

ASX Announcement

Geelong Simonds Stadium Project

1 December 2017, Melbourne Australia: Stokes Technologies Pty Ltd (**Stokes**), a wholly owned subsidiary of Stokes Limited (ASX: SKS), was engaged in August 2016 by an electrical contractor (Contractor) to provide audio visual, MATV, public address, digital signage and broadcast services works (the **Work**) as part of the Stage 4 redevelopment of Geelong Simonds Stadium. The total value of the Works including contract variations was \$1,960,880 (exc. GST) of which \$1,899,662 (exc. GST) was fully taken up as revenue in the year ended 30 June 2017 following full performance by Stokes of all its contractual obligations. While the Contractor has paid Stokes' invoices to the value of \$758,145 (exc. GST), Stokes considers that there is presently \$1,202,735 (exc. GST) owing by the Contractor to Stokes against a series of invoices rendered for goods and services completed (the **Debt**).

In August 2017, the Contractor and a company associated with him provided Stokes with a Guarantee and Indemnity under which they agreed to guarantee part of the Debt, and grant a security interest in various collateral to secure payment of part of the Debt.

Stokes has been working with the Contractor to secure payment of its Debt by way of a scheduled payment instalment plan. Stokes is working through the legal aspects of this arrangement and presently retains all its rights under the Guarantee and Indemnity agreement.

Stokes will continue to pursue all avenues to recover the Debt due and reserves its legal rights, however it expects to book an impairment provision in its half year results for the six-month period to 31 December 2017, the quantum of which is yet to be determined.

Mr Jinks said "he is extremely disappointed with the present situation but is committed to supporting the Contractor in order to recover the Debt".

For further information contact:

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About Stokes Limited

Stokes Limited (symbol SKS) is an ASX-listed company that has become a leading provider of innovative technologies, products and solutions in audio visual, lighting and distribution to the commercial, education, retail, finance and construction markets.

For more information about Stokes please see www.stokes.com.au.