fact that Baron is a licensed securities dealer and the financial adviser to the Offer should not be taken as a recommendation by Baron of the merits of the Company or the new Trent Shares being offered. Baron has not authorised or caused the issue of the Bidder's Statement and takes not responsibility for its contents other than references to being named as Licensed Dealer to the Offer.

Disclaimer

Except for historical information contained in this booklet, there may be matters discussed in this Bidder's Statement that are forward-looking statements. Such statements are only predictions and actual events or results may differ materially. For a discussion of important risk factors which could cause actual results to differ materially from such forward-looking statements, refer to Section 6 of this Bidder's Statement.

Defined terms

Defined terms used in this Bidder's Statement are capitalised. Definitions of these terms are set out in Section 10. Unless the contrary intention appears, the context requires otherwise or words are defined in Section 10, words and phrases in the Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Important dates

Original Bidder's Statement lodged	6 November 2003
Supplementary and Replacement Bidder's Statements lodged	14 November 2003
Second Supplementary and Replacement Bidder's Statements lodged	5 December 2003
Date of Offer	11 December 2003
Date of Offer conditions notice*	12 January 2004
Close of Offer*	19 January 2004

* These dates are indicative only and may be changed as permitted by the Corporations Act.

The Bidder's Statement in this document incorporates the changes made by the Supplementary Bidder's Statement dated 14 November 2003 and 5 December 2003.

2. Main Features of the Offer

This Section sets out a summary of the main features of the Offer. It is qualified by the detailed information contained in the remainder of the Bidder's Statement.

The Offer

Trent announced its intention to make an offer to acquire all of the Winpar Shares on 30 October 2003. Section 8 of this Bidder's Statement contains the terms of the Offer. The remainder of this Bidder's Statement contains other information relevant to your decision as to whether to accept or reject the Offer.

The Bidder is offering 2 New Trent Shares for every 3 Winpar Shares you hold. The Offer extends to Winpar Shares on issue during the Offer Period and extends to any person who becomes registered or entitled to be registered as the holder of any of your Winpar Shares during the Offer Period including Winpar Shares due to the conversion of or exercise of rights attaching to other securities.

Foreign Shareholders

Foreign Shareholders will not receive New Trent Shares on acceptance of the Offer. Instead a nominee approved by ASIC will be appointed by the Bidder to receive the New Trent Shares to which foreign shareholders are entitled. The nominee will then sell those New Trent Shares on behalf of the Foreign Shareholders who will receive the proceeds of the sale (less any expenses incurred in giving effect to the sale). Refer to Section 8 for further details.

Brokerage

Unless you are a Foreign Shareholder, you will not pay brokerage as a result of accepting the Offer.

Close of the Offer

The Offer closes at 5.00pm (Sydney time) on 19 January 2004, unless extended or withdrawn in accordance with the Corporations Act.

How to accept the Offer

Please complete and execute the enclosed acceptance form in accordance with the instructions on it and return it to:

Baron
Winpar Holdings Limited Takeover Offer
GPO Box 5135, Sydney NSW 2001.

Conditions of the Offer

The Offer is subject to the conditions set out in Section 8. In summary, the main conditions of the Offer are:

- (a) by the end of, the Offer Period Trent's Voting Power in Winpar is at least 50.1%;
- (b) no person having, or being entitled to have, as a result of any change in control event in respect of Winpar, any right to:
 - (i) terminate or alter any contractual relations between any person and any Winpar Group

company; or

(ii) require the sale of any shares in Winpar;

or such right is unconditionally waived in favour of Winpar and Trent;

- (c) no announcement of another superior bid or similar transaction (or intention to do so) between the date of this Bidder's Statement and the expiration of the Offer Period.
- (d) no "prescribed occurrence" (being an occurrence listed in Annexure A) in relation to Winpar occurring during the period commencing on the date of this Bidder's Statement and ending at the expiration of the Offer Period;
- (e) after the date of this Bidder's Statement, no material adverse change occurs to, or is threatened or announced in relation to the structure, business, financial or trading position or condition, assets or liabilities, profitability, or prospects of Winpar or any of its Subsidiaries;
- (f) during the period commencing on the date of this Bidder's Statement and ending on the expiry of the Offer Period, no litigation or arbitration proceedings have been or are instituted or threatened against Winpar or a Subsidiary of Winpar which are material in the context of Winpar's operations as a whole.

Receipt of New Trent Shares on acceptance of the Offer

The New Trent Shares to which you are entitled on acceptance of the Offer will be issued to you on or before the later of:

- one month after the date you validly accept the Offer; or
- one month after the date the Offer becomes or is declared unconditional,

and in any event (assuming the Offer becomes or is declared unconditional), no later than 21 days after the end of the Offer Period.

If you do not accept

If the Bidder becomes entitled to acquire your Winpar Shares compulsorily under the Corporations Act, it intends to do so. If your Winpar Shares are compulsorily acquired, you will receive your New Trent Shares later than the Winpar Shareholders who choose to accept the Offer.

If the Bidder does not become entitled to compulsorily acquire your Winpar Shares you will remain a Winpar Shareholder.

Tax consequences

The major tax implications for Winpar Shareholders resident for tax purposes in Australia are summarised in Section 7. You should read Section 7 carefully and seek professional taxation advice if necessary.

ASX listing

Trent Shares are quoted on the ASX. Within 7 days after the start of the Offer Period, Trent will apply to the ASX for official quotation of New Trent Shares to be issued under the Offer. The Offer is conditional upon permission for admission to quotation being granted by the ASX no later than 7 days after the end of the Offer Period.

NSX Listing

The listing rules of NSX require that a company listed on NSX has a minimum of 50 members and at least 25% of members must not be a director or substantial shareholder of the company, a director of a substantial shareholder or an associate of any one of them. If the Offer is successful Winpar may no longer be able to satisfy the NSX spread requirements. In these circumstances Trent will consider the benefits or otherwise of retaining Winpar's NSX listing.

Questions

If you have any enquiries about the Offer or its terms, please submit your query in writing to Andrew Brown, Trent Capital Limited, GPO Box 4870, Sydney NSW 2001, to facsimile number (02) 9239 8749 or email to andrew.brown@trentcapital.com.au or consult your financial or other professional adviser.

Reasons to accept the Offer

Among the reasons for Winpar shareholders to accept the Offer are the following:

- the Offer is consistent with the market value of Winpar Shares. Trent's offer of 2 Trent Shares for every 3 Winpar Shares values Winpar at \$0.706 per Winpar Share with a market capitalisation of \$1.8 million, based on the closing price of Trent Shares on ASX on the Announcement Date of \$1.06. This compares favourably to the last traded price for Winpar Shares prior to the Announcement Date of \$0.70;
- you will exchange your illiquid NSX listed Winpar Shares for the more liquid ASX listed Trent Shares. Only 67,820 Winpar Shares have traded on NSX in the year preceding the Announcement Date. This reflects a total turnover of 3.9% (based on the current issued share capital of Winpar). This compares unfavourably with the 430,215 Trent Shares traded on ASX in the 4 months to the Announcement Date which represents approximately 9.9% of the Trent Shares which may be freely traded on ASX. See Section 4.10 for details;
- you will receive the benefit of the experienced Board and management of Trent which has a proven track record in business management, corporate finance and funds management. See Section 3.3 for details;
- you will exchange your investment in Winpar for an investment in a company, Trent, which has a full time management team and professionally outsourced company secretarial, accounting and registry services;
- the Trent management team believes that Trent is able to source a wider array of investment ideas and securities, from a larger number of intermediaries, than appears to be available to Winpar;
- you will become a shareholder in a company, Trent, which as an ASX listed company is subject to and complies with greater disclosure obligations than Winpar is subject to. See Section 4.6 for details;
- Trent will not initiate any further costly legal activities in relation to Section 667 of the Corporations Act and related sections which have reduced Winpar's cash available for investment. See Section 4.4 for details;
- Trent will maintain the general nature of Winpar's investment activities in smaller listed companies and selected shares listed on the London Stock Exchange. See Section 4.11 for details; and
- there is no alternative offer in existence or means to exit your Winpar holding other than by the extremely limited trading effected through NSX.

3. Profile of Trent

3.1 History

Trent was listed on ASX under its original name of Huntleys' Business Network Limited (**Huntleys**) on 14 April 2000.

On 12 March 2003 the Directors of Huntleys' announced their intention to sell the publishing and database assets of the company and to acquire a private investment company, Loftus Lane, and its two controlled entities. A general meeting of members was convened on 16 May 2003 to consider the proposed transactions. The resolutions put to Shareholders at the meeting, inter alia, were designed to facilitate:

- the sale of the publishing and database assets of Huntleys';
- the cancellation of around 77.5% of the Huntleys' shares through 2 selective buy-backs of shares and the consolidation of Huntleys' shares in the ratio of 10:1;
- the change of name of the company to Trent Capital Limited;
- the acquisition of Loftus Lane and its two controlled entities, Rowe Street Investments Pty Limited (formerly Abron Holdings Pty Limited) and Trent Capital Management Pty Limited; and
- the appointment of a new Board of Directors.

Shareholders' approval of all resolutions was obtained and completion of the purchase of Loftus Lane and its controlled entities for 2,666,667 shares at an issue price of \$0.90 per share was effected on 30 May 2003.

Trent issued a prospectus on 20 May 2003 to raise a maximum of \$2,700,000 through the issue of 3,000,000 Trent Shares at a price of \$0.90 per share. The prospectus successfully raised these funds, and the Company's shares were quoted on ASX from 28 July 2003.

On 2 September 2003, Trent raised a further \$600,000 through the issue of 666,667 Trent Shares at \$0.90 per share to 3 professional investors.

3.2 Business summary

Trent has 2 primary activities:

- strategic equity investment – investments are made in “microcap” Australian listed companies (generally those valued at under \$30 million). The Company anticipates deriving a strategic benefit in certain investments from board representation or through playing an active role in realising value where the investee is undervalued.
- funds management and financial services – the establishment of, and provision of capital and services to new, “boutique” funds management businesses. The acquisition of strategic shareholdings in existing “boutique” funds management and other related financial services businesses.

To date Trent has made no investments in boutique funds managers. Strategic and specialist equity investment is generally carried out through two controlled entities, Loftus Lane and Rowe Street Investments Pty Limited.

Loftus Lane Investments

Loftus Lane was established in mid 1996 by Andrew Brown with the objective of investing in special situations including “microcaps” i.e. companies that have relatively small market capitalisation values.

The greater funds available to the Company as a result of the capital raisings undertaken since its change of business in May this year, as well as the changes in market conditions, dictate that past returns achieved by Loftus Lane cannot be taken to give an indication of the likely future performance of the Company.

Investment Strategy

Since its establishment, Loftus Lane has developed, and intends to continue, its areas of investment as follows:

- strategic holdings and investments in “microcap” companies in which Loftus Lane can reasonably expect to exert a degree of influence either through board representation or through assisting in enhancing shareholder value;
- non-strategic shareholdings in a variety of “special situation” companies which are either small to medium sized in Australia or domiciled overseas; and
- selective unlisted investments.

Loftus Lane's past mission statement has noted that it “aims to make investments that shareholders would not ordinarily encounter under conventional circumstances. As a consequence, performance may differ markedly from traditional stockmarket indices”.

In some cases, the unlisted and strategic investment components take significant periods of time – often years – to provide acceptable returns. They are relatively illiquid, which means potential loss in the investment's value if a rapid or unplanned exit from that investment is sought. Given that the total returns of its investments tend to be highly sensitive to the exit price and mechanism, Loftus Lane has found it advantageous to have its funding base underpinned by permanent equity capital.

With a greater amount of available capital, Loftus Lane now takes larger percentage stakes of investee companies. In particular, it focuses on ASX listed entities with a market capitalisation below \$30 million. There are some 460 listed industrial entities – around one third of the total number of publicly listed entities – which fit this description. The Company has initially focused on the 400 listed industrial companies with market capitalisations below \$20 million.

In the past, Loftus Lane has not attributed specific weightings to its three selected investment areas, preferring to make value judgments as to where opportunities lie, while seeking to ensure there is not an excessive weighting in any given area. In appropriate situations, Loftus Lane seeks board representation and currently it is represented on the boards of three investee companies:

- Phoenix Development Fund Limited;
- Snowball Group Limited; and
- Winepros Limited.

Investment Profile

The ASX Listing Rules have established a class of listed entities as “investment entities”. An investment entity is one whose activities or the principal part of its activities consist of investing in securities and whose objectives do not include exercising control over or managing any entity, or the business of any entity, in which it invests. As Trent from time to time seeks strategic holdings and investments in which it expects to exert a degree of influence or control over the investee, it is not classified as an “investment entity” for the purposes of the ASX Listing Rules. Accordingly, Trent is neither required to disclose nor considers it appropriate to disclose full details of the value of all investments it holds.

For the information of investors, however, it is relevant that on 30 September 2003, Trent had exposures or commitments through shares, options or debentures to 32 separate companies, including a profit share agreement, made at a cost of \$4,194,110. These investments had a market value on 30 September 2003 of approximately \$4,875,954. In addition, the Company had uncommitted cash reserves of over \$2,000,000 and debt of \$449,600.

As at 30 September 2003 Trent was a substantial shareholder in the following listed entities:

Company	Shares held	% held	\$ market value¹
JAM Development Capital Limited	1,255,581	6.64%	285,675
WC Penfold Limited	580,049	5.41%	315,518
Winepros Limited	865,651	8.63%	265,399

1. valued as at the close of trading on 30 September 2003

As at 30 September 2003, Trent owned or had committed to purchase the following other securities which had a market value in excess of \$250,000:

Company	Shares held	\$ market value¹
Cockatoo Ridge Wines Limited	579,198	548,407*
Deakin Financial Services Limited	2,609,866	335,550
Hartleys Limited (now JDV Limited)	610,344	301,815
Snowball Group Limited	1,250,000	259,612
Strathfield Group Limited	3,000,000	400,454

* includes listed options

1. valued as at the close of trading on 30 September 2003

3.3 Directors

Details of the background of the Directors are set out below:

Robert Critchley (Non-Executive Chairman) B. Econ, C.P.A.

Robert Critchley, aged 59, is a Strategic Consultant with Drake Beam Morin Inc (DBM), a leading global outplacement and career management company. He was, until recently, Executive Vice President, Global Relationships and Acquisitions for DBM.

Prior to assuming that role, he was International President for DBM, responsible for the strategic development of the business, ensuring high quality service and successful outcomes for customers and clients throughout DBM's operations in 43 countries outside of North America. Formerly, he was president of DBM's Asia Pacific Region, where he was responsible for the profitable growth and expansion of the Region, after selling his business to the US parent company.

He holds several non-executive director roles with public companies in Australia including Coates Hire Limited, Becton Development Corporation Limited and Adelhill Limited. He is also the Chairman of Cordukes Limited and Noni B Limited.

He has also previously had a wide range of experience in the restructuring of smaller companies including M.S McLeod Holdings Limited, DC International Limited and Dairy Vale Limited in addition to having been a director of larger listed companies including Challenge Bank Limited and Walker Corporation Limited.

Before starting DBM in Australia as a licensee in 1990, he conducted his own management consulting and training organisation that focused on corporate reviews and developing strategies to improve company

performance. Prior to that, he held the position of deputy managing director of Société Générale Australia and achieved a significant turnaround in its performance. He also previously held senior management positions with Bank of America, Citibank and National Australia Bank, gaining experience in the United Kingdom, USA, France, and Australia. He has an economics degree from the University of Adelaide and is a Certified Practising Accountant.

In addition to attendance at monthly board meetings, Mr. Critchley consults with the Managing Director before the Company undertakes any major investments. The amount of time devoted by Mr. Critchley to attending board meetings and otherwise consulting with the Managing Director on important investments comprises at least 10 hours per month.

