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FOR IMMEDIATE RELEASE

7 June 2011

The Manager
Company Announcements Office
ASX Limited

Hamilton James & Bruce Group Limited (ASX: HJB): Notice to Shareholders – Non-renounceable rights issue

On 27 May 2011, Hamilton James & Bruce Group Limited (**Company**) announced that it would undertake a fully underwritten pro-rata non renounceable rights issue of approximately 276,316,740 ordinary shares (**Offer Shares**).

The issue price for the Offer Shares is \$0.01 each on the basis of 1 Offer Share for every ordinary share held by all shareholders of the Company at 7:00 pm (AEST) on 6 June 2011 with registered addresses in Australia, New Zealand and Singapore (**Eligible Shareholders**) to raise up to approximately \$2,763,167 before expenses (**Rights Issue**).

Pursuant to Listing Rule 3.17, the Company confirms that today the attached Offer Document has been sent to all Eligible Shareholders with respect to the Rights Issue.

Signed for and on behalf of the Company:

Lance Fernandes
Director and Company Secretary

Hamilton James & Bruce Group Limited
ABN 90 091 302 975

Offer Document

for a non-renounceable pro rata rights issue to Eligible Shareholders of approximately 276,316,740 Offer Shares at an issue price of \$0.01 per Offer Share on the basis of 1 Offer Share for every 1 Existing Share held to raise up to approximately \$2,763,167 before costs of the Rights Issue.

Dated 27 May 2011

This Offer Document is important and requires your immediate attention. This Offer Document is not a prospectus. It does not contain all of the information an investor would find in a prospectus, or which may be required to make an informed decision regarding, or about the rights attaching to, the Offer Shares.

Applicants should read this Offer Document in its entirety and should obtain professional investment advice before deciding whether to apply for Offer Shares.

The contents of this Offer Document have not been reviewed by any Singaporean regulatory authority. You are advised to exercise caution in relation to this Offer. If you are in doubt about the contents of this Offer Document, you should seek independent legal and financial advice.

Contents

Section 1.	Letter from Chairman	3
Section 2.	Key Points Of The Rights Issue	4
2.1	Important Notice	4
2.2	Summary of the Offer	4
2.3	Indicative Timetable	4
2.4	Objectives	4
2.5	Use of Proceeds	5
2.6	Capital Structure	5
2.7	Risks	5
Section 3.	Details of the Rights Issue.....	6
3.1	Details of the Rights Issue	6
3.2	Action required by Eligible Shareholders.....	8
3.3	Closing Date	9
3.4	Allocation and Allotment	10
3.5	ASX Quotation	10
3.6	CHESS.....	10
3.7	Non-Qualifying Foreign Shareholders	10
3.8	Singapore.....	10
3.9	Taxation implications	11
3.10	Risk factors	11
3.11	Privacy	11
Section 4.	Purpose and Effect of the Rights Issue.....	13
4.1	Purpose of the Rights Issue.....	13
4.2	Effect of the Rights Issue	13
4.3	Capital structure.....	13
4.4	Control issues	13
Section 5.	Risk Factors	15
5.1	Overview	15
5.2	Specific risks	15
5.3	General risks.....	16
Section 6.	Additional Information	17
6.1	Expenses of the Rights Issue	17
Section 7.	Definitions	18

Hamilton James & Bruce Group Limited Corporate Directory

Directors	Jeff Goss (Chairman and Independent Director) Miles Hedge (Independent Director) Robin Jerome (Chief Executive Officer and Executive Director) Adrian Belle (Executive Director) Lance Fernandes (Non-Executive Director)
Company Secretaries	Adrian Belle and Lance Fernandes
Principal registered office	Exchange Centre Level 12, 16-20 Bridge Street Sydney NSW 2000 Phone: (02) 8248 7000 Fax: (02) 8242 7200 Internet: www.hjb.com.au
Share registry	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Phone: (02) 8280 7111
Auditor	Page, Harrison & Co. 15-17 Northcliff Street Milsons Point NSW 2061
Solicitors	Maddocks Level 21, Angel Place 123 Pitt Street Sydney NSW 2000

Important Notice

This Offer Document is dated 27 May 2011.

