

Wednesday 22 January 2020

## Update on Corporate Activity

CML Group Limited (ASX:CGR) (“**CML**” or the “**Company**”) provides the following update to the ASX announcement (dated 19 December 2019) in relation to the non-binding indicative and conditional offer received from Scottish Pacific Group Limited (“**Scottish Pacific**”) to acquire 100% of the issued share capital of CML for total cash consideration of \$0.60 per share, comprising \$0.57 cash per share and permitting a fully franked dividend of \$0.03 per share to be paid prior to completion (the “**Indicative Scotpac Proposal**”).

CML previously determined that the Indicative Scotpac Proposal constituted a Superior Proposal for purposes of Scheme Implementation Agreement entered into with Consolidated Operations Group Limited (“**Scheme with COG**”).

**CML advises that Scottish Pacific is presently progressing its due diligence.**

**CML anticipates to provide a further update with respect to the Indicative Scotpac Proposal on or around Monday 3 February 2020.**

CML will keep the market informed of any developments.

Notwithstanding the Indicative Scotpac Offer, CML continues to progress the Scheme with COG as it remains presently the best available transaction for shareholders. The CML Board continues its recommendation of the COG transaction in the absence of a superior proposal capable of acceptance by shareholders.

### ***Scheme with COG – Key Dates***

We note the following key dates with respect to the Scheme with COG (as detailed in the Scheme Booklet announced to the market on 24 December 2019, and distributed to shareholders) are as follows:

<b>Key Dates in Relation to the Scheme with COG</b>	
Election Date (latest time and date for receipt of the Election Form)	7.00pm (AEDT), 27 January 2020
Announcement on the outcomes of Elections based on the Election Forms received by the Election Date	28 January 2020
Date and time for determining eligibility to vote at the Scheme Meeting	7.00pm, (AEDT), 3 February 2020
Latest time and date for receipt of proxy forms (including proxy forms lodged online) or powers of attorney by the CML Share Registry for the Scheme Meeting	10.00am (AEDT), 3 February 2020
Scheme Meeting	10.00am (AEDT), 5 February 2020

# CML Group

## ***Scheme with COG – Election for Scheme Consideration***

As detailed in the Scheme Booklet, all CML Shareholders (other than Ineligible Foreign Shareholders) can make an Election to receive Consideration Option 1 (being a mix of cash and COG Shares) or Consideration Option 2 (being COG Shares) by completing the Election Form (sent with the Scheme Booklet) and returning it in accordance with the instructions on the Election Form so that it is received by the CML Share Registry by no later than the Election Date.

If a shareholder (other than an Ineligible Foreign Shareholder) does not make a valid Election, or the Election is not received by the CML Registry by the Election Date, the shareholder will be deemed to have elected to receive Consideration Option 1 in relation to the Scheme with COG.

Making an election does not have any bearing on a shareholder's vote, which will be made separately by attending the Scheme Meeting, or by appointing a proxy, attorney or body corporate representative to attend the Scheme Meeting.

## ***Scheme with COG – Scheme Vote***

CML Shareholders are entitled to attend and vote at the Scheme Meeting, in person, by proxy, by attorney or, in the case of a CML Shareholder which is a corporation, by its corporate representative appointed in accordance with the Corporations Act.

If a shareholder is unable to attend the Scheme Meeting in person, the shareholder can vote by completing the enclosed personalised proxy form in the Scheme Booklet and returning it to the CML Share Registry so that it is received no later than 10.00am (AEDT) on 3 February 2020.

This announcement has been authorised by the Chief Executive Officer of CML, Daniel Riley.

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# CML Group

## ABOUT CML GROUP

CML provides finance to SME businesses.

CML's primary service is receivables finance. Through the receivables finance facility CML provides an advance payment of up to 80% of a client's invoice to help their business overcome the cash pressure of delivering goods or services in advance of payment from their customers (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. CML will consider an additional advance to a client (above the usual 80%) on occasion, for an additional fee and when there is adequate security from the client to cover the position.

Other services include trade finance to assist clients finance purchases, as well as equipment finance to assist SME's with capital expenditure on items required to operate their business.