

Dear Shareholder,

FY17 Dividend imputation and corporate tax rate changes

On 19 May 2017, the Federal Government enacted laws reducing the corporate tax rate to 27.5% for companies with turnover below \$10 million in the financial year ended 30 June 2017. This legislation also introduced a new formula for determining the maximum franking credit entitlement for a frankable distribution, which is generally based on the Company's corporate tax rate for the prior income year.

I am writing to inform you that as the legislation was introduced retrospectively, from 1 July 2016, your franking credits may be affected. Century Australia Investments Limited's (ASX: CYA) turnover fell under the \$10 million threshold and therefore the Company has a reduced corporate tax rate of 27.5% for the year ended 30 June 2017. The retrospective application and implementation of the new legislation has led to some complications for shareholders with respect to dividends declared and paid during the 2017 financial year, before the enactment of the new legislation.

Due to the fact that the government has made these changes retrospectively we have to inform you that the dividend distribution statements previously provided to you are no longer accurate as the franking credits were calculated at the higher company tax rate of 30%, which was the applicable rate under the legislation at the time of declaration and payment. The summary of dividends paid by Century Australia during the 2017 financial year are:

Ex date	Payment date	Type of dividend	Amount per security	Original tax rate for franking	New tax rate for franking
15 Sep 16	30 Sep 16	Ordinary	1.6 cents	30%	27.5%
21 April 17	10 May 17	Ordinary	1.6 cents	30%	27.5%
21 April 17	10 May 17	Special	1.1 cents	30%	27.5%

We are currently working with our share registry to recalculate the revised franking allocations for the dividends paid during the 2017 financial year. Once this is complete, we will inform shareholders impacted by this change impacted and provide them with amended dividend statements.

While the Company remains under the applicable threshold, dividends paid in the future may only be franked at the new 27.5% tax rate, not 30%. Century Australia currently anticipates it will exceed the 2018 financial year turnover threshold of \$25 million, which would see the company attract a 30% tax rate.

We regret any inconvenience caused by the retrospective application of this legislation.

Further queries

If you have any questions regarding the Company, its investments or your shareholding, please contact Wilson Asset Management's Chief Financial Officer Jesse Hamilton on 0401 944 807 or Head of Corporate Affairs James McNamara on 0416 734 080.

Yours sincerely,
Robert Turner

Chairman
Century Australia Investments Limited