Neither ASIC nor ASX take any responsibility for the content of this Offer Document.

Please read this Offer Document in its entirety. If you do not understand any of its contents, you should obtain professional investment advice before deciding whether to apply for Offer Shares.

The Rights Issue does not constitute an offer in any jurisdiction other than Australia, New Zealand and Singapore. The Company has not made investigations as to the regulatory requirements in the countries outside of Australia, New Zealand and Singapore in which the Company's Shareholders may reside. Any person who resides outside Australia, New Zealand and Singapore who receives this Offer Document should seek advice and observe any such restrictions. Any failure to comply with restrictions might constitute a violation of applicable laws.

This Offer Document has not been reviewed by any Singaporean regulatory authority. If you are a Singaporean Shareholder, please review Section 3.8 of the Offer Document carefully. If you do not understand any of its contents, you should obtain professional investment advice before deciding whether to apply for Offer Shares.

The Closing Date for acceptances of Offer Shares by Eligible Shareholders is 5:00 pm AEST, on 22 June 2011. Shareholders who take no action in respect of their Entitlements will receive no benefit.

Certain capitalised terms used in this Offer Document have defined meanings. Please refer to Section 7 of this Offer Document for the meaning of these terms.

Section 1. Letter from Chairman

Dear Shareholder

Your Directors have pleasure in providing you with the opportunity to participate in a non-renounceable pro-rata rights issue of approximately 276,316,740 Offer Shares at an issue price of \$0.01 per Offer Share on the basis of 1 Offer Share for every 1 Existing Share held to raise up to approximately \$2,763,167 before costs of the Rights Issue.

The purpose of the Rights Issue is to raise up to approximately \$2,763,167 in working capital to strengthen the balance sheet, pay down some existing debt and pay expenses associated with this Rights Issue. This will support the Company's growth moving through 2011 and into 2012.

The Rights Issue entitles Australian, New Zealand and Singaporean Shareholders to acquire one (1) Offer Share for every one (1) Existing Share held at 7:00 AEST pm on 6 June 2011 (**Record Date**) at a price of \$0.01 for each Offer Share.

The Rights Issue is fully underwritten by the Underwriter, Charterhouse Pte. Ltd.

In recent times, HJB has grown its head count considerably. This growth, combined with economic conditions in which debtors are taking their full entitlement to terms of payment, has resulted in a larger working capital requirement for the Company. This increase has been accommodated by the Company obtaining a short term loan from Robertson & Smart Pty Ltd and the Company signing a new secured finance facility with St George Bank replacing the smaller facility with Affiniti Finance. It is a condition of the St George Bank Facility that some of the debt from Robertson & Smart Pty Ltd be retired. Some of the proceeds of the Offer will be used for that purpose.

The Directors strongly encourage you to take up your Entitlements and participate in the Rights Issue.

Yours faithfully



Jeffery Goss
Chairman and Independent Director

Section 2. Key Points Of The Rights Issue

2.1 Important Notice

This Section is not intended to provide full information for investors intending to apply for Offer Shares offered under this Offer Document. This Offer Document should be read and considered in its entirety.

2.2 Summary of the Offer

By this Offer Document, the Company invites Existing Shareholders to apply for up to approximately 276,316,740 Offer Shares at an issue price of \$0.01 to raise up to approximately \$2,763,167, before expenses of the Rights Issue.

Existing Shareholders will be entitled to apply for 1 Offer Share for every 1 Existing Share held by them.

The Rights Issue is non-renounceable, which means that if you do not wish to take up some or all of your Entitlement, you cannot nominate another person to take up your Entitlement or trade your rights.

The issue price of \$0.01 for each Offer Share represents a discount of 33.33% to the closing price of \$0.015 on 23 May 2011, the last day of trading of the Shares on ASX prior to the date of this Offer Document and the announcement of the Rights Issue.

