

9 September 2020

Trading Update and Share Consolidation

Trading Update

The key sectors that Capral operates in rebounded quickly as COVID restrictions lifted. This recovery has continued through July and August and we expect market conditions to remain positive for the remainder of 2020.

Federal and State Government housing stimulus packages are having a positive impact on new house sales that will underpin recovery in the residential construction market.

Market share gains against imports have been maintained despite the stronger Australian dollar.

Capral's Victorian manufacturing and distribution facilities continue to operate at near full capacity through Stage 4 restrictions.

Share Consolidation

In the 2019 Annual Report, the Chairman outlined plans for a share consolidation. Due to the outbreak of COVID-19 and subsequent market conditions the consolidation was temporarily put on hold. The Board is of the view that the consolidation should now proceed and is proposing a share consolidation of 1 new share for 30 existing shares. The directors believe that the proposed consolidation, if approved by the shareholders, represents an opportunity to further enhance shareholder value.

Extraordinary General Meeting (EGM)

The Capral Board is pleased to announce that an EGM will be held on Tuesday, 3 November 2020.

The purpose of the EGM is two-fold. Firstly, to seek approval from shareholders for the share consolidation as proposed above, and secondly, to seek approval for amendments to Capral's Constitution to principally allow future meetings and voting to be held virtually.

The EGM will be webcast live and shareholders will be able to participate in the EGM using a smartphone, tablet or computer. Instructions on how to access the webcast and participate in the EGM online will be provided with the Notice of Meeting.

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Yours faithfully
CAPRAL LIMITED



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