Andrew Brown (Managing Director) B.A (Econ) Hons

Andrew Brown, aged 44, has an honours degree majoring in Economics and Econometrics from the University of Manchester, England in 1980, and completed the Senior Management Development Program at Australian Graduate School of Management in 2001.

After an initial period in funds management with Prudential Portfolio Managers in London, he spent the next five years stockbroking in London, New York and Melbourne, writing and marketing research on Australian shares, including a number of special situations, with particular emphasis on entrepreneurial companies.

In 1987, Andrew immigrated to Australia, and joined Natcorp Holdings Limited as Investment Manager, responsible for provision of detailed analysis pertaining to potential listed company acquisitions and investments.

From late 1988 until April 1994, Andrew returned to stockbroking with Baring Securities (Australia) Limited, later joining County NatWest Securities Australia Limited and ANZ McCaughan Securities. During this period, Andrew was a highly rated banking and insurance analyst, as well as latterly focusing on smaller company research.

In 1994 he joined AMP Investments Australia's Separately Managed Portfolio team, helping to manage over \$2 billion of Australian equity investments. With two colleagues, Andrew helped to pioneer the successful "capital approach" investment style.

In September 1997, after joining Rothschild Australia Asset Management Limited as Head of Equities, Andrew helped engineer significant equity process and cultural change, resulting in a major improvement in investment performance until the middle of 2002. After being an integral part of the rebuilding of the business, which was then acquired by Westpac Banking Corporation in June 2002, he departed from the successor company, Sagitta Wealth Management Limited, in January 2003.

Andrew has a particular specialism in the analysis of financial services companies, and of smaller companies generally.

He is also a non-executive director of Winepros Limited and Chairman of Phoenix Development Fund Limited and Snowball Group Limited.

Mr. Brown is available on a full time basis to manage the affairs of the Company and its subsidiaries. However, Mr. Brown's availability is occasionally limited by his commitments as non-executive director of the above companies. These duties do not, at this stage, materially detract from the time available to him to manage the affairs of the Company and its subsidiaries.

Paul Young (Non-Executive) M.A, A.C.A (ICAEW), F.A.I.C.D

Paul Young, aged 48, has a degree in economics from the University of Cambridge and qualified as a chartered accountant in London. He is the co-founder, proper authority holder and a director of Baron

Partners Limited, a well established corporate advisory business and has been in merchant banking in Australia for 20 years.

He has extensive experience in the provision of corporate advice to a wide range of listed and unlisted companies including restructurings, capital raisings, initial public offerings and mergers and acquisitions.

He is also a non-executive director of The Ambition Group Limited, a listed specialist accounting and IT recruitment business, Cordukes Limited, a listed building contracting and facilities management business, Enware Australia Pty Ltd, a specialist manufacturer and marketer of brassware and industrial safety products and an alternate director of Peter Lehmann Wines Limited.

In addition to attendance at monthly board meetings, Mr. Young consults with the Managing Director before the Company undertakes any major investments. Mr. Young devotes at least 10 hours per month to attending board meetings and otherwise consulting with the Managing Director on important investments.

3.4 Recent financial performance and financial position

Trent has functioned in its current form only since 31 May 2003, after the divestment of the previous activities of the group, being a financial and business newsletter and database publishing businesses. These activities ceased upon the sale of the relevant controlled entities on 30 May 2003. Its business activities have only been conducted with the proceeds of its \$3,290,110 capital raised since 30 May 2003.

As a result of the previous activities of the group, Trent incurred a total loss for the year to 30 June 2003 of \$2,330,793. This loss was solely attributable to the previous activities of the group, being a financial newsletter and database publishing organisation, including write downs required to exit the business.

The statutory accounts published in Trent's 2003 Annual Report and the financial statements lodged with ASX are complex, as a result of the divestment process. The following table (Table I) is taken from the Chairman's Statement contained in Trent's 2003 Annual Report to explain the performance of the Company over the year to 30 June 2003.

Table I: Explanation of Trent's loss after tax for the year ended 30 June 2003

Net profit result from the month of June in new activity	\$ 31,650
Operating profits to 30 May 2003 in publishing business and equity accounted investment	\$ 286,508
Write downs and amortisation of mastheads and brand names	(\$3,460,000)
Adjustments resulting from deconsolidation, sale of controlled entities and associated company	\$ 811,049
Net loss after tax	\$2,330,793

Note 28 of Trent's 2003 Annual Report details a series of new issues of Trent Shares which took place subsequent to the end of the reporting period, which have a significant impact on the statement of financial position of the Company. These share issues are reproduced below, and are incorporated into Table II under "30 June 2003 pro-forma":

- 2,901,101 Trent Shares at a price of \$0.90 per share on 22 July 2003 pursuant to the prospectus dated 20 May 2003;
- 98,899 Trent Shares at a price of \$0.80 per share on 22 July 2003 under the HBN Priority Offer within the prospectus dated 20 May 2003;
- 100,000 Trent Shares at a price of \$0.90 per share on 23 July 2003 to Baron in lieu of fees;
- 666,667 Trent Shares at \$0.90 per share in a placement through Austock Brokers Pty Limited on 2 September 2003; and

- 100,000 Primary Options to Baron in lieu of fees.

Trent issued a further 19,510 Trent Shares at \$0.90 per share under the Trent Capital Limited Deferred Share Plan on 10 September 2003, in lieu of Director's fees. These Trent Shares are not incorporated in Table II under the column "30 June 2003 pro-forma", but are included within the unaudited statement of financial position as at 30 September 2003.

Prospectus expenses of \$100,555 were treated as prepayments in Trent's Annual Report. In the pro-forma column, these have been offset against equity, together with a further \$181,511 in equity raising expenses, and \$6,000 in relation to the placement of 2 September 2003.

Table II: Abridged statement of financial position of Trent Capital Limited at 30 June 2003 and 30 September 2003

	30 June 2003 Annual Report	30 June 2003 pro-forma	30 September 2003 unaudited	30 September 2003 Market Value adjusted
Current Assets:				
Cash Assets	453,277	3,645,876	2,545,209	2,545,209
Other Financial Assets	64,988	64,988	64,988	64,988
Receivables	-	-	69,900	69,900
Prepayments	117,773	17,218	40,957	40,957
Total Current Assets	636,038	3,728,082	2,721,054	2,721,054
Non Current Assets:				
Other Financial Assets	2,586,899	2,586,899	4,129,122	4,810,966
Total Non Current Assets	2,586,899	2,586,899	4,129,122	4,810,966
TOTAL ASSETS	3,222,937	6,314,981	6,850,176	7,532,020
Current Liabilities:				
Payables	120,149	120,149	583,649	583,649
Current tax liabilities	2,032	2,032	7,750	7,750
Total Current Liabilities	122,281	122,281	591,399	591,399
Non Current Liabilities:				
Interest Bearing Liabilities	369,105	369,105	449,601	449,601
Deferred Tax - CGT	-	-	-	162,956
Total Non Current Liabilities	369,105	369,105	449,601	612,557
TOTAL LIABILITIES	491,286	491,286	1,041,000	1,203,956
NET ASSETS	2,731,651	5,823,695	5,809,176	6,328,064
Contributed Equity	3,425,767	6,517,811	6,536,560	6,536,560
Investment Fluctuation account	-	-	-	518,888
Accumulated Losses	(694,116)	(694,116)	(727,384)	(727,384)
TOTAL EQUITY	2,731,651	5,823,695	5,809,176	6,328,064
Shares on issue	3,328,835	7,095,502	7,115,018	7,115,018
NTA/share	\$0.80	\$0.82	\$0.82	\$0.89

Table II illustrates that Trent's investment portfolio, excluding cash and profit sharing agreement had a market value on 30 September 2003 of \$681,844 in excess of carrying cost, which has been generated in the four months since May 2003. In addition, investment gains of \$45,723 have been realised since 30 June 2003.

3.5 Public announcements by Trent

As a disclosing entity, Trent is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to Trent may be obtained from or inspected at an office of ASIC.

Nonetheless, Trent will, on request, make available free of charge to Winpar Shareholders during the Offer Period:

- (a) the annual financial report for Trent for the year ended 30 June 2003; and
- (b) any continuous disclosure notices given by Trent to the ASX in the period between lodgment of the financial report referred to in (a) above and lodgment of this Bidder's Statement with ASIC.

Since the release of Trent's 2003 annual financial report, the following material notices have been given by Trent to the ASX:

Announcement date	Headline
11 September 2003	Appendix 3B: Trent Capital Deferred Share Plan
11 September 2003	Change of Director's Interest Notice x2
20 October 2003	Notice of Annual General Meeting
30 October 2003	Takeover Offer for Winpar Holdings Limited

3.6 Trading performance

Trent Shares are presently quoted on ASX. The following table sets out the high and low share price for Trent Shares and average daily volume of Trent Shares traded on ASX for the months indicated. Trading information has not been provided for prior months as the business conducted by Trent in that period does not reflect the business presently conducted

Month	High	Low	Monthly Volume
	\$	\$	
July 2003	1.00	0.95	41,301*
August 2003	1.20	0.95	193,700
September 2003	1.20	1.10	110,914
October 2003	1.06	0.98	84,300

* only four days trading

The last recorded sale price for Trent Shares on ASX before the date of the Announcement Date was \$1.06.

3.7 Capital structure

The Trent share structure as at the date immediately before the date of the Original Bidder's Statement is as follows:

Shares	Number	Percentage of Shares	Percentage of fully diluted capital
Andrew John Brown (relevant interest)	1,657,288	23.4%	22.8%
Hadleigh Castle Pty Limited	599,760	8.4%	8.3%
Wilson Asset Management (International) P/L	510,000	7.2%	7.0%
Shares held by non-executive Directors	482,563	6.8%	6.6%
Shares held by public	3,864,401	54.2%	53.2%
Total issued share capital	7,115,012	100%	97.9%
Options			
Options – Former Directors	50,000	-	0.7%
Options – Baron	100,000	-	1.4%
Total options	150,000		2.1%
Fully diluted share capital	7,265,012	-	100%

3.8 Trent substantial Shareholders

As at the date immediately before the date of this Bidder's Statement Trent has been notified of 3 shareholders who hold relevant interests of in excess of 5% of Trent Shares. They are detailed as follows together with the constituent nature of their relevant interest as disclosed in those notices:

	Number of Shares	% held
Andrew John Brown	1,657,288	23.4%
A Brown & Company Pty Ltd [†]	642,883	
Andrew John Brown	344,726	
Donna Ann Brown [†]	344,726	
LT & M Brown Investments Pty Ltd [†]	299,303	
June Clements [†]	25,650	
Hadleigh Castle Pty Ltd	599,760	8.5%
Wilson Asset Management (International) Pty Ltd	510,000	7.2%
Invia Custodian Pty Ltd (WAM Capital Limited A/C)	300,000	
Invia Custodian Pty Ltd (WAM Equity Fund A/C)	200,000	
Invia Custodian Pty Ltd (WAM Capital Limited A/C)	10,000	

[†] power to control the exercise of the right to vote attached to the shares

3.9 Range of Trent Shares

As at 3 November 2003, there were 7,115,018 Trent Shares on issue held by 707 shareholders. These include:

- 4 shareholders with an aggregate of 784,476 Trent Shares escrowed for 12 months which are not quoted on the ASX; and
- 7 shareholders with an aggregate of 1,982,191 Trent Shares escrowed for 24 months which are not quoted on the ASX.

The distribution of Trent Shares as at 3 November 2003 was as follows:

Range	Holders
1 - 1000	291
1001 - 5000	294
5001 - 10000	61
10001 - 100000	47
100001 - over	14
Total	707
Less than marketable parcel of 434	116

The top 20 shareholders of Trent as at 3 November 2003 were as follows:

	Number of Shares	% Held
A Brown & Company Pty Ltd	642,883	9.04
Hadleigh Castle Pty Ltd	488,649	6.89
Austock Nominees Pty Ltd	380,000	5.34
Mr Andrew John Brown	344,726	4.85
Ms Donna Ann Brown	344,726	4.85
Charmof Nominees Pty Ltd (Mrs Charlotte Moffatt A/C)	333,333	4.69
Invia Custodian Pty Ltd (WAM Capital Limited A/C)	310,000	4.36
Kroy Wen Pty Ltd (Dewhurst Family A/C)	300,000	4.22
LT & M Brown Investments Pty Ltd	299,303	4.21
Invia Custodian Pty Ltd (WAM Equity Fund A/C)	200,000	2.81
Quevy Holdings Pty Ltd	199,960	2.81
Pethol (VIC) Pty Ltd	190,421	2.68
Hadleigh Castle Pty Ltd	111,111	1.56
Guardian Trust Australia Ltd (TSSF A/C)	111,000	1.56
Pilrift Pty Ltd (Critchley Retire Fund A/C)	100,000	1.41
Baron Partners Limited	100,000	1.41
Aimwin Pty Ltd	81,756	1.15
Redcliff Pty Limited (Superannuation Fund A/C)	59,000	0.83
Aimwin Pty Ltd (Superannuation Fund A/C)	55,556	0.78
Mr JE Cordukes & Mrs EJM Cordukes (John Cordukes S/F)	55,000	0.77
Top 20 total	4,707,424	66.16

3.10 Corporate governance policies

The Trent board has considered the March 2003 publication issued by ASX Corporate Governance Council "Principles of Good Corporate Governance and Best Practice Recommendations" and makes the following disclosures:

Rec.	Description (paraphrased)	Yes/No	Why not?
1.1	Formalise and disclose functions reserved to board and those delegated to management	Partly	Company too small
2.1	Majority of Board are independent directors	Yes after 2/9/03	
2.2	Chairperson is independent	Yes	
2.3	Roles of Chair and CEO are separated	Yes	
2.4	Board to establish a nomination committee	No	Company too small
2.5	Provide information on 2.1 - 2.4	Yes	
	Establish code of conduct to guide directors, CEO, CFO and others as to practices necessary to maintain confidence in company's integrity & accountability of individuals for reporting unethical practices		
3.1	unethical practices	Yes	
3.2	Disclose policy concerning trading in company securities by directors, officers & employees	Yes - see below	
	Require CEO & CFO to state in writing that company's financial reports present a true and fair view of company's financial position etc. and are in accordance with accounting standards		
4.1		No	Will enact in 2003/2004
4.2	Board to establish an audit committee	Yes - see below	
4.3	Audit committee "independent" and with at least three members	Independent but only 2 members	Company too small
4.4	Audit committee to have formal charter	Yes	
4.5	Provide information on 4.1 - 4.4	Not yet	Will be available on web site
	Written policies and procedures to ensure compliance with ASX Listing Rule disclosure requirements etc.		
5.1		Yes	
5.2	Provide information on 5.1	Not yet	Will be available on web site
	Design and disclose a communication strategy to promote effective communication with shareholders		
6.1		Yes - company website	
6.2	Request external auditor to attend AGM	Yes	
7.1	Board should establish policies on risk oversight	Yes - see below	
	CEO to verify that integrity of financial statements founded on sound system of risk management, internal controls which operates efficiently and effectively		
7.2		Yes	
7.3	Provide information on 7.1 - 7.2	Not yet	Will be available on web site
8	Disclose process for performance evaluation of board and individual directors	No	New Board Only one salaried employee; remuneration disclosed in prospectus of 20 May 2003
9.1	Provide disclosure of company's remuneration policies	No	Small company - handled by Board
9.2	Establish a remuneration committee	No	Non Executive
	Distinguish structure of non-executive remuneration from that of executives		Directors paid in shares under plan
9.3		Yes	

Rec.	Description (paraphrased)	Yes/No	Why not? disclosed in prospectus of 20 May 2003. Executive Director paid in cash
9.4	Payment of equity based executive remuneration in accordance with shareholder approve plans	Not applicable	
9.5	Provide information on 9.1 - 9.4	Not yet	Will be available on web site
10	Establish and disclose code of conduct to guide compliance with legal and other obligations	Partly	Compliance committee - see below

More generally, the Board has the responsibility of ensuring Trent is properly managed so as to protect and enhance Trent Shareholders' interests in a manner that is consistent with Trent's responsibility to meet its obligations to all parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities. The main corporate governance policies are summarised below.

