

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 134,283,370 Offer Shares at an issue price of \$0.02 per Offer Share on the basis of 1 Offer Share for every 1 Existing Share held to raise up to approximately \$2,685,667 before costs of the Rights Issue.

Dated: 9 December 2009

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.

HAMILTON JAMES & BRUCE 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 and Company Secretary) Lance Fernandes (Non-Executive Director and Company Secretary)
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	Horton Rhodes Lawyers Level 6, 66 Hunter Street Sydney NSW 2000

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IMPORTANT NOTICE

This Offer Document is dated 9 December 2009.

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 a public 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 1 February 2010. 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 134,283,370 Offer Shares at an issue price of \$0.02 per Offer Share on the basis of 1 Offer Share for every 1 Existing Share held to raise up to approximately \$2,685,667 before costs of the Rights Issue.

Purpose of the Rights Issue

The purpose of the Rights Issue is to raise up to approximately \$2,685,667 in working capital to strengthen and re-gear the balance sheet, pay down existing debt and pay expenses associated with this Rights Issue. This will support the Company moving into 2010.

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 17 December 2009 (**Record Date**) at a price of \$0.02 for each Offer Share.

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

Current trading environment

There is no doubt that the Company has been through some difficult times. It is conceivable that the current downturn in the recruitment market will continue for a considerable period. An upturn in recruitment will often lag any improvement in the economy following a downturn as employers hold back on growing head count until they are satisfied that the improvement is sustainable.

It is our intention to pursue growth using the strong brand that is HJB and to incentivise staff in a way that will deliver better revenue performance and increased returns to shareholders. Senior management positions for HJB have been clarified with the team committed to delivering positive returns.

Focus for the remainder of the financial year

Management will be concentrating on lifting the performance of the Company by striving to win more engagements and increasing the volume of profitable placements, both temporary and permanent. This will be no easy task in the current economic environment. As mentioned earlier we are confident the redesigned incentive scheme will assist to lift performance among our key consultants.

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

Yours faithfully

Jeff 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 134,283,370 Offer Shares at an issue price of \$0.02 to raise up to approximately \$2,685,667, 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 \$0.02 for each Offer Share represents a discount of 42.8% to the closing price of \$0.035 on 8 December 2009, the last day of trading of the Shares on ASX prior to the date of this Offer Document.

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

2.3 Indicative Timetable

Announcement of the Rights Issue and lodgement of Appendix 3B at ASX.	9 December 2009
Notice to Eligible Shareholders containing the information in Appendix 3B.	10 December 2009
Securities quoted on "ex" basis.	11 December 2009
Record Date for determining entitlements under the Rights Issue.	7:00 pm (AEST) on 17 December 2009
Despatch of Offer Document and Acceptance Form to Eligible Shareholders.	22 December 2009
Closing Date for acceptances of Offer Shares.	1 February 2010
Offer Shares quoted on a deferred settlement basis.	2 February 2010
Shortfall notification date.	4 February 2010
Despatch date. Allotment and issue of new shares. Deferred settlement trading ends. Mail out of holding statements for new shares.	8 February 2010

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 existing debt.

2.5 Use of Proceeds

The funds raised will be used to strengthen the Company's balance sheet and pay down existing debt. This will improve the strength of the balance sheet and in particular the debt to equity ratio.

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	134,283,370
Offer Shares	134,283,370
TOTAL SHARES	268,566,740

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.

2.8 ASIC relief

From 2 March 2009 until 14 April 2009 (31 trading days in total), HJB was suspended by ASX following failure to lodge the half year accounts for the period ended 31 December 2008 (**Half Year Accounts**) in accordance with Chapter 4 of the ASX Listing Rules.

Pursuant to section 708AA of the Corporations Act, amongst other things, a company cannot be suspended for greater than 5 trading days if it wishes to take advantage of the disclosure exemptions available in this section and not have to offer the Rights Issue by way of a prospectus.