Charterhouse Pte. Ltd. has agreed to fully underwrite the Rights Issue.

2.3 Indicative Timetable

Event	Date
Company announces pro rata issue and applies for quotation (Appendix 3B) and lodges Cleansing Notice with ASX.	27 May 2011
Company sends notice to security holders containing the information required by Appendix 3B.	30 May 2011
'Ex' date.	31 May 2011
Record date.	6 June 2011
Company sends Offer Document (and Entitlement and Acceptance Forms). Company announces that despatch has been completed.	7 June 2011
Acceptances close at 5:00 pm AEST. At least 6 Business Days' notice must be given to extend the date.	22 June 2011
Shares quoted (on deferred settlement basis).	23 June 2011
Company notifies ASX of under-subscriptions.	24 June 2011
Despatch date. Deferred settlement trading ends.	29 June 2011

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

2.4 Objectives

The Company's key objective is to strengthen its balance sheet and pay down some existing debt.

2.5 Use of Proceeds

The funds raised will be used to strengthen the Company's balance sheet, pay down existing debt and pay the expenses associated with the Offer. The use of the proceeds to repay some of the Robertson & Smart Pty Ltd debt is required under the Company's facility with St George Bank.

2.6 Capital Structure

On the basis that all Offer Shares offered under this Offer Document are allotted, the capital structure of the Company following completion of the Offer will be as summarised below:

Shares	Number
Current Shares	276,316,740
Offer Shares	276,316,740
Total Shares	552,633,480

2.7 Risks

A Rights Issue of this kind involves a number of risks, many of which are specific to the Company and the industry it operates in. Eligible Shareholders must carefully read the Section on Risk Factors outlined in Section 5 and obtain professional investment advice before accepting the Offer.

Section 3. Details of the Rights Issue

3.1 Details of the Rights Issue

3.1.1 Offer to Eligible Shareholders

The Directors have approved a non-renounceable Rights Issue of up to approximately 276,316,740 Offer Shares at an issue price of \$0.01 to raise up to approximately \$2,763,167 (before expenses associated with the Rights Issue being paid).

Each Eligible Shareholder is entitled to subscribe for 1 Offer Share for every 1 Existing Share held on the Record Date.

The number of Offer Shares to which you are Entitled is calculated as at the Record Date and is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the Offer of Offer Shares made under this Offer Document, in which case the Company will return all application monies (without interest) as soon as practicable.

3.1.2 Rights Issue amount

The total number of Offer Shares is 276,316,740.

Assuming that all the Offer Shares under this Offer Document are allotted, the total amount that will be raised under this Offer Document will be up to approximately \$2,763,167 before costs of the Rights Issue.

3.1.3 Rights Issue price and discount

The issue price for each Offer Share under the Rights Issue is \$0.01.

The issue price represents a discount of 33.33% to the closing price on 23 May 2011, the last day of trading of the Shares on ASX prior to the date of this Offer Document and the announcement of the Rights Issue.

The latest available market price for the Shares immediately before the date of this Offer Document, the volume weighted average price of the Shares over the 90 days preceding the date of this Offer Document and the highest and lowest recorded sales prices of the Shares on the ASX during the 3 months preceding the date of this Offer Document was:

	Price	Date
Last Sale Price	\$0.015	23 May 2011
Highest Sale Price	\$0.015	16 and 23 May 2011
Lowest Sale Price	\$0.015	16 and 23 May 2011
Volume Weighted Average Price	\$0.015	90 days preceding date of Offer

3.1.4 **Rights attaching to Offer Shares**

Each Offer Share will rank equally with all Existing Shares.

3.1.5 **No rights trading**

The rights of Eligible Shareholders to the Offer Shares under the Rights Issue are non-renounceable. Accordingly, there will be no trading of these rights.

If you do not take up your Entitlement, the Offer will lapse and any Shortfall will be dealt with in accordance with Sections 3.1.8 and 3.1.9 below.

3.1.6 **Acceptances and entitlements**

This Offer may be accepted in whole or in part prior to the Closing Date, subject to the right of the Company to extend the Offer period.