Appointment and retirement of non-executive Directors

It is the Trent board's policy to determine the terms and conditions relating to the appointment and retirement of non executive directors on a case by case basis and in conformity with the requirements of the ASX Listing Rules and the Corporations Act.

Directors' access to independent professional advice

It is the Trent board's policy that any committees established by the board should:

- be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise.
- be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require.
- operate in accordance with terms of reference established by the Board.

Board committees

Audit, Compliance and Risk Management Committee

The members are the two non-executive directors who contribute a broad range of relevant expertise and experience. The committee intends to meet with the external auditors at least three times a year.

4. Profile of Winpar

4.1 Overview

Winpar was formed in 1986 as an unlisted public company to undertake investment, sub-underwriting and trading in securities. From an initial capital base of \$135,805, Winpar grew its available funds from investment returns, a series of prospectus issues (which raised \$276,380 in March 1994 and \$1,081,881 in November 1996), issues as a result of the exercise of options and the reinvestment of dividends. In total, Winpar has issued shares for a total consideration of \$2,581,287.

Winpar has historically held a large number of relatively small trading and investment securities predominantly listed on Australian stock exchanges, including a portfolio of preference shares. Winpar also held a small number of securities quoted on the London Stock Exchange.

From 1999 onwards, Winpar increasingly used its capital to fund legal actions in relation to the compulsory acquisition of securities. This change in the application of funds coincided with changes to the Corporations Act entitling securityholders disputing compulsory acquisition procedures through legal proceedings to be reimbursed all legal costs incurred in disputing the compulsory acquisition.

The directors of Trent have observed that from 1999 onwards there has been a decline in the disclosure to Winpar shareholders and the market of its investment activities, its portfolios of securities and a number of significant investment losses.

Winpar was obliged, pursuant to the Corporations Act, to mail its 2003 Annual Report to Winpar shareholders by 31 October 2003. As at the date of this Bidder's Statement it has not released a copy to the market through NSX nor notified NSX that despatch has been undertaken. The covering letter accompanying Winpar's notice of Annual General Meeting for 2003 notes that the annual report will be posted separately. Accordingly, Trent can presently make no comment as to disclosure that may be provided in that report or indeed whether it has been despatched to Winpar shareholders.

In December 2000, Winpar listed its shares on the NSX. The last sale of Winpar Shares on NSX preceding the Announcement Date was \$0.70. All Winpar Shares issued since listing have been issued at \$1.00 per Winpar Share.

In the period since 30 June 2003 until the day preceding the Announcement Date Winpar Shares have traded on only one day (7 October 2003). A total of 38,720 Winpar Shares were traded on that date at \$0.70 per Winpar Share. Winpar Shares have been subject to an NSX trading halt from 7 November 2003 to the date of lodgement of the Supplementary Bidder's Statement dated 14 November 2003 due to failure by Winpar to release the Winpar 2003 Annual Report and notify NSX of despatch of the report to Winpar shareholders.

4.2 Previous discussions with Winpar

In November 2002, Messrs Andrew Brown and Paul Young, Directors of Loftus Lane, held discussions with the board of directors of Winpar with a view to effecting a merger transaction with Loftus Lane. Various strategies for a fundraising to enlarge the capital base of Winpar were also discussed. An announcement to the effect that Winpar was involved in discussions with an unnamed third party, which Trent believes was, among others, Loftus Lane, was made to the Annual General Meeting of Winpar on 27 November 2002. No announcement was made by Winpar to the NSX.

In January 2003, these discussions intensified and Messrs. Brown and Young committed significant time to shaping a proposal that it was hoped would satisfy the directors, and ultimately, shareholders of Winpar. In working towards such a proposal, the directors of Winpar and Loftus Lane released significant amounts

of information regarding their respective operations, financial position and performance to each other. It is the view of Messrs. Brown and Young that some of the information disclosed in January 2003 may be material to an understanding of the value of Winpar and should be announced to the NSX.

In the course of these discussions, Loftus Lane also disclosed to the directors of Winpar its proposed strategy for a rehabilitation of Winpar.

In early February 2003, due to inability to conclude the proposed transaction on terms acceptable to both parties, Loftus Lane indicated to Winpar that it was no longer willing to pursue the proposal.

On 11 February 2003, Winpar announced to the NSX that “the merger proposal previously announced (sic) has been withdrawn.”

Loftus Lane then sought alternative proposals which would lead to its acquisition by an ASX listed company which culminated in the transactions with Huntley’s described in Section 3 of this Bidder’s Statement and the formation of Trent Capital Limited.

4.3 Material issues relating to Winpar

Trent has carried out a wide ranging analysis of Winpar. As a result of this work, Trent believes there are three sets of material issues which are not publicly available but known to Trent which need to be considered by Winpar Shareholders in evaluating the worth of a Winpar Share and the value of the Offer by Trent. These are:

- costs of legal cases pursued by Winpar under Section 667 of the Corporations Act in connection with the compulsory acquisition of securities owned by Winpar;
- concentration of certain securities within the trading and investment portfolios of Winpar; and
- other material non-disclosures by the directors of Winpar, casting doubt upon the accounting, disclosure and decision-making functions of Winpar.

4.4 Litigation involving Winpar

From early 2000, Winpar has been the plaintiff, defendant or respondent in 7 separate reported cases in Australia relating to the operation of selective capital reductions or compulsory acquisitions of shares listed on the ASX. With the exception of Winpar’s shareholding in the preference shares of Allgas Energy Limited, these cases have been carried out in conjunction with other parties in respect of extremely small parcels of shares, none of which had a value, at the price offered under the relevant takeover, of over \$20,000. Winpar’s shareholding in Allgas Energy Limited preference shares has a value based on the November 2002 compulsory acquisition price of \$156,208.

Table III (below) details these cases and illustrates that the cumulative value of securities for which compulsory acquisition and selective capital reduction provisions were contested amounted to approximately \$190,000, of which over 80% is attributed to Allgas Energy Limited preference shares:

Table III: Details of Winpar's recent reported Australian legal cases

Case	Court	Date¹	Shares held	Value
ASIC v DB Management Pty Ltd	High Court of Australia	10 February 2000	c. 1,000	\$720
Winpar v Goldfields Kalgoorlie Ltd	NSW Supreme Court + appeal	25 July 2000 12 December 2001	12,373	\$6,805
Pauls Ltd v Dwyer & Ors	Qld Supreme Court + appeal	13 March 2001 13 December 2002	900	\$2,313
Goodyear Australia, Kelly-Springfield v Green	NSW Supreme Court	14 February 2002	1,400	\$7,000
Winpar v National Consolidated Ltd ²	Federal Court of Australia	9 November 2001		
Austrim Nylex Ltd v Kroll & Ors	Victoria Supreme Court	24 May 2002	9,926	\$16,973
Energex Ltd v Elkington & Ors	Queensland Supreme Court (now on appeal)	8 November 2002	76,199	\$156,208
Total				\$190,019

1. date of judgement.

2. injunction proceedings relating to Austrim Nylex Ltd v Kroll & Ors.

The above information has been sourced from publicly available judgments in the relevant cases, searches of public registers and Winpar annual reports and in the case of the 2003 financial year, the preliminary unaudited financial report released to the market through NSX.

Winpar's Annual Reports for the 2000, 2001 and 2002 years and the 2003 Preliminary Final Report to the NSX disclose that Winpar's cumulative legal costs in the past four financial years have amounted to over \$639,000 (see Table IV for details).

Table IV: Details of Winpar's legal costs

Year ended 30th June	Disclosed legal costs
2000	\$ 73,106
2001	\$65,199
2002	\$172,341
2003	\$328,977
Cumulative total	\$639,623

The above information has been sourced from publicly available judgments in the relevant cases, searches of public registers and Winpar annual reports and financial statements released to the market through NSX.

Given that Winpar's operations have been administered on a very low cost base and it presently has no controlled entities, it may be inferred that legal costs incurred by Winpar other than those in respect of the pursuit of the 7 cases listed in Table III have been minimal. It therefore appears that Winpar has spent up to \$639,623 in pursuit of judgments in respect of securities valued, by reference to the takeover offers the subject of the proceedings, at only \$190,019.

In a release to NSX by Winpar on 11 November 2003 (in response to concerns raised by NSX following lodgment of the Original Bidder's Statement and attached as Annexure "B") Winpar disclosed legal costs incurred in aggregate of \$578,995.81 in relation to the following proceedings:

- *Goodyear Australia, Kelly-Springfield v Green*;
- *Winpar v National Consolidated Limited*; and
- Allgas Energy Limited (*Energex v Elkington & Ors*).

No disclosure has yet been provided as to the legal costs incurred in relation to the additional 4 reported Australian proceedings to which Winpar is a party. A copy of this release is attached as Annexure "C".

4.5 Winpar's trading and investment portfolios

In its accounts, Winpar discloses that it accounted for securities held for trading purposes at market value, while its investment portfolio is accounted for at cost. Winpar's recent annual reports up to 2002 have not disclosed the composition of its trading portfolio, despite the fact that its market value has fallen significantly in recent years, but is still larger than the fully disclosed investment portfolio. This phenomenon is illustrated in Table V below.

Table V: Relative size of Winpar's trading (inventory) and investment portfolios

	\$	30 June 1999	30 June 2000	30 June 2001	30 June 2002	30 June 2003
A	Cost of equities inventory	2,137,523	2,867,868	2,939,102	2,471,725	2,116,475
B	Market value of equities inventory	1,794,620	2,122,047	1,786,389	1,524,836	1,311,231
B-A	Difference: value versus cost	(342,903)	(745,821)	(1,152,713)	(946,889)	(805,244)
C	Cost of investments	862,934	927,545	1,096,242	1,084,691	1,139,604 ¹
B + C	Total Equities	2,657,554	3,049,592	2,882,631	2,609,527	2,450,835
	Inventory as % of total	67.5%	69.6%	61.9%	58.4%	53.5%
	Inventory disclosed	Yes	Yes	No	No	TBA

1. cost of investments used not market value

The above information has been sourced from Winpar annual reports and in the case of the 2003 financial year, the preliminary unaudited financial report released to the market through NSX.

Winpar's trading portfolio is noteworthy in that it is likely that two securities – RCR Tomlinson Limited and Steamships Trading Limited, comprised over 22% of the portfolio at 30 June 2003, as illustrated in Table VI.

Table VI: Selected components of Winpar trading portfolio as at 30 June 2003

Company	Shares held	Price	Value	Information source
RCR Tomlinson	600,000	\$0.24	\$144,000	RCR 2003 Annual Report
Steamships Trading	76,674	\$2.00	\$153,348	Steamships 2002 Annual Report
Total			\$297,348	22.7% of \$1,311,231 valuation of inventory

Table VI suggests the undisclosed trading portfolio is concentrated in relatively illiquid securities, which are not typically held in trading areas.

Trent believes these holdings should be seen in the context of Winpar's overall portfolio concentration.

At 30 June 2002, the largest single holding within Winpar's investment portfolio, being Ransomes PLC preference shares which have been delisted from the London Stock Exchange since 4 July 1998, was accounted for at cost of \$275,063 (equivalent to £1.32 per share based on the then current exchange rate of £0.368 per AUD\$ at 30 June 2002). This compares to their par value of £1.00 per share, and the last takeover bid for these preference shares made by Textron Inc in January 1998 of £0.80 per share. This investment made up 25% by carrying value of the investment portfolio at 30 June 2002, and, if retained at cost, would comprise 24.1% of the investment portfolio at 30 June 2003.

If Ransomes PLC preference shares are maintained at this valuation at 30 June 2003, when added to the two largest components of inventory (Table VI), they would amount to \$572,411 or 23.4% of Winpar's combined inventory and investment portfolio.

In any event, Trent believes that the carrying value of the Ransomes PLC preference shares is overstated.

4.6 Winpar's board and management

Trent believes that Winpar's administrative functions are of a standard which is inadequate for a publicly listed company. In Trent's opinion, the standard is deficient in three particular areas – cost management, disclosure and accounting.

Cost management

In all of the cases in Table III, with the exception of *ASIC v DB Management* and *Winpar v National Consolidated*, Winpar is entitled to seek recovery of costs under Section 664F(4) of the Corporations Act which states that:

"The 90% holder must bear the costs that a person incurs on legal proceedings in relation to the application unless the Court is satisfied that the person acted improperly, vexatiously or otherwise unreasonably. The 90% holder must bear their own costs."

Note 11 to Winpar's 2003 Preliminary Final Statement to the NSX states that:

"The company has incurred costs in legal proceedings in connection with the compulsory acquisition of some of the shareholdings in its investment portfolio. The company has some costs orders in its favour in all of these proceedings, and these orders are currently being assessed. Estimates of the amounts expected to be recovered on the costs have been included in the accounts as deferred receivables. Costs have been expensed to the extent that they are not likely to be recovered."

The Winpar unaudited statement of financial position as at 30 June 2003 released through NSX does not contain **any** deferred receivables. Accordingly either the accounting policy is not being properly adhered to or Winpar does not expect that any of the costs will be recovered, suggesting that the net tangible assets of Winpar is overstated by the amount of these costs. There is no disclosure of the quantum of expected recovery of legal expenses within current receivables. Further as at the date of this Bidder's Statement, there has been no disclosure of any costs incurred in pursuing recovery of costs orders.

Subsequent to the date of the Original Bidder's Statement, and in response to concerns raised by NSX, Winpar has disclosed to NSX (on 11 November 2003) that recovery of costs has been pursued in relation to the *Goodyear Australia Limited* and *National Consolidated Limited* proceedings. In that release Winpar reported that a costs order for \$123,867 plus interest has been obtained in relation to *Goodyear Australia Limited* and that demand has been served on Kelly Springfield Limited for this amount. In the same release Winpar also reported that the assessment of costs has not been completed in relation to *National Consolidated Limited*.

Winpar, however, failed to disclose that on 3 October 2003 the Queensland Court of Appeal dismissed Winpar's appeal as to costs in the *Energex Limited v Elkington & Ors* proceeding and that costs are to be assessed against the appellants.

Disclosure

In none of the last four annual statements of cash flows (audited for the years ended 30 June 2000, 2001 and 2002 and unaudited for 2003) are there any disclosures of cash received as a result of repayments of legal expenses. Despite the considerable periods of time which have elapsed since some of the judgements noted in Table III, Winpar's disclosures suggest it has failed to collect **any** of the cash payable under costs orders made in its favour.

Trent believes that this has significantly reduced the cash available for Winpar to invest.

As part of the previous discussions with Winpar disclosed in Section 4.1.1, Winpar disclosed to 2 Trent Directors that a Winpar director, Gordon Elkington, had made a series of loans to Winpar, in particular to meet legal and ancillary bills which were due and payable. In January 2003, these loans amounted to over \$240,000. These loans are not disclosed as related party loans in Winpar's 2002 Annual Report nor in its 2003 Preliminary Final Report. No disclosure is made despite the fact that other smaller loans from directors, or directors' related entities **are** disclosed. In any event prior to the date of the Original Bidder's Statement no other market disclosure been made of these loans under the NSX Listing Rules and the Corporations Act.

In response to concerns raised by NSX Winpar disclosed by letter to NSX on 11 November 2003 that unsecured loans of \$171,421.50 (in aggregate) have been made by Dr Elkington to Winpar since 1 July 2000, repayable upon reasonable notice and attracting no interest. Trent however believes that the balance of funds advanced by Dr Elkington prior to July 2000 was \$78,341.21 and accordingly the total sum advanced is \$249,762.71.

The issues raised in the Original Bidder's Statement were considered sufficient to NSX to warrant a request for further disclosure to Winpar and imposition of a trading halt pending provision of adequate disclosure to the market. A copy of the NSX trading halt is attached as Annexure "B".