So as the Company could proceed with the Rights Issue pursuant to section 708AA of the Corporations Act, the Company has applied for, and been granted, relief from ASIC under paragraph 741(1)(b) of the Corporations Act declaring that Chapter 6D of the Corporations Act applies to the Company as if paragraph 708AA(2)(c) of the Corporations Act, as notionally varied by Class Order [08/35], was further modified or varied by replacing it with:

- "(c) trading in that class of securities on a prescribed financial market on which they are quoted was not suspended for more than a total of 31 days during the shorter of the following periods;
- (i) the period during which the class of securities is quoted;
 - (ii) the period of 12 months before the day on which the offer is made; and."

SECTION 3 DETAILS OF THE RIGHTS ISSUE

3.1 Details of the Rights Issue

(a) Offer to Eligible Shareholders

The Directors have approved a non-renounceable Rights Issue of up to approximately 134,283,370 Offer Shares at an issue price of \$0.02 to raise up to approximately \$2,685,667 (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.

(b) Rights Issue amount

The total number of Offer Shares is 134,283,370.

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 \$2,685,667 before costs of the Rights Issue.

(c) Rights Issue price and discount

The issue price for each Offer Share under the Rights Issue is \$0.02.

The issue price represents a discount of 42.8% to the closing price on 8 December 2009, the last day of trading of the Shares on ASX prior to the date of this Offer Document.

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	\$0.035	12 November 2009
Highest Sale Price	\$0.045	11 September 2009
Lowest Sale Price	\$0.035	12 November 2009
Volume Weighted Average Price	\$0.0381	90 days preceding date of Offer

(d) **Rights attaching to Offer Shares**

Each Offer Share will rank equally with all Existing Shares.

(e) **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(h) and (i) below.

(f) **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 \$0.02 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.

(g) **Additional Offer Shares**

Shareholders will not be eligible to subscribe for additional shares.

(h) **Placement of Shortfall**

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

(i) **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 \$80,570.01 based on the Underwritten Amount being up to approximately \$2,685,667.

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 is not allowed to sub-underwrite the Offer.

The Underwriter may by notice in writing to the Company, terminate its obligations under the Underwriting Agreement at any time up to the date that notice of a Shortfall is given to it after the happening of any one or more of the following events:

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

level at close of trading on the ASX on the day before the date of the Underwriting Agreement;

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

The Underwriter may only terminate the Underwriting Agreement upon the occurrence of an event specified above if that event would have a material adverse effect on the financial position or prospects of the Company, or on the success of the Rights Issue.

(j) **Minimum amount**

There is no minimum subscription for the Rights Issue.

3.2 Action required by Eligible Shareholders

(a) **Acceptance in full**

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

- (i) 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
- (ii) 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 1 February 2010), 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 – Application Moneys*”.

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

(b) **Partial Acceptance**

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

- (i) 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
- (ii) 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 \$0.02 per share) so that it is received by the Share Registry by the Closing Date (5.00 pm (AEST) on 1 February 2010), 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 – Application Moneys*”.

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 2000	Hamilton James & Bruce Group Limited C/- Link Market Services Limited GPO BOX 3560 SYDNEY NSW 2001

(c) **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 1 February 2010, 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.

The Offer Shares are expected to be allotted on or around 8 February 2010. Statements of holding of securities will be mailed after allotment occurs.

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**

This Offer Document has not been registered as a prospectus with the Monetary Authority of Singapore under the *Securities and Futures Act*, Chapter 289 of Singapore (**Securities and Futures Act**). Accordingly, the Offer Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offer Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Offer Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where Offer Shares are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person who is:

- (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the Securities and Futures Act) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Offer Shares under Section 275 of the Securities and Futures Act except:

- (a) to an institutional investor (for corporations, under Section 274 of the Securities and Futures Act) or to a relevant person defined in Section 275(2) of the Securities and Futures Act, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;
- (b) where no consideration is or will be given for the transfer; or
- (c) where the transfer is by operation of law.

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.