Acceptances for Offer Shares must be accompanied by payment in full of \$0.01 per Offer Share.

Instructions for completion of the acceptance of your Entitlement are set out in the Entitlement and Acceptance Form which accompanies this Offer Document.

3.1.7 **Additional Offer Shares**

Shareholders will not be eligible to subscribe for additional shares.

3.1.8 **Placement of Shortfall**

Any Shortfall in subscriptions will be allocated to the Underwriter for settlement once the Offer period closes.

3.1.9 **Underwriting**

The Rights Issue is fully underwritten by the Underwriter.

Under the Underwriting Agreement, the Company will pay the Underwriter a fee of 3% of the Underwritten Amount, which is equal to approximately \$82,895.01, based on the Underwritten Amount being up to approximately \$2,763,167.

The Company has indemnified the Underwriter in connection with its activities relating to the Offer and provided the Underwriter with certain warranties and representations in connection with the conduct of the Offer.

The Underwriter may not sub-underwrite the Offer.

The Underwriting Agreement provides that the Underwriter can, by giving written notice to the Company within 10 Business Days of becoming aware and not later than the Shortfall application date, terminate the Underwriting Agreement (without cost or liability to itself) if certain events occur:

- (a) **(material breach)** the Company commits any material breach of this Agreement;
- (b) **(All Ordinaries)** the All Ordinaries Index of ASX is at the trading close for 5 consecutive Business Days at a level which is 15% or more below the level at trading close on the ASX on the trading day before the date of this Agreement;

- (c) **(law or regulation)** any law or regulation is introduced into Parliament of the Commonwealth of Australia or any of the legislatures of that State or Territories of Australia (other than a law or regulation which was officially announced before the date of this Agreement) which would have a material adverse effect on the financial position or prospects of the Company; or
- (d) **(material statement false or misleading)** there is a material statement in the Offer Document which is false or misleading or there is a material omission from the Offer Document.

Termination events (a) to (c) above entitle the Underwriter to terminate the Underwriting Agreement require, inter alia, if the Underwriter forms the opinion that the event in question will have or be likely to have a material adverse effect on the prospects of the Offer, makes or make it impracticable to market the Offer or to enforce contracts to issue the Offer Shares or has or have, or is or are likely to have, a material adverse effect on the success of the Offer.

3.1.10 Minimum amount

There is no minimum subscription for the Rights Issue.

3.2 Action required by Eligible Shareholders

3.2.1 Acceptance in full

If you wish to take up **all of your Entitlement**:

By cheque:

- (a) please complete Section A of the Entitlement and Acceptance Form, which accompanies this Offer Document, in accordance with the instructions set out in that form; and then
- (b) send to the Share Registry your completed Entitlement and Acceptance Form, together with your cheque for the full amount shown on your Entitlement and Acceptance Form so that it is received by the Share Registry by the Closing Date (5.00 pm AEST on 22 June 2011), or such later date as the Directors advise. A reply paid envelope for this purpose is enclosed.

Cheques should be crossed "Not Negotiable" and made payable to "HJB – Rights Issue".

Cheques and completed Entitlement and Acceptance Forms should be sent to the Share Registry as follows:

By hand:	By post:
Hamilton James & Bruce Group Limited C/- Link Market Services Limited Level 12, 680 George Street SYDNEY NSW	Hamilton James & Bruce Group Limited C/- Link Market Services Limited GPO BOX 3560 SYDNEY NSW 2001

By BPay:

Please follow the instructions on your Entitlement and Acceptance Form to make payment for your full Entitlement. If you pay by BPay, you do not need to lodge your Entitlement and Acceptance Form. BPay payments must be received by the Closing Date (5:00 pm AEST, 22 June 2011).