In Trent's view, this gives rise to two serious issues:

- Winpar has failed to comply with its disclosure obligations; and
- Winpar's has a shortage of cash available for investment as a result of pursuing legal cases which has been partially replenished by undisclosed loans from directors.

Winpar's directors have made far more limited disclosure of the financial state of Winpar than would be required for an ASX listed investment entity. For example, in the 2002 annual report:

- there was no commentary as to the performance of Winpar's investments;
- there was no explanation of the accounting and costs of Winpar's legal activities;
- there was no disclosure that funds were lent to the company by Dr. Gordon Elkington, a director;
- there was no estimate of the market value of Winpar's investment portfolio at 30 June 2002;
- there was no commentary on corporate governance issues.

Further, the 2002 annual report was released on the day of the Winpar Annual General Meeting. Section 315 of the Corporations Act provides that an annual report must be sent to members by the earlier of 4 months after the end of the financial year or 21 days before the Annual General Meeting. The 2003 annual report including the audited financial statements for the 2003 financial year was not released by the 31 October 2003 deadline set by the Corporations Act and had not been submitted to NSX or ASIC prior to the date of the Supplementary Bidder's Statement amending the Original Bidder's Statement dated 14 November 2003.

In contravention of Rule 6.9 of the NSX listing rules, the Winpar 2002 annual report failed to disclose:

- a statement as to the unexpired period of any service contract of any director proposed for election at the forthcoming Annual General Meeting or a statement that there are no such service contracts;
- a comparative table summarising the results and the assets and liabilities of Winpar for the last 5 financial years or such of those years during which Winpar traded;
- an explanation of the income or loss during the 2002 financial year including any significant information enabling investors to make an informative assessment of the trend of the activity and income or loss of Winpar together with an indication of any special factor, if any, which has influenced those activities and the income or loss to enable a comparison to be made with the preceding financial year; and
- a statement of the main corporate governance practices that Winpar had in place during the relevant period.

In its release to NSX of 11 November 2003 Winpar stated that a letter from Winpar's Chairman dated 1 December 2002 outlining information about Winpar's activities was sent to shareholders. Trent is not aware of any Shareholder having received that letter. In any event the letter was not released to NSX as required by the NSX listing rules.

On 29 September 2003 Winpar released its preliminary announcement of results for the 2003 financial year. However the preliminary announcement did not appear to contain all the information required by NSX Listing Rule 6.12. In particular it omits:

- a calculation of earnings per Winpar Share;
- a summary of any material factors or events affecting the revenues and expenses of Winpar for the current period, if any;
- the date of any dividend to be paid or a statement as to franking credits available and prospects for paying fully or partly franked dividends for at least the next year;
- the date for the annual meeting of members; and
- the approximate date the annual report will be available.

The NSX listing rules also require that Winpar submits to NSX, inter alia, its annual accounts and all notices of shareholder meetings at the same time as they are issued to holders. Winpar has failed to comply with these requirements since listing on NSX in December 2000. As at the date of this Bidder's Statement the notice convening Winpar's 2003 Annual General Meeting to be held on 28 November 2003 has not been submitted to NSX.

Accounting

In each of the last four financial years, each of Winpar's statement of financial performance and statement of cash flows shows "legal expenses" to be the same dollar figure (see Table IV). Given the nature of the cases pursued by Winpar, it is likely that significant periods of time elapse between the legal expenses being **incurred** – as should be reflected in the statement of financial performance – and actually **paid** as shown in the statement of cash flows. At best, the accounting treatment of legal costs is confusing.

Trent believes that Winpar Shareholders and the market are entitled to the following details of the costs of Winpar's legal activities since 1999f:

- the amount of legal and ancillary costs incurred;
- the quantum of costs actually paid;
- the amounts of costs expected to be recovered under Section 664F(4) of the Corporations Act;
- the anticipated timing of receipt of costs payable under costs orders made to date;
- estimated fees to be incurred to effect recovery of costs;
- the accounting treatment of costs paid and incurred and recoverable; and
- the extent of funding provided by Directors, and the agreements in relation to such funding.

In the year to 30 June 2002, the Winpar directors met on only five occasions. This suggests that Winpar is managed with inappropriate administration and infrequent director's meetings. As the annual report for the 2003 financial year has yet to be dispatched, Trent makes no comment as to the 2003 financial year.

In the event that Trent acquires over 50.1% of Winpar Shares, Trent will remove all of the directors of Winpar, appoint its 3 Directors to the board of Winpar and institute full time administration of Winpar's affairs. This will commence with a full assessment of the carrying values of Winpar's investments, and the likely recoverability of certain investments and legal costs.

4.7 Public announcements by Winpar

Since Winpar Shares were listed on NSX, the following material notices have been given by Winpar to the NSX:

Announcement date	Headline
29 December 2000	Substantial Shareholders of Winpar Holdings Limited
6 February 2001	Allotment of Shares
12 February 2001	Directors Interest in the Options Exercised as at 1 February 2001
19 March 2001	Half Yearly Financial Statement as at 31 December 2000

Announcement date	Headline
3 July 2001	Share Issue
1 August 2001	New Director
19 October 2001	Preliminary Financial Statement 2000/2001
14 March 2002	Financial Statement for Winpar Holdings Limited 31 December 2001
24 June 2002	Opposition by Winpar to Energex Limited Application in the Supreme Court
23 September 2002	Preliminary Final Statement 2002
11 November 2002	Decision of Allgas
23 January 2003	Winpar Holdings Limited has received an approach from an outside party who has expressed an interest in making a partial scrip based offer for the company's shares. Insufficient details have however been provided to enable the directors to evaluate the proposal. The company will make a further announcement if the matter proceeds further.
11 February 2003	Withdrawal of Merger Proposal
14 March 2003	Financial Statement for Half Year Ended 31 December 2002
17 June 2003	Proposal from Outside Party
18 June 2003	General Meeting
27 June 2003	Cancellation of Meeting
4 July 2003	Appointment of Director
24 July 2003	Change in Directors' Interest
29 September 2003	Preliminary Financial Statement for the Year Ended 30 June 2003
30 October 2003	Takeover Offer for Winpar Holdings Limited
7 November 2003	Trent Capital Bidder's Statement
7 November 2003	Trading Halt Imposed
10 November 2003	Response to NSX Enquiry – Point 6
11 November 2003	Response to NSX Enquiry

4.8 Capital structure

The Winpar share structure as at the date of this Bidder's Statement as disclosed in publicly available ASIC records is as follows:

Shares	Number	Percentage of Shares	Percentage of fully diluted capital
Total issued share capital	2,581,287	100%	100%

4.9 Winpar substantial shareholders

As at the Announcement Date Winpar has released through NSX copies of substantial shareholding notices from the following parties:

Name of Holder	Date became a substantial holder	Number of shares held	Voting Power
Darin Investments Pty Limited ¹	30/06/1997	121,000	5.7%
Gordon Bradley Elkington ²	30/06/1995	162,112	7.69%
Monal Pty Limited	30/06/1997	200,000	9.5%

Notes:

1. The register of member of Winpar shows that Darin Investments Pty limited now holds 221,000 Winpar Shares, being 8.6% of the issued share capital of Winpar. No notification of this change in substantial holdings in Winpar Shares is recorded as having been lodged with NSX.

2. On 23 July 2003, Winpar announced to NSX that Gordon Elkington now holds 217,427 Winpar Shares, being 8.4% of the issued share capital of Winpar. The Winpar register of members as at 30 September 2003 records Gordon Elkington's holding of Winpar Shares at 194,614.

4.10 Price range of Winpar Shares

Winpar Shares have been quoted on NSX since 5 December 2000. The following table sets out the trading price for Winpar Shares and volume of Winpar Shares traded on NSX for each trading day on which Winpar Shares have traded for the past year:

Date	Price \$	Volume
7 November 2002	0.95	2,000
8 November 2002	0.95	8,000
28 May 2003	0.95	16,000
30 June 2003	0.70	3,100
7 October 2003	0.70	38,720

The last recorded sale price for Winpar Shares on NSX before the date of this Bidder's Statement was \$0.70.

The highest and lowest recorded sale prices for the 2003 calendar year until immediately before the Announcement Date and the dates of the relevant sales were as follows:

High – \$0.95 on 28 May 2003.

Low – \$0.70 on 30 June 2003 and 7 October 2003.

Winpar Shares have traded on only 3 days in the 2003 calendar year until immediately before the Announcement Date.

Only 67,820 Winpar Shares have traded on NSX in the year preceding the Announcement Date. This reflects a total turnover of 3.9% (based on the current issued share capital of Winpar).

4.11 Trent's intentions

If the Takeover Bid is successful Trent intends to reconstruct the board of Winpar to comprise the existing Trent directors (Messrs Brown, Young and Critchley). It is the reconstructed Winpar board that will have responsibility for implementing the intentions expressed in this section.

Trent's intentions are based on the information known and the circumstances that exist at the date of this Bidder's Statement. Accordingly, the statements set out in this section are statements of current intention only which may change as new information becomes available or circumstances change. In Trent's opinion, significant efforts will be required to bring Winpar's administrative functions into line with accepted practice.

Trent's specific intentions post-merger

If the Takeover Bid is successful:

- Trent intends to re-arrange the Board as outlined in this section;
- Trent intends to continue the investment business of Winpar, in particular, its investments in smaller companies and selected securities listed on the London Stock Exchanges;
- Trent intends to significantly rationalise the portfolio of trading investments held by Winpar;
- Trent will individually evaluate the investment securities owned by Winpar with a view to increasing their exposure to ensure they are meaningful in the context of the company's funds, or divest them;
- Trent will cease Winpar's activities in taking legal action in relation to the compulsory acquisition of securities and take steps to secure entitlements owed to the company in line with section 664F(4) of the Corporations Act and recover unsatisfied cost orders;
- Trent will evaluate the carrying values of remaining securities and establish a more focused future investment strategy for the company;
- Trent will seek to change the auditors of Winpar to the auditors of Trent;
- Trent will establish a more suitable infrastructure for Winpar and move its office to Trent's corporate office; and
- Trent will evaluate a suitable capital structure for Winpar which will depend upon the nature of those investments retained, the residual minority level of ownership of Winpar (if any) and the ability of Winpar to deal with its debtors and creditors. This may lead to new equity being injected into Winpar, together with more structured debt arrangements.

Trent understands that Winpar has no fixed assets nor employees.

Trent's intentions upon acquisition of 50.1% or more of Winpar Shares

If Trent becomes entitled to over 50.1% but less than 90% of Winpar Shares, subject to the satisfaction of the other conditions of the Offer (described in Section 7), Trent intends to:

- enact all of the measures outlined above; and
- consider the benefits, or otherwise, of retaining the listing of Winpar on NSX.

Trent's intentions upon acquisition of 90% or more of Winpar Shares

If Trent becomes entitled to proceed to compulsory acquisition under the Corporations Act, subject to the satisfaction of other conditions of the Offer (described in Section 7), Trent intends to:

- proceed to compulsory acquisition of the remaining Winpar Shares in accordance with the provision of the Corporations Act; and
- arrange for Winpar to be removed from the official list of the NSX.

5. Effect of the Offer on Trent

5.1 Pro-forma statement of financial position

Table VII sets out pro-forma information which has been prepared to show the effect of the acquisition of Winpar by Trent on the basis that it had occurred on 30 June 2003.

Table VII: Pro-forma Merged Group statement of financial position at 30 June 2003

	Trent Annual Report¹.	Trent pro-forma².	Winpar Unaudited³.	Merged Group Pro-forma.
Current Assets:				
Cash Assets	453,277	3,645,876	162,922	3,688,798
Other Financial Assets	64,988	64,988	1,311,231	1,376,219
Receivables	0	0	359,895	359,895
Prepayments	117,773	17,218	0	17,218
Total Current Assets	636,038	3,728,082	1,834,048	5,442,130
Non Current Assets:				
Other Financial Assets	2,586,899	2,586,899	1,310,501	3,014,205
Deferred Tax Asset	-	0	119,063	119,063
Total Non Current Assets	2,586,899	2,586,899	1,429,564	3,133,268
TOTAL ASSETS	3,222,937	6,314,981	3,263,612	8,575,398
Current Liabilities:				
Payables	120,149	120,149	205,109	325,258
Interest Bearing Liabilities	-	0	220,878	220,878
Current Tax Liabilities	2,032	2,032	0	2,032
Total Current Liabilities	122,281	122,181	425,987	548,168
Non Current Liabilities:				
Interest Bearing Liabilities	369,105	369,105	0	369,105
Deferred Tax - CGT	-	0	130,322	130,322
Total Non Current Liabilities	369,105	369,105	130,322	499,427
TOTAL LIABILITIES	491,286	491,286	556,309	1,047,595
NET ASSETS	2,731,651	5,823,695	2,707,303	7,527,803
Equity				
Contributed Equity	3,425,767	6,517,811	2,581,287	8,221,919
Investment Fluctuation account	-	0	119,628	0
Accumulated Profit (Losses)	(694,116)	(694,116)	6,389	(694,116)
TOTAL EQUITY	2,731,651	5,823,695	2,707,304	7,527,803
Shares on Issue	3,328,835	7,095,502	2,581,287	8,816,360
NTA/share	\$0.80	\$0.82	\$1.05	\$0.85

1. Taken from Trent's 2003 Annual Report.

2. Incorporating Assumptions 1 – 8 listed below.

3. Taken from Winpar's preliminary unaudited financial statements for the 2003 financial year.

The above table has been prepared on the following assumptions:

1. 2,901,101 Trent Shares were issued at a price of \$0.90 per share pursuant to the prospectus dated 20 May 2003 (took place on 22 July 2003);
2. 98,899 Trent Shares were issued at a price of \$0.80 per share on 22 July 2003 under the HBN Priority Offer within the Company's prospectus dated 20 May 2003;
3. 100,000 Trent Shares were issued at a price of \$0.90 per share on 23 July 2003 to Baron Partners Limited in lieu of fees;
4. 666,667 Trent Shares at \$0.90 per share were issued in a placement through Austock Brokers Pty Limited (took place on 2 September 2003);
5. Prospectus expenses of \$100,555 treated as prepayments in the 30 June 2003 annual report have been offset against equity in the pro-forma column, together with a further \$181,511 in equity raising expenses and \$6,000 in relation to the placement of 2 September 2003;
6. Trent offers 2 New Trent Shares at an effective price of \$1.06 for every three Winpar Shares, to produce an effective value per Winpar share of \$0.70;
7. Trent achieves 100% control of Winpar and Trent's costs of acquisition are \$120,000; and
8. Trent's investments are valued at cost.

5.2 Adjusted pro-forma statement of financial position

Trent believes it is useful for Winpar Shareholders to adjust the Merged Group pro-forma statement of financial position contained in Table VII for various assumptions.