3.12 Financial Forecasts

The Directors have considered the matters set out in ASIC Policy Statement 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

3.13 ASIC relief

From 2 March 2009 until 14 April 2009 (31 trading days in total), HJB was suspended by ASX following failure to lodge the Half Year Accounts in accordance with Chapter 4 of the ASX Listing Rules.

Pursuant to section 708AA of the Corporations Act, amongst other things, a company cannot be suspended for greater than 5 trading days if it wishes to take advantage of the disclosure exemptions available in this section and not have to offer the Rights Issue by way of a prospectus.

So as the Company could proceed with the Rights Issue pursuant to section 708AA of the Corporations Act, the Company has applied for, and been granted, relief from ASIC under paragraph 741(1)(b) of the Corporations Act declaring that Chapter 6D of the Corporations Act applies to the Company as if paragraph 708AA(2)(c) of the Corporations Act, as notionally varied by Class Order [08/35], was further modified or varied by replacing it with:

- "(c) trading in that class of securities on a prescribed financial market on which they are quoted was not suspended for more than a total of 31 days during the shorter of the following periods;
 - (iii) the period during which the class of securities is quoted;
 - (iv) the period of 12 months before the day on which the offer is made; and."

SECTION 4 PURPOSE AND EFFECT OF THE RIGHTS ISSUE

4.1 Purpose of the Rights Issue

The purpose of the Rights Issue is to allow all of the Shareholders of HJB to support their investment through what will be a challenging period. The cash raised will be used to strengthen the balance sheet and pay down existing debt.

4.2 Effect of the Rights Issue

The principal effects of the Rights Issue will be:

- (a) to increase the number of Shares from 134,283,370 to approximately 268,566,740 (assuming all Offer Shares offered under this Offer Document are allotted); and
- (b) to have an effect on the Company's consolidated statement of financial position by increasing shareholder's funds by approximately \$2,685,667 (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	134,283,370	50
Offer Shares to be issued under this Offer Document	134,283,370	50
Total Shares on issue after Rights Issue	268,566,740	100

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 General risks

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

- (a) general economic outlook;
- (b) movements in or outlook on interest rates and inflation rates;
- (c) currency fluctuations;
- (d) commodity prices;
- (e) changes in investor sentiment towards particular market sectors;
- (f) the demand and supply for capital; and
- (g) 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.

5.3 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:

1. Accounting
2. Banking, Finance and Insurance
3. Business Services

4. Government
5. Hospitality
6. Human Resources
7. Legal
8. Operations and Engineering
9. Sales, Marketing and Communications
10. 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 the Affinity Finance, 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 Affinity Finance may require repayment or renegotiation of the finance arrangements.

SECTION 6 ADDITIONAL INFORMATION

6.1 Expenses of the Rights Issue

The approximate aggregate expense of the Rights Issue is approximately \$111,000.

The breakdown of these expenses is set out below:

Item of Expenditure	Amount
Auditors' Fees	\$5,000
Legal Fees	\$15,000
Underwriting Fees	\$80,570.01
Miscellaneous Expenses	\$10,000
TOTAL	Approximately \$111,000

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:

Additional Offer Shares means those Offer Shares which Eligible Shareholders may apply for under this Offer Document in excess of their Entitlement, if there is a Shortfall;

AEST means Australian Eastern Standard Time;

ASIC means the Australian Securities and 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 1 February 2010;

Company or **HJB** means Hamilton James & Bruce Group Limited ABN 90 091 302 975;

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;

Half Year Accounts has the meaning as set out in section 2.8 of this Offer Document;

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

Record Date means 7.00 pm (AEST) on 17 December 2009;

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;

Shareholder means the holder of a Share;

Share Registry means Link Market Services Limited ACN 083 214 537;

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

Underwriter means Charterhouse Pte. Ltd. (200601302C) of 133 Cecil Street, #11-02, Keck Seng Tower, Singapore (069535);

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

Underwritten Amount means the amount underwritten by the Underwriter under the Underwriting Agreement, being up to approximately \$2,685,667.