



**22 August 2018**

## ASX ANNOUNCEMENT

# SRG LIMITED SCHEME MEETING FOR SRG GLOBAL MERGER OF EQUALS - CHAIRMAN'S ADDRESS

SRG Limited (ASX:SRG), a leading global Specialist Engineering, Construction and Maintenance group, is pleased to release the attached Chairman's Address by Peter McMorro for today's Scheme Meeting.

Meeting details:

22 August 2018

At 10:30am (Perth time)

Royal Perth Yacht Club

Australia II Drive, Crawley, Western Australia.

Results of the official business will be released to the market following the close of the Scheme Meeting.

Yours faithfully,

**Roger Lee**  
**SRG Limited**  
**Company Secretary**

**Issued by SRG Limited ABN 57 006 413 574**

SRG Limited are an Australian complex services company. Our vision is to make the complex simple for our customers and our mission is to be a leading provider of complex services to the construction and mining industry worldwide.

Founded in Victoria in 1961, the Company commenced trading as BBR Australia Pty Ltd with the first project undertaken to supply and install rock anchors for the Snowy Mountains scheme. Listed in 1987 on the ASX as Structural Systems Limited, the organisation has grown from a small privately owned specialist post-tensioning company to a diverse international contractor in building, civil, mining, products and services. SRG has offices throughout Australia as well as in the Middle East and Hong Kong. In November 2014, Structural Systems Limited became SRG Limited.

**PERTH (HEAD OFFICE)**  
Level 1, 338 Barker Rd  
Subiaco WA 6008

**PERTH (WORKSHOP)**  
5 Riversdale Rd  
Welshpool WA 6106

**SYDNEY**  
53/L1, 75 Carnarvon St  
Silverwater NSW 2128


**MELBOURNE**  
2/290 Salmon St  
Port Melbourne VIC 3207

**BRISBANE**  
1/12 Commerce Cct  
Yatala QLD 4207

**BRISBANE (PRODUCTS)**  
642 Old Gympie Rd  
Narangba QLD 4504

**MIDDLE EAST**  
Office M-03, Bu Shaqar Building  
Garhoud, Dubai, UAE

**HONG KONG**  
Unit 1110, 11/F, 33 Wang Chui Rd  
Kowloon Bay, NT, Hong Kong

 **CALL**  
**1300 775 477**  
**+61 8 9267 5400**

**MAKING  
THE  
COMPLEX  
SIMPLE**

# **SRG Limited Scheme Meeting**

## **Chairman's Address**

***Address to shareholders by Mr Peter McMorro, at SRG Limited's Scheme Meeting in Perth on 22 August 2018 at 10:30 am.***

### **Opening**

Good morning ladies and gentlemen and welcome to today's Scheme meeting. It is a pleasure to address you this morning.

I am Peter McMorro, Chairman of SRG Limited ("SRG") and will serve as Chairman of today's Scheme meeting which has been convened by order of the Federal Court of Australia.

I would also like to introduce you to my colleagues here with me today, being:

- Managing Director, David Macgeorge;
- Non-executive Directors, Robert Freedman, Peter Brecht and Michael Atkins; and
- Company Secretary and CFO, Roger Lee.

I also welcome our financial and legal advisors, Tim Day from Sternship Advisors and Paul Branston from Herbert Smith Freehills.

As it is now past 10.30am, and I am informed that the necessary quorum of SRG shareholders is present, I declare this Scheme meeting open.

I remind everyone that this is a shareholders' meeting and only SRG shareholders, appointed proxies, corporate representatives and attorneys have the right to speak at the meeting. We have allowed visitors into the meeting.

### **Notice of meeting**

The Notice of Meeting dated 20 July 2018 was sent to all shareholders as part of the Scheme Booklet. I will take the Notice of Meeting as read.

### **Business of the meeting**

Today SRG shareholders will be asked to vote on a proposed Scheme of arrangement under which Global Construction Services Limited ("GCS") would acquire all of the shares in SRG, which I will refer to from now on as the Scheme.

The purpose of this Scheme meeting is to seek the agreement of SRG shareholders to the Scheme.

### **Brief overview of the Scheme**

#### ***Consideration***

If the Scheme is implemented, SRG shareholders (other than ineligible foreign shareholders) on the record date for the Scheme (which is proposed to be 5.00 pm (Perth time) on 4 September 2018) will receive 2.479 new shares in Global Construction Services Limited for each SRG share held.

### ***Independent expert's recommendation***

To assist SRG shareholders in making a decision on the Scheme, the SRG Board appointed Lonergan Edwards & Associates Limited as independent expert to assess the merits and benefits of the proposed Scheme. The independent expert's report – published in the Scheme Booklet – concludes that the Scheme is fair and reasonable and is therefore in the best interests of SRG shareholders.

### ***SRG Directors recommendation***

The SRG Directors unanimously recommend that SRG Shareholders vote in favour of the Scheme and each SRG Director intends to vote any SRG shares held by them in favour of the Scheme.

The SRG Directors make this recommendation for the following reasons:

- a combination of SRG and GCS will bring together complementary capabilities and assets into a platform capable of strong cross-sell and distribution;
- a combination of SRG and GCS is projected to generate cost synergies of approximately \$3 - \$4 million per annum by FY20. A one-off cost of approximately \$2.5 million to realise the synergies is anticipated;
- a combination of SRG and GCS will create a leading global specialist engineering, construction and maintenance group that operates across the entire asset lifecycle; and
- as I mentioned previously, the independent expert has concluded that the Scheme is in the best interests of SRG shareholders.

### ***Conditions***

The Scheme remains subject to a number of standard conditions, as outlined in section 7.7 of the Scheme Booklet. The SRG Directors are not currently aware of any reason as to why these conditions will not be met.

### ***Proposed resolution to be agreed to***

We will now commence the formal part of this meeting.

The purpose of this meeting is to consider and, if thought fit, to pass (with or without amendment) the following resolution. This resolution is set out in the Notice of Scheme Meeting which is contained in Annexure D of the Scheme Booklet.

'That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the Scheme of arrangement proposed between SRG Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Federal Court of Australia to which SRG Limited and Global Construction Services Limited agree.'

As required by the order of the Federal Court, this resolution will be decided on a poll.

### **Requisite majorities**

In order for the resolution to be passed, the resolution must be agreed to by:

- a majority in number of SRG shareholders present and voting at this meeting (either in person or by proxy); and
- at least 75% of the total number of votes cast on the resolution at this meeting by SRG shareholders present and voting at this meeting (either in person or by proxy).

### **Second Court Hearing**

Should these majorities be met, the second Court hearing to approve the Scheme will be held at 9:15 am on Monday, 27 August 2018 at the Federal Court in Perth.

ENDS