Table VIII: Adjusted pro-forma Merged Group statement of financial position

	Trent 30 September 2003 unaudited ¹ .	Trent 30 September 2003 market value adjusted ² .	Winpar adjusted 30 June 2003 ³ .	Merged Group Pro-forma
Current Assets:				
Cash Assets	2,545,209	2,545,209	162,922	2,588,131
Other Financial Assets	64,988	64,988	1,392,231	1,457,219
Receivables	69,900	69,900	359,895	429,795
Prepayments	40,957	40,957	-	40,957
Total Current Assets	2,721,054	2,721,054	1,915,048	4,516,102
Non Current Assets:				
Other Financial Assets	4,129,122	4,810,966	1,188,696	5,157,273
Deferred Tax Asset	-	-	119,063	119,063
Total Non Current Assets	4,129,122	4,810,966	1,307,759	5,276,336
TOTAL ASSETS	6,850,176	7,532,020	3,222,807	9,792,438
Current Liabilities:				
Payables	583,649	583,649	205,109	788,758
Interest Bearing Liabilities	-	-	220,878	220,878
Current Tax Liabilities	7,750	7,750	-	7,750
Total Current Liabilities	591,399	591,399	425,987	1,017,386
Non Current Liabilities:				
Interest Bearing Liabilities	449,601	449,601	-	449,601
Deferred Tax - CGT	-	162,956	130,322	293,378
Total Non Current Liabilities	449,601	612,557	130,322	742,879
TOTAL LIABILITIES	1,041,000	1,203,956	556,309	1,760,265
NET ASSETS	5,809,176	6,328,064	2,666,498	8,032,173
Contributed Equity				
Contributed Equity	6,536,560	6,536,560	2,581,287	8,240,669
Investment Fluctuation account	-	518,888	78,823	518,888
Accumulated Profit (Losses)	(727,384)	(727,384)	6,389	(727,384)
TOTAL EQUITY	5,809,176	6,328,064	2,666,498	8,032,173
Shares on Issue	7,115,012	7,115,012	2,581,287	8,835,870
NTA/share	\$0.82	\$0.89	\$1.03	\$0.91

1. Taken from Trent's unaudited management accounts at 30 September 2003 (investments accounted for at cost).
2. Non current investments accounted for at their 30 September 2003 market value adjusted for any capital gains tax payable in the event that these investments are disposed of at those values (refer assumption 4 below). Trent currently does not intend to dispose of these investments.
3. Refer assumptions 5 and 6 below.

The above table has been prepared on the following assumptions:

1. Assumptions 1-7 (inclusive) of Table VII are maintained, assumption 8 of Table VII is superseded;
2. Trent utilises its unaudited management accounts as at 30 September 2003;

3. These accounts include the further issue by Trent of 19,510 Trent Shares at \$0.90 per share under the Trent Capital Limited Deferred Share Plan on 10 September 2003, in lieu of Directors fees;
4. Trent adjusts its statutory management accounts, which carry investments at cost, to carry these investments to market value as at 30 September 2003. This increases the value of "other financial assets" by \$681,844, increases "deferred tax – CGT" by \$162,956 and shareholders equity by \$518,888 within the "investment fluctuation account";
5. A writedown of Winpar's holding of 76,729 shares of Ransomes PLC preference shares, which have been delisted from the London Stock Exchange since 4 July 1998, to the last takeover offer of £0.80 per share and the exchange rate of £0.40 = A\$1.00 prevailing on 30 September 2003. This produces a writedown of \$121,805 from Winpar's carrying cost of \$275,063 to \$153,258; and
6. An increase in the value of Winpar's holding of 600,000 shares in RCR Tomlinson Limited from \$144,000 to \$225,000 reflecting the increase in market price from \$0.24 to \$0.375 between 30 June 2003 and 30 September 2003.

5.3 Pro-forma capital structure

The Trent share structure on completion of the Offer assuming the Offer is successful and Trent completes the compulsory acquisition of all Winpar Shares that did not accept the Offer is as follows:

Shares	Number	Percentage of Shares	Percentage of fully diluted capital
Existing Trent Shareholders	7,115,018	80.52%	79.18%
Winpar Shareholders	1,720,858	19.48%	19.15%
Total issued share capital	8,835,876	100%	
Options			
Options - Former Directors	50,000	-	0.56%
Options - Baron	100,000	-	1.11%
Total options	150,000		
Fully diluted share capital	8,985,876	-	100%

The above table assumes that no options to acquire Trent Shares are exercised and that neither Trent nor Winpar issues any further ordinary shares between the date of this Bidder's Statement and completion of the compulsory acquisition of Winpar Shares.

6. Risk Factors

6.1 Risk factors associated with owning Trent Shares

The business activities of Trent are subject to risks. These risks include those which apply generally to investments in equity markets, and those which apply specifically to the Company's business. Some of the specific risks can be mitigated through the use of safeguards and contingency plans. However many risks are outside the control of the Company and its Directors and cannot be mitigated.

The future performance of Trent and the future investment performance of Trent Shares may be influenced by a range of factors, many of which are outside the control of Trent. The future value of Trent's assets and the price at which Trent Shares trade on the ASX may be influenced by any of these factors. The following matters and summary of material risk factors given below should be carefully considered in evaluating the prospects of the Company.

General risk factors

There are business and market risks inherent in any listed security, which could affect the Company's earnings, including:

- movements in local and international economies and share and capital markets;
- changes in interest rates and other general economic conditions;
- changes in investor sentiment and perceptions;
- upheaval and uncertainty due to terrorist activities, insurrection, war and general conflict; and
- changes in government fiscal, monetary and regulatory policies and statutory changes.

Specific risk factors

The key issues impacting the success of the business undertaken by Trent are:

- the Company's success and growth strategy initially depends heavily upon its proposed Managing Director, Andrew Brown. The loss of his services for any reason could have an adverse effect on the Company's business, operating results and financial condition. The Company has paid a preliminary premium for key person insurance to mitigate against this risk;
- the success and profitability of the Company depends, in part, upon the ability of the Directors to invest in well-managed companies which have the ability to increase in value over time;
- the success and profitability of the Company depends, in part, upon the ability of the Directors to identify and execute agreements with a range of unlisted smaller fund management entities;
- the risks that such fund management entities fail to operate profitably, attract new funds or reach maturity;
- the price of investments that the Company has purchased can fall as well as rise;
- the past performance of investments held by Loftus Lane and funds managed by Directors and persons associated with the Directors are not necessarily a guide to the future performance of the Company;
- the primary focus of Trent is investment in listed entities with a market capitalisation below \$30 million with particular consideration given to listed industrial companies with a market capitalisation below \$20 million. In general, trading in securities in such entities has more limited liquidity than larger companies and so has the potential for greater volatility. Accordingly, the returns that may be generated by the Company may also be subject to such volatility;
- the Company's portfolio is less diversified and less liquid than most other listed investment companies;
- investors are strongly advised to regard any investments in the Company as a long term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur;

- operating costs for the Company as a proportion of total assets are affected by the level of total assets of the Company;
- the price at which Trent Shares are traded on ASX may be below the net asset value of those Trent Shares. The Constitution does not entitle Shareholders to require the Company to implement a share buy-back or any other capital reconstruction or to take any other remedial action; and
- Trent does not hold an Australian financial services licence and so is unable to deal in financial products on behalf of third parties or provide financial advisory services to fund managers. In the event that Trent intends to expand its operations in the future to deal in financial products (including providing funds management services to “boutique” funds management businesses in which Trent or the Company invests) and to assist fund managers to conduct their businesses, its ability to do so is dependent on Trent or the Company obtaining an Australian financial services licence. While the Company has no reason to believe that it will not obtain such a licence, there can be no certainty that such a licence will be obtained.

Risks of the proposed merger

Integration

In any acquisition, there exist risks in being able to successfully integrate multiple businesses. In this case, however, the primary integration issue to be addressed is the implementation for Winpar of a more effective management structure, which will involve an increase in the expense base of Winpar. This will be ameliorated to an extent by the sharing of facilities with Trent.

Litigation

Given the past activities of the directors of Winpar, there exist risks that legal and court action may be instigated to prevent Trent from compulsorily acquiring all of the issued capital of Winpar, if it becomes entitled to do so under the Corporations Act. Consequently, there is a risk that any integration of Winpar and Trent may be delayed or hampered by such legal activity.

7. Taxation Implications

7.1 Australian tax considerations

The following is a general description of the main Australian income and capital gains tax consequences which will generally apply to Winpar Shareholders who dispose of Winpar Shares under the Offer. The comments set out below are relevant to Winpar Shareholders who hold their Winpar Shares as capital assets for the purpose of investment.

The outline does not take into account or anticipate changes in the law (by legislation or judicial decision). In addition, the outline is not exhaustive of all income tax considerations which could apply in all circumstances of any given shareholder. Special or different rules may apply to particular Winpar Shareholders, such as insurance companies, superannuation funds, financial institutions and those Winpar Shareholders who are engaged in a business of trading in shares or who hold Winpar Shares as trading stock or acquired their Winpar Shares for the purpose of resale at a profit.

Winpar Shareholders who are not resident in Australia for tax purposes should also take into account the tax consequences, under the laws of their country of residence as well as under Australian law, of acceptance of the Offer and of the acquisition, ownership and disposal of Trent Shares.

Given the complexity of the taxation legislation, all Winpar Shareholders should seek independent taxation advice regarding the income tax and capital gains tax consequences of disposing of Winpar Shares and acquiring New Trent Shares given the particular circumstances which apply to them.

Acceptance of the Offer and disposal of Winpar Shares

Acceptance of the Offer may involve a disposal by a Winpar Shareholder of their Winpar Shares for capital gains tax (“CGT”) purposes.

An Australian resident Winpar Shareholder may make a capital gain or capital loss, depending on whether their “capital proceeds” from the exchange are more than the “cost base” (or in some cases indexed cost base) of their Winpar Shares, or whether those capital proceeds are less than the reduced cost base of those shares.

Winpar Shareholders who are not resident in Australia for income tax purposes are generally not subject to Australian CGT on the disposal of Winpar Shares unless they, together with their associates, have held 10% or more (by value) of the shares in Winpar at any time in the five years preceding the disposal of Winpar Shares. It is imperative that non-residents independently confirm their Australian tax position.

The “capital proceeds” that a Winpar Shareholder will be taken to have received in respect of the disposal of their Winpar Shares shall generally be the value of the Trent Shares on the date a Winpar Shareholder accepts the Offer.

The “cost base” of Winpar Shares will generally be the cost of acquisition.

(a) Winpar Shares with an inherent capital gain

Rollover relief

Under Australian taxation legislation, holders of Winpar Shares may be entitled to the benefit of “scrip for scrip” CGT rollover relief where the disposal of the shares would otherwise realise an assessable capital gain. Broadly, CGT rollover relief under these provisions is available to shareholders who exchange shares (acquired after 19 September 1985) in one company for shares in another company where the transaction

is made pursuant to a takeover bid and provided the “qualifying conditions” referred to in the next paragraph are satisfied.

The “qualifying conditions” referred to are that Trent must make an offer to all shareholders in Winpar to acquire their voting shares and Trent must become the owner of at least 80% of the voting shares in Trent as a consequence of the Offer.

Trent has set a minimum threshold of obtaining control of 50.1% of Winpar Shares as a condition of its offer to Winpar shareholders. CGT rollover relief would become available if Trent acquired Winpar Shares such that after the offer it owned at least 80% of Winpar Shares. In these circumstances, a Winpar Shareholder that would otherwise realise a capital gain in respect of the disposal of their Winpar Shares pursuant to acceptance of the Offer, may choose to claim CGT rollover relief in respect of that disposal.

If the preconditions for CGT rollover relief are satisfied, then those Winpar Shareholders who elect for it to apply should not be required to include any amount of capital gain in their assessable income in respect of the disposal of their Winpar Shares. For such Winpar Shareholders, the cost base of the New Trent Shares, generally, will equal the cost base of their Winpar Shares. Furthermore, the time of acquisition of the New Trent Shares will be the time of acquisition of the Winpar Shares, exchanged under this Offer, in determining whether or not the New Trent Shares have been held for at least 12 months for CGT discount purposes.

Broadly, CGT rollover relief may not be available for non-resident Winpar Shareholders unless the Trent Shares will remain within the Australian CGT regime.

No rollover relief

If a Winpar Shareholder does not elect for CGT rollover relief, or CGT rollover relief is not available, then other tax relief may be available in the form of a partial CGT exemption (ie a “CGT discount”).

Specifically, where Winpar Shares were acquired at or before 11.45 am on 21 September 1999 and have been held for at least twelve months before their disposal, a shareholder who is an individual, a complying superannuation entity or the trustee of a trust should be able to choose to either:

- calculate the assessable capital gain arising from the disposal of Winpar Shares using the indexed cost base of the share (indexed up to 30 September 1999); or
- reduce the gain by the “CGT discount” (see below) on the nominal capital gain (that is, without indexing the cost base of Winpar Shares) arising from the disposal of Winpar Shares.

Where Winpar Shares were acquired after 11.45 am on 21 September 1999, the CGT discount will be available if the shares have been held for at least twelve months before disposal. Indexation of the cost base is not available.

Choosing the CGT discount, where it is available, permits eligible Winpar Shareholders which are individuals or trustees of shares to reduce the nominal capital gain arising on the disposal of Winpar Shares by one-half. For individuals, this reduced gain should be assessed at the shareholder’s marginal tax rate. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains.

Where Winpar Shares are held by a complying superannuation entity and the CGT discount is validly chosen, the discount will reduce the nominal capital gain on the disposal of the shares, by one-third.

Winpar Shareholders which are companies will not be entitled to the CGT discount but should be eligible to adjust the cost base of Winpar Shares for indexation (up to 30 September 1999) provided Winpar Shares were acquired at or before 11.45 am on 21 September 1999 and have been held for at least twelve months before their disposal.

(b) Winpar Shareholders with an inherent capital loss

Where the amount of “capital proceeds” received by a Winpar Shareholder in respect of the disposal of their Winpar Shares (that is, the market value of the New Trent Shares) is less than the reduced cost base of those Winpar Shares, then the shareholder should realise a capital loss for Australian CGT purposes.

In calculating the amount of capital loss realised, no adjustment is made to the cost base of Winpar Shares for indexation during the holding period of Winpar Shares regardless of when Winpar Shares were acquired or for how long the shares were held.

The CGT rollover relief described above is not available in respect of the disposal of Winpar Shares which have an inherent capital loss.

7.2 Stamp duty

No stamp duty is payable by Winpar Shareholders on the issue and allotment of the New Trent Shares. Any stamp duty payable, if any, on the transfer of Winpar Shares pursuant to the Offer will be paid by Trent.

8. The Offer

8.1 Date of the Offer

The date of the Offer is 11 December 2003.

8.2 Trent's Offer

- (a) This Bidder's Statement includes an Offer by Trent to acquire all the issued Winpar Shares on the terms and conditions of this Offer. In particular, attention is drawn to the defeating conditions in Section 8.11.
- (b) You may accept this Offer in respect of all or part of your holding of Winpar Shares.
- (c) Subject to Section 8.11, the Offer also extends to Winpar Shares that are issued during the Offer Period.

8.3 Consideration

- (a) Subject to the terms of this Offer, in particular Section 8.11, the consideration Trent offers you through its authorised intermediary Baron is the allotment to you by Trent of 2 New Trent Shares for each 3 of your Winpar Shares. If your entitlement to New Trent Shares is not a whole number your entitlement to those shares will be rounded up to the nearest whole number.
- (b) If, at the time you accept the Offer, you are (or are acting on behalf of) a Foreign Shareholder and Trent is not satisfied that it is not prevented from lawfully making the Offer to you and issuing you New Trent Shares, then despite any other provisions of this Offer, you shall only be entitled to receive your consideration in Australian Dollars in accordance with Section 8.10.
- (c) The New Trent Shares issued under this Offer will be issued fully paid and will rank equally for dividends and other rights in all respects with existing Trent Shares.
- (d) If your entitlement to New Trent Shares amounts to an unmarketable parcel within the meaning of the ASX Business Rules, being a parcel of New Trent Shares of less than \$500 in value, you will be offered cash instead of New Trent Shares as consideration (see Section 9.9 for details).

8.4 Offer period

- (a) This Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 5.00pm (Sydney time) on 19 January 2004, unless withdrawn or extended pursuant to the Corporations Act.
- (d) If, within the last seven days of the Offer Period, either:
 - (i) the Offer is varied to improve the consideration offered; or
 - (ii) Trent's Voting Power in Winpar increases to more than 50%,

then the Offer Period will be automatically extended in accordance with the Corporations Act so that it ends 14 days after the event referred to in paragraphs (i) or (ii) above. If this occurs, Trent will give to Winpar and all holders of Winpar Shares and other securities who have not yet accepted the Offer a written notice that the extension has occurred. Winpar will give this notice as soon as possible after the relevant event.