3.2.2 Partial Acceptance

By cheque:

If you wish to take up **part of your Entitlement:**

- (a) please complete Section A of the Entitlement and Acceptance Form, which accompanies this Offer Document, by inserting in the space provided the number of Offer Shares you wish to take up under the Offer (being a number less than the number set out on the form); and then
- (b) send to the Share Registry the completed Entitlement and Acceptance Form, together with your cheque for the total amount payable (being the number of Offer Shares applied for multiplied by \$0.01 per share) so that it is received by the Share Registry by the Closing Date (5.00 pm AEST on 22 June 2011), or such later date as the Directors advise. A reply paid envelope for this purpose is enclosed.

Cheques should be crossed "Not Negotiable" and made payable to "HJB – Rights Issue".

Cheques and completed Entitlement and Acceptance Forms should be sent to the Share Registry as follows:

By hand:	By post:
Hamilton James & Bruce Group Limited C/- Link Market Services Limited Level 12, 680 George Street SYDNEY NSW	Hamilton James & Bruce Group Limited C/- Link Market Services Limited GPO BOX 3560 SYDNEY NSW 2001

By BPay:

Please follow the instructions on your Entitlement and Acceptance Form to make payment for the amount of the Entitlement you are taking up. If you pay by BPay, you do not need to lodge your Entitlement and Acceptance Form. BPay payments must be received by the Closing Date (5:00 pm AEST, 22 June 2011).

3.2.3 Non Acceptance

If you do not wish to take up any part of your Entitlement, you are not required to take any action.

3.3 Closing Date

The Rights Issue will close at 5.00 pm AEST on 22 June 2011, although the Company may vary these dates.

3.4 Allocation and Allotment

Application monies will be held in trust for applicants until allotment of the Offer Shares. The Company will be entitled to all interest paid or accrued on application monies.

The Company will allocate Offer Shares as soon as possible after the Closing Date, but no allotment of Offer Shares will occur until ASX grants permission to quote the Offer Shares.

3.5 ASX Quotation

Application for admission of the Offer Shares to official quotation on the ASX was made on or about the date of this Offer Document. If granted, quotation of the Offer Shares will commence as soon as practicable after allotment of the Offer Shares. It is the responsibility of Eligible Shareholders to determine their allocation of Offer Shares prior to trading.

If the Offer Shares are not admitted to official quotation within 3 months after the date of this Offer Document, the Company will not allot or issue any Offer Shares and all application monies received under this Offer Document will be repaid as soon as practicable, without interest.

The fact that ASX may agree to grant official quotation of the Offer Shares is not to be taken in any way as an indication of the merits of the Company or the Offer Shares.

3.6 CHESS

The Company will apply to the ASX for the Offer Shares to participate in the Securities Clearing House Electronic Subregister System known as CHESS. CHESS is operated by ASTC in accordance with the ASX Listing Rules and the ATSC Settlement Rules. After allotment of the Offer Shares, those who are issuer sponsored holders will receive an issuer sponsored statement, and those who are CHESS holders will receive an allotment advice.

3.7 Non-Qualifying Foreign Shareholders

This document does not constitute an Offer in any place in which, or to any person to whom, it would not be lawful to make such an Offer.

The Offer is not being extended and no Offer Shares will be issued to Shareholders with a registered address which is outside of Australia, New Zealand or Singapore (**Non-Qualifying Foreign Shareholders**).

This Offer Document will be sent to each Non-Qualifying Foreign Shareholder for information purposes only.

3.8 Singapore

The Offer Shares being offered under this Offer Document are being offered to Eligible Shareholders with registered addresses in Australia, New Zealand and Singapore.

The Rights Issue will not be offered to Non-Qualifying Foreign Shareholders. The Company has determined that it is not economically viable for it to make offers to Non-Qualifying Foreign Shareholders due to the cost of meeting compliance requirements with securities laws in each applicable jurisdiction in which Non-Qualifying Foreign Shareholders reside. The Company reserves the right in its absolute discretion to offer the Rights Issue to a Shareholder with an address in the Company register of Shareholders outside Australia, New Zealand and Singapore if the Company is satisfied that it is not precluded from lawfully issuing Offer Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regard as acceptable.

This Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the Offer Shares or otherwise permit an offering of Offer Shares in any jurisdiction outside of Australia, New Zealand or Singapore. The distribution of this Offer Document outside Australia, New Zealand or Singapore may be restricted by law. If you come into possession of this Offer Document, you should observe any such restrictions and should seek your own advice on such restrictions.

Any failure to comply with such restrictions may contravene applicable securities laws.

This Offer Document has not been registered as an Offer Document with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than: (i) to an existing holder of Shares pursuant to Section 273(1)(cd) of the Securities and Futures Act (**SFA**); or (ii) otherwise pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

3.9 Taxation implications

The Directors do not consider that it is appropriate to give potential applicants advice regarding the taxation consequences of applying for Offer Shares under this Offer Document, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential applications.

The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to potential applicants in the Rights Issue.

Potential applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Rights Issue.

3.10 Risk factors

Eligible Shareholders should be aware that subscribing for Offer Shares, the subject of this Offer Document involves a number of risks. These risks are set out in Section 5 of this Offer Document and Eligible Shareholders are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to take up their Entitlement in the Offer.

The risk factors set out in Section 5, and other general risks applicable to all investments in listed securities that are not specifically referred to, may in the future affect the value of the Offer Shares. Accordingly, an investment in the Company should be considered speculative.

3.11 Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate corporate communications to you and carry out administration.

The information may also be used from time to time and disclosed to persons, inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information we hold about you. Please contact the Share Registry to do so at the contact addresses set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth.) (as amended), the Corporations Act and certain rules of ASX. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

Section 4. Purpose and Effect of the Rights Issue

4.1 Purpose of the Rights Issue

The purpose of the Rights Issue is to use the cash raised to strengthen the balance sheet, pay down some existing debt as required by the Company's senior lender and pay the expenses associated with the Offer.

4.2 Effect of the Rights Issue

The principal effects of the Rights Issue will be:

- 4.2.1 to increase the number of Shares from 276,316,740 to approximately 552,633,480 (assuming all Offer Shares offered under this Offer Document are allotted); and
- 4.2.2 to have an effect on the Company's consolidated statement of financial position by increasing shareholder's funds by approximately \$2,763,167 (assuming all Offer Shares offered under this Offer Document are allotted), before deducting expenses of the Rights Issue.

4.3 Capital structure

The existing and proposed capital structure following completion of the Rights Issue, assuming the issue of all Offer Shares offered under this Offer Document is summarised in the table below:

Shares	Number	%
Fully paid Shares on issue at the date of this Offer Document	276,316,740	50
Offer Shares to be issued under this Offer Document	276,316,740	50
Total Shares on issue after Rights Issue	552,633,480	100

4.4 Control issues

- 4.4.1 If all Eligible Shareholders take up their Entitlement under the Rights Issue, the Rights Issue will have no effect on the control of the Company.
- 4.4.2 If an Eligible Shareholder does not take up their Entitlement in full that Shareholder's proportionate Shareholdings will be diluted.
- 4.4.3 The proportional Shareholdings of Shareholders who are not residents in Australia, New Zealand or Singapore will be diluted as those Shareholders are not entitled to participate in the Rights Issue.
- 4.4.4 The Rights Issue is fully underwritten by the Underwriter. If all Eligible Shareholders take up their Entitlement under the Rights Issue, then the Underwriter (in its capacity as the Underwriter) will not be issued with any Offer Shares. In the event that there is a Shortfall in the take up of Entitlements by Eligible Shareholders under the Rights Issue, the Underwriter is required to subscribe for the Offer Shares and the Rights Issue will have an effect on control of the Company in that the Shareholding of the Underwriter would increase.

- 4.4.5 If insufficient Eligible Shareholders take up take up their Entitlement under the Rights Issue, then the Underwriter and its Related Bodies Corporate may hold in excess of 90% of the Shares of the Company (**90% interest**). In those circumstances the Underwriter may, within 6 months of obtaining that 90% interest, elect to compulsorily acquire all the remaining Shares in the Company. It is currently the intention of the Underwriter and its Related Bodies Corporate NOT to exercise that right as the Underwriter and its Related Bodies Corporate would prefer to maintain the Company's listing on the ASX.