8.5 Who may accept

- (a) An Offer in this form is being made to:
- (i) each person who is registered or entitled to be registered in the register of members of Winpar at 9.00am (Sydney time) on the date of the Offer; and
 - (ii) each other person who becomes so registered before the end of the Offer Period.
- (b) If at the time this Offer is made to you, or at any time during the Offer Period, another person becomes the holder of or entitled to be registered as the holder of a parcel of Winpar Shares to which this Offer relates:
- (i) a corresponding new Offer will be deemed to have been made to that other person for those Winpar Shares;
 - (ii) a corresponding new Offer will be deemed to have been made to you for any other Winpar Shares you hold to which the Offer relates; and
 - (iii) this Offer is to be treated as having been immediately withdrawn.
- (c) If you are a trustee or nominee for several persons in respect of distinct parcels of Winpar Shares, Section 653B of the Corporations Act deems an Offer to have been made to you in respect of each distinct parcel. To validly accept the Offer for each parcel, you must specify (or cause to be specified):
- (i) by written notice accompanying your acceptance form; or
 - (ii) if the notice relates to Winpar Shares in a CHESS Holding, in an electronic form approved by the SCH Business Rules,

that your Winpar Shares consist of distinct parcels and the number of Winpar Shares in each distinct parcel to which the acceptance relates. Section 653B otherwise applies to this Offer in respect of your Winpar Shares and any acceptance of this Offer by you.

8.6 How to accept this Offer

- (a) You may accept this Offer at any time during the Offer Period.
- (b) If your Winpar Shares are in an Issuer Sponsored Holding, to accept this Offer you must:
- (i) complete and sign the acceptance form in accordance with the instructions on it; and
 - (ii) return it (together with all other documents required by those instructions) so that they are received by Baron as agent for Trent at the address specified in Section 8.13 before the end of the Offer Period.
- (c) If your Winpar Shares are in a CHESS Holding, to accept this Offer, you must proceed as follows:
- (i) if you **are** a Broker or Non Broker Participant - acceptance of this Offer must be initiated in accordance with Rule 16.3 of the SCH Business Rules before the end of the Offer Period; or
 - (ii) if you **are NOT** a Broker or Non Broker Participant:

- (A) you may instruct your Controlling Participant to initiate acceptance of this Offer in accordance with Rule 16.3 of the SCH Business Rules before the end of the Offer Period; or
- (B) you may complete and sign the acceptance form in accordance with the instructions on it, and return it (together with all other documents required by those instructions) so that they are received by Baron as agent for Trent at the address specified in Section 8.13 before the end of the Offer Period.

By completing, signing and returning the acceptance form in accordance with this Section, you authorise Trent to instruct your Controlling Participant on your behalf to initiate acceptance of this Offer in accordance with Rule 16.3 of the SCH Business Rules and to transfer your Winpar Shares to Trent in accordance with this Offer.

- (d) If your acceptance form (and all other documents required) are posted and the envelope in which you send them is post-marked before the end of the Offer Period, Trent may, in its sole discretion, determine that acceptance to be a valid acceptance even if received by Baron as agent for Trent after the end of the Offer Period.

8.7 The effect of acceptance

- (a) By signing and returning the acceptance form or by otherwise accepting this Offer, you will have:
 - (i) irrevocably accepted this Offer for all or, if you have inserted any smaller number in the appropriate place on the acceptance form, that smaller number of your Winpar Shares (subject to this Section 8.7) and the Rights;
 - (ii) irrevocably agreed to transfer all or, if you have inserted any smaller number in the appropriate place on the acceptance form, that smaller number of your Winpar Shares to Trent subject to this Offer and any contract arising from acceptance of the Offer becoming unconditional;
 - (iii) irrevocably authorised Trent to complete your Acceptance Form by rectifying any errors in or omissions from it as may be necessary to make it an effectual acceptance of this Offer or to enable registration of the transfer of all or, if you have inserted any smaller number in the appropriate place on the acceptance form, that smaller number of your Winpar Shares to Trent;
 - (iv) represented and warranted to Trent that your Winpar Shares for which you have accepted the Offer will at the time of transfer to Trent be fully paid up and Trent will acquire good legal title to them and Trent will acquire full beneficial ownership of them, in each case free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and restrictions on transfer of any kind, and that you have full power and authority to sell and transfer your Winpar Shares;
 - (v) irrevocably authorised Trent to proceed as follows (as applicable):
 - (A) to instruct your Controlling Participant to initiate acceptance of this Offer for your Winpar Shares for which you have accepted the Offer in accordance with the SCH Business Rules (in which case acceptance shall occur if and when those instructions have been carried out in accordance with the SCH Business Rules); and

(B) to give any other instructions in relation to such Winpar Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant,

so that your Winpar Shares for which you have accepted the Offer may be transferred to Trent in accordance with this Offer;

- (vi) irrevocably appointed Trent or any nominee of Trent as your attorney to exercise all your powers and rights attaching to your Winpar Shares for which you have accepted the Offer including to execute and deliver all forms, notices and instruments (including instruments appointing a director of Trent as a proxy in respect of those Winpar Shares), to requisition, convene, attend and vote at all general and other meetings of Winpar, from the time the Offer and any contract arising from acceptance of the Offer becomes unconditional, until the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act or the end of the Offer Period or, if all of the conditions of the Offer have been satisfied or waived, the registration of Trent as the holder of your Winpar Shares for which you have accepted the Offer;
- (vii) agreed that in exercising the powers conferred by the power of attorney in Section 8.7(a)(vi), Trent or its nominee is entitled to act in the interest of Trent;
- (viii) agreed not to attend or vote in person at any general or other meetings of Winpar or to exercise or purport to exercise any of the powers conferred on Trent or its nominee in Section 8.7(a)(vi);
- (ix) authorised Winpar, after this Offer or any contract arising from acceptances of the Offer becomes unconditional, but before registration of the transfer of your Winpar Shares for which you have accepted the Offer under the Takeover Bid, to transmit those Winpar Shares to any register maintained for Winpar which Trent in its absolute discretion considers desirable and regardless of whether Trent has paid the consideration due to you under this Offer at the relevant time;
- (x) agreed to accept the New Trent Shares to which you have become entitled by acceptance of this Offer subject to the constitution of Trent, consented to the entry of your name in the register of members of Trent and agreed to be bound by the constitution of Trent from time to time;
- (xi) represented and warranted to Trent at the making of the Offer to you and your acceptance of this Offer is lawful under any Foreign Law which applies to you, to the making of this Offer or to your acceptance of this Offer;
- (xii) agree to indemnify Winpar and Trent fully in respect of any claim, demand, action, suit or proceeding made or brought against Trent and any loss, expense, damage or liability whatsoever suffered or incurred by Winpar, in each case as a result of any representation or warranty made by you not being true; and
- (xiii) irrevocably authorised and directed Winpar to pay to Trent or to account to Trent for all dividends and other distributions and entitlements which are declared, paid or made which arise or accrue after the date of this Offer in respect of the Winpar Shares which Trent acquires pursuant to this Offer subject, if your acceptance of this Offer is validly withdrawn pursuant to Section 650E of the Corporations Act or the contract resulting from that acceptance becomes void, to Trent accounting to you for any such dividends, distributions and entitlements received by it.

- (b) Trent or Baron on Trent's behalf may, in its sole discretion, at any time determine that any acceptance form it receives is a valid acceptance, even though one or more of the requirements for acceptance have not been complied with. Trent will provide the consideration to you in accordance with Section 8.9 for any part of an acceptance determined by Baron as agent for Trent to be valid. Subject to Trent's other rights, where you nonetheless have satisfied the requirements for acceptance for only some of your Winpar Shares, Trent may in its sole discretion regard the Offer to have been accepted for those Winpar Shares but not the remainder.

8.8 Allotment of New Trent Shares

- (a) If you validly accept (or are treated by Trent pursuant to Section 8.7(b)) to have validly accepted this Offer and this Offer becomes unconditional, Trent will cause to be issued to you the New Trent Shares to which you are entitled and send a holding statement to you as soon as practicable but in any event no later than:
- (i) if Trent is given the necessary transfer documents with the Acceptance Form, by the end of whichever of the following periods ends earlier:
 - (A) one month after the Offer is accepted or, if the Offer is subject to a defeating condition, within one month after the Offer and any contract arising from acceptance of the Offer becomes unconditional; or
 - (B) 21 days after the end of the Offer Period; or
 - (ii) if Trent is given the necessary transfer documents after the acceptance form and before the end of the Offer Period and the Offer is subject to a defeating condition at the time that Trent is given the necessary transfer documents, by the end of whichever period ends earlier:
 - (A) within one month after the Offer and any contract arising from acceptance of the Offer becomes unconditional; or
 - (B) 21 days after the end of the Offer Period; or
 - (iii) if Trent is given the necessary transfer documents after the acceptance form and before the end of the Offer Period and the Offer is unconditional at the time that Trent is given the necessary transfer documents, by the end of whichever period ends earlier:
 - (A) one month after Trent is given the necessary transfer documents; or
 - (B) 21 days after the end of the Offer Period; or
 - (iv) if Trent is given the necessary transfer documents after the acceptance form and after the end of the Offer Period, within 21 days after Trent is given the necessary transfer documents but if at the time Trent is given the necessary transfer documents the Offer and any contract arising from acceptance of the Offer is still subject to a condition which relates to the occurrence of an event or circumstance referred to in subsection 652C(1), 652C(2) or 625C(3)(c) of the Corporations Act, within 21 days after any contract arising from acceptance of the Offer becomes unconditional.
- (b) Trent may avoid any contract arising from acceptance of the Offer if Trent is not given the necessary transfer documents within one month after the end of the Offer Period.
- (c) If you accept this Offer, Trent is entitled to all Rights in respect of your Winpar Shares for which

you have accepted the Offer. Trent may require you to provide all documents necessary to vest title to those Rights in, or otherwise to give it the benefit or value of those Rights. If you do not do so before Trent has provided the consideration to you, Trent will be entitled (without limiting any other rights and remedies available to it) to reduce the number of New Trent Shares to which you would otherwise be entitled in accordance with this Offer by the amount or value of such Rights.

- (d) If Trent varies the Offer to improve the consideration offered in a manner permitted under the Corporations Act then the increased consideration will be paid in accordance with Section 650B(2A) of the Corporations Act.

8.9 Quotation of New Trent Shares

Trent will apply to the ASX for quotation of the New Trent Shares that will be allotted to you. Section 625(3) of the Corporations Act has the effect that the Offer is subject to the further condition that:

- (a) Trent must within seven days after the date of the Offer apply to the ASX for quotation of the New Trent Shares to be allotted; and
- (b) permission for admission to quotation must be granted no later than seven days after the end of the Offer Period.

The Offer cannot be freed from this statutory condition.

8.10 Foreign Shareholders

- (a) If you accept the Offer and are entitled to payment of a cash amount instead of New Trent Shares under Section 8.3(b), then subject to Section 8.10(b) Trent will:
 - (i) arrange to allot to a nominee approved by ASIC under Section 619(3) of the Corporations Act the aggregate number of New Trent Shares to which you and all other Foreign Shareholders affected by Section 8.3(b) would have been entitled but for that Section;
 - (ii) cause those New Trent Shares so allotted to be offered for sale as soon as reasonably practicable and in such manner, at such price and on such other terms and conditions as are determined by the nominee;
 - (iii) cause the nominee to pay to you the amount ascertained in accordance with the formula:

$$\frac{\text{net proceeds of sale} \times \text{NS}}{\text{TS}}$$

where:

net proceeds of sale is the amount remaining after deducting from the proceeds of sale under this Section the expenses of the sale;

NS is the aggregate number of New Trent Shares which Trent would otherwise be required to issue to you; and

TS is the total number of New Trent Shares issued to the nominee under this Section 8.10.

Payment will be made, as soon as practicable after completion of the sale of all New Trent Shares by the nominee, in Australian Dollars, or if this is unlawful, the currency of the country of residence of the Foreign Shareholder (as shown in Winpar's register of members).

Payment will be made by cheque posted to you at your risk by ordinary mail at the address provided on your Acceptance Form. Under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

- (b) If at any time you accept the Offer you are resident in, or resident of, a place outside Australia to which the Banking (Foreign Exchange) Regulations (“**Regulations**”) apply, you will not be entitled to receive any consideration for your Winpar Shares until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the Regulations or otherwise), or of the Australian Taxation Office, have been obtained by Trent.

8.11 Conditions of this Offer

- (a) Subject to Sections 8.11(b) and 8.11(d), this Offer and any contract arising from acceptance of the Offer is conditional on the following (to the extent the relevant matter is not within the sole control of, or as a direct result of action by, Trent and/or its associates):
 - (i) during, or at the end of, the Offer Period the Voting Power of Trent in Winpar equals or exceeds at least 50.1% of all issued Winpar Shares;
 - (ii) no person having, or being entitled to have, as a result of any change in control event in respect of Winpar Group company, any right to:
 - (A) terminate or alter any contractual relations between any person and any Winpar Group company; or
 - (B) require the sale of any shares in Winpar Group company;or such right is unconditionally waived in favour of the relevant Winpar Group company and Trent;
 - (iii) no announcement of another superior bid or similar transaction (or intention to do so) between the date of this Bidder’s Statement and the expiration of the Offer Period. This includes:
 - (A) no off-market takeover offer or on-market takeover for Winpar’s Shares;
 - (B) no transaction to acquire or merge with Winpar (whether by way of joint venture, dual listed structure or otherwise);
 - (iv) no prescribed occurrence as set out in subsections 652C(1) or (2) of the Corporations Act (being an occurrence listed in Annexure A) occurs in relation to any Winpar Group company during the period commencing on the date of this Bidder’s Statement and ending at the expiration of the Offer Period;
 - (v) without the prior written consent of Trent during the period commencing on the date of this Bidder’s Statement and ending at the expiration of the Offer Period, Winpar does not other than in the ordinary course of business:
 - (A) acquire or agree to acquire a substantial business, asset, or undertaking, or is subjected to a substantial new liability;
 - (B) dispose of or agree to dispose of a substantial business, asset or undertaking;

- (C) enter into any substantial contract in relation to the operation or maintenance of its assets;
- (vi) after the date of this Bidder's Statement no Winpar Group company declares, pays or distributes any dividend, bonus or other share of its profits or assets other than a dividend, bonus or other distribution previously publicly announced;
- (vii) after the date of this Bidder's Statement no material adverse change occurs to, or is threatened or announced in relation to the structure, business, financial or trading position or condition, assets or liabilities, profitability, or prospects of any Winpar Group company;
- (viii) no government or governmental, semi-government or judicial entity or authority or regulatory authority takes any action which restrains or prohibits or otherwise materially adversely impacts upon the Offer or the acquisition of shares by Trent or seeks to require the divestiture by Trent of shares or assets of any Winpar Group company;
- (ix) during the period commencing at the time this Bidder Statement was served on Winpar and ending on the expiry of the Offer Period, no litigation or arbitration proceedings have been or are instituted or threatened against any Winpar Group company which are material in the context of Winpar's operations as a whole.
- (b) (i) Each condition in Sections 8.11(a)(i) to (viii) inclusive constitutes and shall be construed as a separate, several and distinct condition.
- (ii) The conditions in Sections 8.11(a)(i) to (viii) inclusive are conditions subsequent to the any interest arising from acceptance of the Offer. The non-fulfilment of such conditions subsequent does not prevent any contract arising from acceptance of the Offer to sell your Winpar Shares to Trent being formed as a result of you accepting this Offer, but entitles Trent, by written notice to you, to rescind any contract resulting from acceptance of the Offer resulting from your acceptance of this Offer.
- (iii) If, at the end of the Offer Period:
 - (A) any of the conditions in Section 8.11 is not fulfilled; and
 - (B) Trent has not declared this Offer and any contract arising from acceptance of the Offer free from that condition at least seven days before the end of the Offer Period,any contracts arising from acceptance of the Offer are automatically void.
- (c) Subject to the Corporations Act until the end of the Offer Period, Trent alone is entitled to the benefit of the conditions in Section 8.11(a) or to rely on any non-fulfilment of any of them.
- (d) Subject to section 650F of the Corporations Act, Trent may declare the Offer free from all or any of the conditions in Section 8.11(a) generally or in relation to any specific occurrence by giving notice in writing to Winpar not less than seven days before the last day of the Offer Period.
- (e) Trent will give notice to Winpar, NSX and ASX on the status of the conditions in Section 8.11(a) seven days before the end of Offer Period, namely 12 January 2004. If Trent extends the Offer Period by a particular period, the date for giving this notice will be postponed for an equivalent period.

8.12 Variation of the Offer

Trent may at any time, and from time to time, vary the Offer in accordance with the Corporations Act.

- (a) This Offer may be withdrawn by Trent, but only with ASIC's written consent (which consent may be given subject to any conditions which may be imposed by ASIC).
- (b) Subject to ASIC's consent (and any conditions imposed by ASIC), withdrawal of this Offer may be effected by written notice from Trent given to Winpar.
- (c) Subject to any conditions imposed by ASIC on its consent, where Trent withdraws this Offer:
 - (i) this Offer, if not previously accepted, automatically becomes incapable of acceptance; and
 - (ii) any contract resulting from an acceptance of this Offer before the withdrawal (and for this purpose this Offer is treated as having continued in existence notwithstanding that acceptance) is automatically void.

8.13 Notices

- (a) Any notice, nomination or other communication to be given by Trent to you under this Offer will be deemed to be duly given if it is in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced in any form) on behalf of Trent by any of its directors or its company secretary and is delivered to or sent by post in a pre-paid envelope to your address as recorded on the register of members of Winpar.
- (b) Any notice or other communication given by you to Trent in connection with this Offer will be deemed to be duly given if it is in writing and is sent by post to the following address:

Baron Partners Limited
Winpar Holdings Limited Takeover Offer
GPO Box 5135
Sydney NSW 2001

9. Additional Information

9.1 Incorporation

The Bidder was incorporated on 25 June 1979.

9.2 Constitution and rights attaching to Trent Shares

The Constitution is subject to the provisions of the Corporations Act, Listing Rules and SCH Business Rules. The following is a summary of key provisions in the Constitution in relation to rights attaching to Shares.

Voting

At a general meeting every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll has one vote for each Trent Share held. The number of votes to which a holder of partly paid Trent Shares is entitled on a poll is equivalent to the proportion that the amount paid on the Share is of the issue price of the Trent Share (ignoring amounts paid in advance).

Dividends and reserves

The profits of the Company which the Directors from time to time determine to distribute by way of dividend are divisible amongst the Trent Shareholders in proportion to the amounts paid up on the Trent Shares held by them.

Issue of further Trent Shares

The Directors may (subject to the Constitution, the Listing Rules and the Corporations Act) allot or otherwise issue further shares in the capital of the Company on such terms and conditions as they see fit.

Transfer of Trent Shares

A member may transfer Trent Shares by a proper Securities Clearing House ("SCH") transfer within the meaning of the Corporations Act or by an instrument of transfer in writing in the form approved by the Directors. The Directors may refuse to register a transfer if the transfer is not in registrable form, where the Company is permitted or required to do so under the Listing Rules, or except for proper SCH transfers, under the conditions of issue of the Trent Shares, where the Company has a lien on the Trent Shares being transferred or where the registration of the transfer will result in a contravention of or failure to observe a law of a State or Territory of the Commonwealth.

General meetings and notices

General meetings may be convened in the manner provided for in the Corporations Act and the Listing Rules.

Winding up

Subject to any special or preferential rights attaching to any class or classes of Trent Shares, members will be entitled on a winding up to share in any surplus assets of the Company in proportion to the Trent Shares held by them less any amounts which remain unpaid on their Trent Shares at the time of distribution.

Additional relevant provisions of the Constitution include:

Number of Directors

The number of Directors must be not less than three nor more than such number as the Directors may determine at any time.

Remuneration of Directors

The remuneration of the managing director, or any other Director appointed to an executive office, is fixed by the Directors.

Directors' fees for ordinary services as a director must be approved by the Shareholders, but on a group basis as prescribed by clause 16.1 of the Constitution. The effect of this clause is that Shareholders determine the total of Directors fees payable not only by the Company but also by all or any of its wholly owned subsidiaries. The sum fixed for payment of the total Directors fees is \$400,000 until and unless the Shareholders, by an ordinary resolution, approve some other fixed sum.

Trent Share plans

The Directors are authorised to adopt and amend share-plans such as bonus share plans, employee share plans and dividend re-investment plans.

Directors' indemnity

The Company must, to the extent permitted by law, indemnify each officer of the Company and each officer of a Related Body Corporate of the Company, against any liability incurred by that person in that capacity.

The Directors are also empowered to pay premiums in respect of a contract insuring a person who is an officer of the Company against a liability incurred by the person as such an officer, or as an officer of a Related Body Corporate of the Company. However, the liability insured against must not include that which the law prohibits. Any such premium in relation to a Director is in addition to, and not regarded as part of, the remuneration approved by members under the Constitution.

Full details of the rights attaching to Trent Shares are set out in the Constitution of the Company, a copy of which can be obtained through ASIC. The Trent Shares to be issued pursuant to this Prospectus will rank equally with all of the Company's existing ordinary Trent Shares.

This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of a holder of Trent Shares.

9.3 Date for determining holders of Winpar Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is 5 December 2003.

9.4 Trent interests in Winpar

Based on publicly available information, the total number of Winpar Shares on issue at the date of this Bidder's Statement is 2,581,287. These Winpar Shares comprise all securities in Winpar on issue at the date of this Bidder's Statement.

As at the date of this Bidder's Statement and as at the date immediately before the first Offer is sent, Trent and its Associates have a Relevant Interest in 5,200 Winpar Shares held by Andrew Brown and 60,247 Winpar Shares in which Paul Young has a Relevant Interest.

As at the date of this Bidder's Statement and as at the date immediately before the first Offer is sent Trent and its Associates have Voting Power in Winpar of 2.53%.

9.5 Dealings in Winpar Shares

Neither the Bidder nor any Associate of the Bidder has provided, or agreed to provide, consideration for any Winpar Share under a purchase or agreement during the 4 months ending on the date immediately before the date of the Offer.

Neither the Bidder nor any Associate of the Bidder has, during the period of 4 months ending on the day immediately before the date of Offer, given, or offered or agreed to give, a benefit to another person likely to induce the other person, or an Associate, to:

- accept the Offer; or
- dispose of Winpar Shares,

which benefit was not offered to all Winpar Shareholders under the Offer.

Neither the Bidder nor any Associate of the Bidder has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

9.6 Dealings in Trent Shares

In the 4 months prior to the date of the Original Bidder's Statement, there have been no dealings in Trent Shares by Trent's directors or their related entities except as set out below:

Director	Sold	Purchased	Issued under Deferred Share Plan
Mr Robert Critchley	-	-	13,007
Mr Andrew Brown	-	-	
Mr Paul Young	-	-	6,503

9.7 Matters relevant to the Directors

Interests in Shares and Options

There are no shareholding requirements for Trent directors under the constitution of Trent.

As at the Announcement Date the relevant interests of each Trent director in Trent Shares was as follows:

Director	Ordinary Shares	Primary Options
Mr Robert Critchley	125,507	-
Mr Andrew Brown	1,657,288	-
Mr Paul Young	357,056	100,000

Remuneration

Under Trent's constitution, each Trent director (other than a managing director or an executive director) may be paid remuneration for ordinary services performed as a director.

The maximum amount of remuneration that may be paid to non-executive directors is set at \$400,000. This remuneration may be divided among the non-executive directors in such fashion as the Trent board may determine.

Under the ASX Listing Rules, the maximum fees payable to directors may not be increased without prior approval from Trent at a general meeting. Directors will seek approval from time to time in relation to fees as they think appropriate.

Executive directors are full time employees of Trent.

On 30 May 2003 Trent entered an employment agreement with Andrew Brown, the managing director of Trent. The terms of such an agreement include an indefinite term, and a salary package in the first year of \$100,000 plus superannuation. No directors' fees will be paid to him in addition to his salary package.

Robert Critchley, the non-executive chairman, is entitled to receive remuneration of \$50,000 per annum and proposes to take all his fees as Trent Shares.

Paul Young, a non-executive director, is to receive remuneration of \$25,000 per annum and proposes to take all his fees as Trent Shares.

The Trent directors may be paid all travelling and other expenses properly incurred by them in attending meetings of the directors or any committee of directors or general meetings of Trent or otherwise in connection with the execution of their duties as directors.

In addition, any director who is called to perform extra services or to make special exertions or to undertake any executive or other work for Trent beyond his ordinary duties or go or reside abroad or otherwise for the purposes of Trent may, subject to the law, be remunerated by a fixed sum or a salary as determined by the directors. This sum may be either in addition to or in substitution for his remuneration for ordinary services.

Related Entity Transactions

Trent is not aware of any related entity transactions requiring disclosure in this Bidder's Statement other than as set out below:

- Robert Critchley and Paul Young are non-executive directors of Trent and will receive remuneration in respect of services rendered in that capacity;
- On 13 June 2003, Trent issued 1,631,638 Trent Shares to interests associated with Andrew Brown and 250,553 Trent Shares to interest associated with Paul Young in consideration for the acquisition of Loftus Lane.
- Paul Young is a director and major shareholder of Baron which was allotted 100,000 Trent Shares and 100,000 options for services rendered in connection with the capital raising undertaken by Trent in May/June 2003. Trent paid to Baron fees and reimbursements of expenses of \$19,866 relating to the preparation of the prospectus dated 20 May 2003 and related services
- As part of the acquisition of Loftus Lane, Trent assumed a loan of \$64,988 to interests associated with Paul Young, a Director of Trent, as part of a profit sharing arrangement in respect to the funding of an investment in a private company. Recourse to the loan is limited to that investment, which is expected to be realised within twelve months.
- Trent has put in place a deed of access, indemnity and insurance in favour of each director. The indemnity is subject to the restrictions prescribed in the Corporations Act. Subject to the terms of the deed, it also gives each director a right of access to board papers and requires Trent to maintain insurance cover for the directors.
- At a meeting of Directors on 18 June 2003, Trent accepted an offer from A. Brown and Company Pty Limited, an entity associated with Andrew Brown, of an unsecured loan facility of up to \$500,000. Interest is payable quarterly, calculated daily at the ANZ Banking Group Bank Bill Swap Reference Rate plus 2.25%. The loan is repayable following thirty days notice from either party. A. Brown and Company Pty Limited has agreed not to request repayment of the loan for at least 12 months from 30 June 2003.
- Andrew Brown is employed by Trent as managing director and receives remuneration from Trent of \$100,000 per annum exclusive of compulsory superannuation contributions. See above for further details.
- Paul Young is a Director of Baron Partners Limited which is acting as corporate adviser to Trent in relation to the Offer and for which it will be paid a fee jointly with the solicitors to the Offer of \$100,000 (exclusive of disbursements and GST).

Except as set out above, no amount has been paid or agreed to be paid and no benefit has been given or agreed to be given to a director or proposed director to induce them to become or to qualify as a director or for services provided in connection with the formation or promotion of Trent or the Offer.

Except as set out above or elsewhere in the Bidder's Statement, no director or proposed director has, or in the last two years has had, an interest in the formation or promotion Trent, in property to be acquired by Trent in connection with its formation or promotion, or in the Offer.

9.8 Litigation

Trent is not involved in any legal or arbitration proceedings nor, so far as the Trent directors are aware, are any such proceedings pending or threatened against Trent or any of its Subsidiaries.

9.9 ASIC modifications and exemptions

Under the terms of ASIC Class Order 00/343 Trent is entitled to deal with offers of unmarketable parcels of New Trent Shares by offering a cash amount that is equal to the market value of the unmarketable parcel of New Trent Shares that would otherwise be offered as consideration. If Trent has appointed a nominee under Section 619(3) of the Corporations Act for the purposes of dealing with the entitlements of Foreign Shareholders as set out in Section 8.10 of this Bidder's Statement, the procedure set out in Section 8.10 of this Bidder's Statement will be followed. If no such nominee is appointed Trent will offer a cash amount based on the highest closing price of Trent Shares during the Offer period.

ASIC has published various other Class Order instruments providing for modifications and exemptions that apply generally to all persons, including the Bidder.

9.10 Other material information

There is no other information material to the making of a decision by an offeree whether or not to accept an Offer (being information that is known to Trent and has not previously been disclosed to the holders of Winpar Shares) other than as disclosed in this Bidder's Statement.

9.11 Disclosure of adviser interests

Watson Mangioni have acted as solicitors to the Offer. Baron have acted as corporate adviser to Trent in relation to the Offer. Trent estimates that it will pay amounts totally \$100,000 (excluding disbursements and GST) to Watson Mangioni and Baron in respect of this work.

9.12 Consents

Watson Mangioni has given and before lodgement of this Bidder's Statement has not withdrawn its written consent to be named as solicitors to the Offer in the form and context to which it is named.

Baron Partners Limited has given and not withdrawn its consent to be named in the Bidder's Statement as corporate adviser to Trent in the form and context to which it is named.

Neither Watson Mangioni nor Baron:

- has authorised or caused the issue of the Bidder's Statement;
- has made, or purported to have made any statement in this Bidder's Statement except in this Section; and
- assumes no responsibility for any part of this Bidder's Statement except for statements in this Section.

Each of these entities to their maximum extent permitted by the law, disclaim any responsibility or liability for any part of this Bidder's Statement other than statements included in this Section.

In addition, this Bidder's Statement includes statements which are made in, or based on statements made in documents lodged with ASIC or given to ASX or NSX. Pursuant to ASIC Class Order 01/1543, the makers of those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents (free of charge) please contact Andrew Brown, Trent Capital Limited, GPO Box 4870 Sydney NSW 2001, facsimile number (02) 9239 8749 or email to andrew.brown@trentcapital.com.au.

10. Definitions and Interpretation

10.1 Definitions

The following defined terms are used throughout this Bidder's Statement unless the context otherwise requires. These terms are used throughout this Bidder's Statement.