Section 5. Risk Factors

5.1 Overview

An investment in the Company involves many risks, some of which may be higher than the risks associated with an investment in other companies. Risks may be either general risks, which are matters which relate to business in general, or specific risks, which are matters which relate directly to the Company's business.

None of the Company, its Directors nor any of its professional advisers give any form of assurance or guarantee as to the future performance of the Company, future dividends, return on capital, the price at which the Offer Shares might trade or any investment made under this Offer Document.

The Directors consider that the following summary represents some of the major risk factors which Eligible Shareholders need to be aware of. This is not intended to be an exhaustive list of the risks associated with an investment in the Company.

5.2 Specific risks

Reliance on clients

HJB has a diverse client base and as such does not have any undue reliance on any one client. The top 20 clients in terms of net sales accounts for less than 25% of the total Company's net sales.

Reliance on Industry Sector

HJB focuses its service delivery through the following ten specialisation areas:

- Accounting
- Banking, Finance and Insurance
- Business Services
- Government
- Hospitality
- Human Resources
- Legal
- Operations and Engineering
- Sales, Marketing and Communications
- Technology

HJB's business is structured in line with these ten specialisation areas – equipping staff with the knowledge and focus to advise their clients regarding industry trends, their competition, and the movements of the best people. The largest specialisation in terms of net sales accounts for less than 25% of the total Company's net sales.

Reliance on Financier

HJB's financier is St George Bank, and as is common with these types of debt financing arrangements, HJB is subject to various debt covenants. Given the inherent uncertainty of future results there is a risk that these covenants may not be met by HJB and St George Bank may require repayment or renegotiation of the finance arrangements.

5.3 General risks

Share market conditions may affect any listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- 5.3.1 general economic outlook;
- 5.3.2 movements in or outlook on interest rates and inflation rates;
- 5.3.3 currency fluctuations;
- 5.3.4 commodity prices;
- 5.3.5 changes in investor sentiment towards particular market sectors;
- 5.3.6 the demand and supply for capital; and
- 5.3.7 a wide range of macro and political factors beyond the control of the Company, including the consequences of terrorism, war and other events which themselves adversely affect the global economy, demand and supply of commodities and share market conditions and share prices generally.

Section 6. Additional Information**6.1 Expenses of the Rights Issue**

The approximate aggregate expense of the Rights Issue is approximately \$105,000.

The breakdown of these expenses is set out below:

Item of Expenditure	Amount
Auditors' Fees	\$5,000
Legal Fees	\$7,500
Underwriting Fees	\$82,895.01
Miscellaneous Expenses	\$10,000
TOTAL	Approximately \$105,000

The Underwriting fees referred to above will vary depending on the total proceeds raised under the Rights Issue.

Section 7. Definitions

In this Offer Document, unless the context indicates otherwise:

AEST means Australian Eastern Standard Time.

ASIC means the Australian Securities & Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532.

ASTC Settlement Rules means the settlement rules of ATSC.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the official Listing Rules of ASX.

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in New South Wales.

CHESS means the Clearing House Electronic Sub-register System.

Closing Date means the date by which valid acceptances of the Offer must be received by the Share Registry, being 5.00 pm AEST on 22 June 2011.

Company or **HJB** means Hamilton James & Bruce Group Limited ABN 90 091 302 975 of Level 12, Exchange Centre, 16-20 Bridge Street, Sydney, NSW 2000.

Corporations Act means the *Corporations Act* 2001 (Cth.).

Director means a director of the Company as at the date of this Offer Document.

Eligible Shareholder means a person that holds Shares on the Record Date with a registered address in Australia, New Zealand or Singapore.

Entitlement means the entitlement of an Eligible Shareholder to accept Offer Shares under this Offer Document.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Offer Document.

Existing Share means a Share issued before the Record Date.

Offer Shares means new Shares offered to an Eligible Shareholder under this Offer Document.

Record Date means 7.00 pm AEST on 6 June 2011.