\$	Australian Dollars
Accounting Standards	has the same meaning as given to that term in the Corporations Act
Announcement Date	Means the date on which the Offer was announced to NSX and ASX, namely 30 October 2003
ASIC	Australian Securities and Investments Commission
Associate	Has the same meaning as given to that term in section 9 of the Corporations Act
ASX	Australian Stock Exchange Limited ABN 98 008 624 691
ATO	Australian Taxation Office
Bidder	Trent Capital Limited ABN 52 001 746 710
Bidder's Statement	The contents of this booklet
Board	The board of Directors of Trent Capital Limited
Broker	A broker participant under the SCH Business Rules
CHESS	Clearing House Electronic Subregistry System, which provides for electronic share transfers in Australia
Controlling Participant	The Broker Participant and Non-Broker Participant who is designated the controlling participant for Winpar Shares in CHESS Holding in accordance with SCH Business Rules
Corporations Act	The Corporations Act 2001 (Cth)
Director	A director of Trent Capital Limited
Foreign Law	A law of any jurisdiction other than an Australian jurisdiction
Foreign Shareholder	Any Winpar Shareholder: <ul style="list-style-type: none">• whose address shows in Winpar's register of members is a place outside Australia and its external territories and New Zealand, or• who is a citizen or resident of a jurisdiction other than Australia and its external territories and New Zealand, to whom it is unlawful for the Bidder to make the Offer or for whom it is unlawful to accept the Offer
GST	The Australian Government's goods and services tax
Listing Rules	The listing rules and requirements from time to time of ASX
Loftus Lane	Loftus Lane Investments Pty. Limited ABN 34 074 088 636, a controlled entity of Trent
Managing Director	The Managing Director of Trent, Andrew Brown
Merged Group	The corporate group comprising Trent Capital Group and Winpar after completion of the Takeover Bid
New Trent Share	A Trent Share to be issued pursuant to the terms of the Offer which rank equally in all respects with existing Trent Shares
NSX	Stock Exchange of Newcastle, NSX Limited ABN 11 000 902 063
Non Broker Participant	CHESS participants who are not brokers (eg. institutions, custodians, trustees)

	etc.)
Offer	Trent's offer to acquire Winpar shares set out in Section 8 of this Bidder's Statement and includes a reference to that Offer as varied in accordance with the Corporations Act
Offer Period	The period for which the Offers remain open as set out in Section 8
Relevant Interest	Has the same meaning given to that term in sections 608 and 609 of the Corporations Act
Rights	All accretions, rights or benefits of whatever kind attaching to or arising from Winpar shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends and other distributions, and all rights to receive dividends or other distributions or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or issued by Winpar or any of its controlled entities
SCH	Securities Clearing House, the body which administers the CHESS system in Australia
SCH Business Rules	The business rules of SCH
Takeover Bid	The off-market takeover bid made by Trent pursuant to this Bidder's Statement, for all of the Winpar Shares, under Chapter 6 of the Corporations Act
Target's Statement	The target's statement issued by Winpar pursuant to section 638 and 639 of the Corporations Act, in response to this Bidder's Statement All documents, including the Acceptance Form, that are necessary or sufficient to enable Trent to become the registered holder of Winpar Shares
Trent, Trent Capital or the Company	Trent Capital Limited ABN 52 001 746 710
Trent Capital Group	Trent Capital and its related bodies corporate
Trent Shares	A fully paid ordinary share in the capital of Trent Capital
Voting Power	Has the same meaning given to that term in section 610 of the Corporations Act
Winpar	Winpar Holdings Limited ACN 003 035 523
Winpar Group	Winpar and its related bodies corporate
Winpar Shares	A fully paid ordinary share in the capital of Winpar
Winpar Shareholder	A holder of a Winpar Share

10.2 Interpretation

In this Bidder's Statement, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a person in this Bidder's Statement or any other document or agreement includes its successors and permitted assigns;
- (c) a reference to a gender includes any gender;
- (d) a reference to an item in a section, schedule, annexure or appendix is a reference to an item in the section of or schedule, annexure or appendix to this Bidder's Statement and references to this Bidder's Statement include its schedules and any annexures;

- (e) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (f) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (g) headings are included for convenience only and do not affect interpretation;
- (h) a reference to a document or agreement including this Bidder's Statement, includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (i) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (j) the terms "included", "including" and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (k) a reference to a statute or statutory provision includes but is not limited to:
 - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
 - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
 - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (l) reference to "\$", "A\$", "Australian Dollars" or "dollars" is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia;
- (m) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

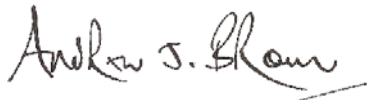
Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution of the directors of the Bidder.

Dated: 5 December 2003

Signed

For and on behalf of Trent Capital Limited



Andrew Brown
Managing Director

Annexure A – Prescribed Occurrences

The prescribed occurrences, for the purposes of the condition in Section 8.11(a)(iv) of this Bidder's Statement (being prescribed occurrences listed in Section 652C of the Corporations Act) are:

- (a) Winpar converting all or any of its shares into a larger or smaller number of shares under Section 254H of the Corporations Act;
- (b) Winpar or a subsidiary of Winpar resolving to reduce its share capital in any way;
- (c) Winpar or a subsidiary of Winpar entering into a buy back agreement or resolving to approve the terms of a buy back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;
- (d) Winpar or a subsidiary of Winpar making an issue of its shares or granting an option over its shares or agreeing to make such an issue or grant such an option;
- (e) Winpar or a subsidiary of Winpar issuing, or agreeing to issue, converting notes;
- (f) Winpar or a subsidiary of Winpar disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) Winpar or a subsidiary of Winpar charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) Winpar or a subsidiary of Winpar resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of Winpar or of a subsidiary of Winpar;
- (j) the making of an order by a court for the winding up of Winpar or of a subsidiary of Winpar;
- (k) an administrator of Winpar or of a subsidiary of Winpar being appointed under Section 436A, 436B or 436C of the Corporations Act;
- (l) Winpar or a subsidiary of Winpar executing a deed of company arrangement; or
- (m) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Winpar or of a subsidiary of Winpar.

Annexure B – NSX Trading Halt

7 November 2003



**STOCK EXCHANGE OF
NEWCASTLE LIMITED**

ABN 11 000 902 063

Ground Floor
384 Hunter Street
GPO BOX 283
Newcastle NSW 2300
AUSTRALIA
Tel: +61 2 4929 63 77
Fax: + 61 2 4929 1556
Web: www.newsx.com.au
Email: mail@newsx.com.au

Mr Gordon Elkington
Company Secretary
Winpar Holdings Limited (WPH)
Level 5
10 Spring Street
Sydney NSW 2000

Dear Mr Elkington

Re: Trent Capital Bidder's Statement and Trading Halt

I refer to the Bidder's statement released to the market today by Trent Capital. The NSX is imposing a trading halt in WPH shares effective immediately.

The trading halt will remain in place until the following issue has been resolved:

1. Release of Winpar 2003 Annual report and notice of despatch of report to shareholders is provided to the NSX

The information in point 1 should be provided by 5.00pm Monday 10th November 2003 to the NSX.

The following matters also need to be dealt with immediately by Winpar:

2. Winpar should consider releasing to the market the matters highlighted in section 4.3 of Trent Capital's Bidder's statement
3. Details of the Director's Loan including the date money was advanced, the term, the security, rate of interest paid or payable and a reason why this loan was not disclosed to the market.
4. Issues raised concerning Rule 6.9 on page 25 of the bidder's statement
5. Issues raised concerning Rule 6.12 on page 25 and 26 of the bidder's statement
6. Submission of updated substantial shareholder notices raised on page 28 and a reconciliation of all shareholder shares.

Please reply to this notice with a timetable for when the issues raised in points 2 to 6 will be addressed by 5 pm Friday 7th November 2003.

Yours Sincerely

Scott Evans
General Manager

Annexure C – Winpar Announcement in Response to NSX Trading Halt

WINPAR HOLDINGS LIMITED
A.C.N. 003 035 523

G.P.O. Box 4248
Sydney
New South Wales 2001
11 November 2003

Mr. Scott Evans
General Manager
Stock Exchange of Newcastle Limited
Facsimile 4929 1556

Dear Mr. Evans

Thank you for your facsimile letter of 7 November 2003. I was in Melbourne on Friday and was not therefore able to respond to your letter immediately. I apologise for this.

The answers to your enquiries are as follows:

2. (1) Winpar Holdings Limited has incurred the following costs (including G.S.T.) in defending proceedings brought against it in connection with the compulsory acquisition of its holdings of preference shares under section 667 of the *Corporations Act*:

Goodyear Australia Limited	\$167,519.04
National Consolidated Limited	\$250,773.64
Allgas Energy Limited	\$160,703.13

In each of these cases the principal issue was what value was to be attributed to the preference shares being acquired, and what principle should be applied in determining the value of preference shares for the purpose of compulsory acquisition. The company holds 76,199 preference shares in Allgas Energy Limited which last traded on the market at \$12.50, and the company took the view that an offer price of \$2.05 was below their fair value. The company has not been successful up to now in establishing that preference shares are worth more than the capitalized value of their dividend yield for the purpose of compulsory acquisition. Nevertheless one of the judges in the Queensland Court of Appeal, the Hon. Mr. Justice Jerrard, expressed the view that the price at which the shares were being acquired excluded part of their real value, and that minority shareholders (including Winpar Holdings Limited) were entitled under section 1350 of the *Corporations Act* to compensation, being perhaps the difference between the \$2.05 being offered and the last sale price of \$12.50.

The principle being tested in all of these cases is important in relation to other holdings of preference shares in the company's investment portfolio, including its holdings of 3,475

preference shares in Keith Harris and Co. Limited and 5,466 preference shares in Carlton Investments Limited.

An application has been lodged in the High Court for special leave to appeal against the decision of the Queensland Court of Appeal in relation to the compulsory acquisition of the preference shares in Allgas Energy Limited.

- (2) The company's holding of 600,000 shares in R. C. R. Tomlinson Limited was purchased over a period with a view to their resale at a profit. Their average purchase price was 23 cents. The market value of the shares has recently increased to 45 cents, and the company has been selling down its holding. It presently holds 540,000 shares. The shares are not illiquid.

The company's holding of 76,674 shares in Steamships Trading Limited was purchased over a period with a view to their resale at a profit. There have been some changes in the principal shareholdings in Steamships Trading Limited, and the company has formed the view that the shares have an intrinsic value considerably in excess of the current market value. The company does not regard its holding of shares in Steamships Trading Limited as disproportionate to the total value of its trading portfolio, nor does it regard the shares as illiquid.

The composition of the company's investment portfolio has been disclosed to shareholders each year in the annual report. The holding of 76,729 preference shares in Ransomes p.l.c. is a relatively secure holding, and the company does not regard it as disproportionate, having regard to the fact that it represents nearly 40 percent of the particular class. The directors do not believe that the value of the shares is overstated, but will review the valuation in the light of the ultimate resolution of the question of what the Allgas Energy Limited preference shares are worth.

- (3) The recovery of costs has been pursued in relation to Goodyear Australia Limited and National Consolidated Limited. A costs order for \$123,867, plus interest, has recently been obtained in relation to Goodyear Australia Limited, and demand has been served on Kelly Springfield Limited for this amount. The assessment of costs has not been completed in relation to National Consolidated Limited.

3. The company does not have a bank account. It has cash accounts with The Rock Building Society Limited, Wide Bay Capricorn Building Society Limited and Macquarie Cash Management Trust. These institutions do not provide overdraft facilities, and it has been convenient from time to time for me to advance money to the company for short term purposes. Since 1 July 2000 I have advanced the following amounts:

10.05.01	64.25
08.05.01	11536.42
08.05.01	5955.63
23.04.01	3594.49
30.06.01	181.70
29.12.01	2998.06
29.12.01	2998.06
29.12.01	100.00

12.03.02	32946.00
20.03.02	14466.60
30.06.02	820.00
24.07.02	4000.00
19.09.02	372.14
01.12.02	40000.00
10.12.02	25000.00
23.12.02	25000.00
31.12.02	561.20
19.03.03	372.14
21.07.03	46.03
11.09.03	16.40
19.09.03	369.53
16.10.03	22.85

There was no formal term for these advances, and they were repayable only upon reasonable notice. They were given without security, and no interest was paid or payable in relation to them. They were not disclosed as related party transactions in the accounts upon advice from the company's auditor as they involved no related party benefit.

4. No issue in relation to rule 6.9 of the Listing Rules has previously been raised with the company. It was implicit in the Directors' Report that no director had any service contract, although there was no express statement to this effect. Further information relating to the company's activities during the year was included in a letter from the Chairman which was sent to shareholders together with the annual report, and a copy of the letter is attached. The annual report was deficient in that it did not include a comparative table of results or a statement of the company's main corporate governance practices, and these concerns will be addressed in the annual report for 2003.
5. The preliminary announcement released on 29 September 2003 included a calculation of earnings per Winpar share and a statement of franking credits available. There was no provision for dividend. Legal costs were listed separately as expenditure in the statement of financial performance. There were no other material factors or events affecting the revenues or expenses for the current period.

The notice convening the annual general meeting was unfortunately not sent to the Exchange and I apologise for this. The notice was sent to shareholders on 30 October 2003.

6. I have not received from any shareholder a notice of any change to a substantial shareholding since the company was listed. As at 31 October 2001 and as at 31 October 2002 I held 194,614 shares in the company, and this information was included in the annual reports for 2002 and 2003 and was notified to the Exchange. On 22 July 2003 I purchased a further 23,115 shares in the company at \$1.00 each from a former director of the company, Mr. Corey Vincent, in an off market transaction. This purchase brought my holding to 217,427 shares, and I notified the Exchange of this on 23 July 2003. The shares purchased from Mr. Vincent have not yet been registered in my name because I have not received all of the relevant transfers.

I will make further enquiries from persons who may be substantial shareholders of the company and notify the Exchange of the results.

I hope that these answers are sufficient for your present purposes, but I will be pleased to give you any further information you require. I am sorry that there have been some oversights in complying with the rules of the Exchange. The company is anxious to fulfil all of its obligations under the rules, and will take steps to ensure that all of the matters you raise are properly dealt with in future.

Yours sincerely

Gordon B. Elkington
Secretary

WINPAR HOLDINGS LIMITED
A.C.N. 003 035 923

G.P.O. Box 4248
Sydney
New South Wales 2001
1 December 2002

Dear Shareholder

I am enclosing a copy of the Company's annual report for 2002. I apologise for its lateness, which was primarily due to a late completion of the audit.

The report was distributed to shareholders at the annual general meeting, but because of the shortness of time that shareholders had to consider its contents, I indicated that the Company could, if necessary, have a further meeting to discuss it. Please let me know if you would like this. Alternatively, if you have any questions you would like to ask about the report, I will endeavour to answer them.

I indicated to shareholders at the commencement of the meeting that the Company had received an approach from another investment company with a proposal to merge the operations of both companies. The other company is about the same size as Winpar, and has a somewhat similar investment philosophy, and the proposal is to merge the two companies on a net tangible asset basis. The directors intend to consider the proposal in some detail, with a view to ensuring that shareholders' interests are adequately protected, and if a decision is made to proceed with the merger, a proposal will be put to shareholders for their approval at a general meeting sometime next year.

In considering the annual report, shareholders raised a number of matters in connection with the accounts. The principal matters of concern were the costs that the Company has incurred during the course of the year in legal proceedings to which it has been a party, and the accounting treatment of these costs.

Shareholders will be aware that one of the Company's principal assets has been its holding of preference shares in Allgas Energy Limited. The Company has always held the view that this holding has very considerable value, but the legal framework in which any value is to be realized has recently been changed by Parliament. New provisions have been introduced into the *Corporations Act* which confer upon a principal shareholder the right to compulsorily acquire smaller shareholdings at fair value. However the operation of the provisions has not yet been clearly established, and it has fallen to a number of persons, including Winpar, to make submissions in several cases as to how the provisions should be interpreted. The cases should not be seen in isolation from one another, and Winpar's primary aim has been at all times to protect its interest in Allgas Energy Limited. A great deal of effort has been expended in this exercise, and it has naturally been a matter of disappointment that proceedings to date have all been decided in favour of persons compulsorily acquiring the shares

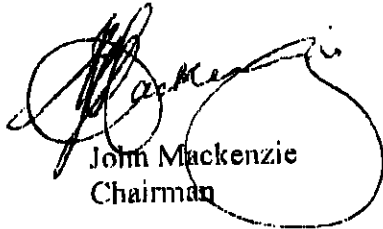
of others. Nevertheless there have been significant differences of judicial opinion as to how the relevant provisions are to operate, and a decision is shortly expected from the Queensland Court of Appeal which should make the matter clearer.

The new provisions allow small shareholders who make submissions in compulsory acquisition proceedings to recover their costs, and the Company has taken some comfort from this. To date the Company has been able to recover a very significant part of the costs it has incurred in first instance proceedings, and it expects to be able to continue to do this. Other legal costs are being expensed as and to the extent that they become irrecoverable.

The Company has received a great deal of support and assistance from many of its shareholders in relation to Allgas, and is greatly appreciative of their contribution. Nevertheless the result will ultimately depend upon the view taken by the Courts as to the value of our holding.

This is a brief summary only of the position, but the Company Secretary, Gordon Elkington, will be happy to discuss this matter in more detail with any shareholder who would like to have a better understanding of it.

Yours sincerely



John Mackenzie
Chairman