Related Body Corporate has the meaning set out in the Corporations Act.

Rights Issue or **Offer** means the non-renounceable pro-rata entitlements offer of Offer Shares under this Offer Document.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Link Market Services Limited ACN 083 214 537 of Level 12, 680 George Street, Sydney, NSW 2000.

Shareholder means the holder of a Share.

Shortfall means those Offer Shares for which the Entitlement lapses at the Closing Date.

Underwriter means Charterhouse Pte. Ltd. (200601302C) of Level 33, 4 Battery Road, Bank of China Building, Singapore 049908.

Underwriting Agreement means the underwriting agreement between the Company and the Underwriter.

Underwritten Amount means the amount underwritten by the Underwriter under the Underwriting Agreement, being up to approximately \$2,763,167.



**Hamilton James & Bruce
Group Limited**
ABN 90 091 302 975

All Share Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 2 8280 7111
ASX Code: HJB
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

**Number of Existing Shares held as
at the Record Date, 7:00pm (AEST)
on 6 June 2011:**

**Entitlement to Offer Shares
(on a 1 Offer Share for
1 Existing Share basis):**

**Amount payable on full acceptance
at A\$0.01 per Offer Share:**

Offer Closes 5:00pm (AEST):	22 June 2011
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 Offer Share for every 1 Existing Share that you hold on the Record Date, at an offer price of A\$0.01 per Offer Share. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Offer Document dated 27 May 2011. The Offer Document contains information about investing in the Offer Shares. Before applying for Offer Shares, you should carefully read the Offer Document. This Entitlement and Acceptance Form should be read in conjunction with the Offer Document.

If you do not have a paper copy of the Offer Document, you can obtain a paper copy at no charge, by calling the Hamilton James & Bruce Group Limited Offer Information Line on 1300 554 474 (within Australia) or +61 2 8280 7111 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on 22 June 2011. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Share Registry in time. By paying by BPAY® you will have deemed to have completed an Entitlement and Acceptance Form for the number of Offer Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your application monies. No signature is required on the acceptance slip. The acceptance slip with your application monies must be received by the Share Registry before 5:00pm (AEST) on 22 June 2011.



Billers Code: 136861

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

© Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



Please detach and enclose with payment

SRN/HIN:

Entitlement Number:



A Number of Offer Shares accepted (being not more than your Entitlement shown above)

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B Payment amount
(Multiply the number in section A by A\$0.01)

A\$

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C PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “HJB Rights Issue” and crossed “Not Negotiable”.

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

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A\$

D CONTACT DETAILS – Telephone number

Telephone number – after hours

Contact name

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()

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HAMILTON JAMES & BRUCE GROUP LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, New Zealand and Singapore. The Offer Document and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Offer Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Share Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Offer Document and that you acknowledge the matters, and make the warranties and representations; and
- you provide authorisation to be registered as the holder of Offer Shares acquired by you and agree to be bound by the Constitution of Hamilton James & Bruce Group Limited.

HOW TO APPLY FOR OFFER SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of Offer Shares you wish to apply for by A\$0.01.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any Offer Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of Offer Shares

Enter into section A the number of Offer Shares you wish to apply for. The number of Offer Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Payment Amount

Enter into section B the total amount payable by you. To calculate the total amount multiply the number in Section A by A\$0.01.

C. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section C. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "HJB Rights Issue" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Hamilton James & Bruce Group Limited may treat you as applying for as many Offer Shares as your cheque, bank draft or money order will pay for.

D. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of Offer Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Offer Document electronically, your completed Entitlement and Acceptance Form with the payment for Offer Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Share Registry by the close of the offer.

Mailing Address

Hamilton James & Bruce Group Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Hamilton James & Bruce Group Limited
C/- Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000 **(Please do not use this address for mailing purposes)**

Make sure you send your acceptance slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on 22 June 2011. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Hamilton James & Bruce Group Limited reserves the right not to process any acceptance slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Hamilton James & Bruce Group Limited Offer Information Line on 1300 554 474 (within Australia) or +61 2 8280 7111 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.