



**CML Group Limited (ASX:CGR)**

23 May 2016

## **Fully underwritten Non-Renounceable Rights Issue Letter to Shareholders**

CML Group (“**CML**” or the “**Company**”) today issued letters to shareholders in relation to the Fully Underwritten Non-Renounceable Rights Issue (“**Rights Issue**”) announced to the ASX on 9 May 2016.

Attached are copies of the letters made to:

- 1) Shareholders of CML who have registered addresses in Australia or New Zealand as at the record date of 25 May 2016, and are eligible to participate in the Rights Issue; and
- 2) Shareholders of CML who have registered addresses outside of Australia or New Zealand as at the record date of 25 May 2016, and are not entitled to participate in the Rights Issue.

Faithfully,

Steven Shin  
CML Group Limited  
Company Secretary

### **ABOUT CML GROUP**

CML provides cash flow and integrated business solutions, to help its clients focus on their core business.

CML’s primary business is ‘factoring’ or ‘receivables finance’. Through the factoring 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 customer (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 are delivered via CML’s Payroll & Employment divisions, which provide ‘managed employment’ services to clients that do not wish to engage their workforce directly, generally as they do not have the processes, systems, insurances or desire to employ directly. This division also includes labour sourcing through recruitment agency panel management, project management and a migration practice.



23 May 2016

Dear Shareholder,

### UNDERWRITTEN NON-RENOUNCEABLE 1:5 PRO-RATA RIGHTS ISSUE

CML Group Limited [ACN 098 952 277] (ASX Code: CGR) ("CML" or "the Company") is undertaking an underwritten non-renounceable pro-rata rights issue ("the Rights Issue") pursuant to a prospectus lodged with ASIC on 19 May 2016 ("the Prospectus").

The Rights Issue offer under the Prospectus is made on the basis of one new share for every five shares held on the record date at an issue price of 15 cents (\$0.15).

The full amount of the Rights Issue is underwritten by Henslow Pty Ltd [ACN 605 393 137] [AFSL 483168].

The indicative timetable for the Rights Issue is as follows:

Date	Event
<b>Wednesday 19 May 2016</b>	Lodgement Date – Rights Issue
<b>Tuesday 24 May 2016</b>	Ex Date – Rights Issue
<b>Wednesday 25 May 2016</b>	Proposed Record Date – Rights Issue
<b>Monday 30 May 2016</b>	Rights Issue Opening Date
<b>Wednesday 8 June 2016</b>	Rights Issue Closing Date
<b>Thursday 9 June 2016</b>	Rights Issue Shares Quoted on a Deferred Basis
<b>Tuesday 14 June 2016</b>	Rights Issue Shortfall Notification Date
<b>Thursday 16 June 2016</b>	Rights Issue Settlement Date
	Rights Issue Allotment Date
	Dispatch of Rights Issue Holding Statements
<b>Friday 17 June 2016</b>	Expected Trading of Rights Issue Shares

*Note: The above dates should be regarded as **indicative only**. Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, the Company in consultation with the Underwriter reserves the right to change the above dates, to close the Rights Issue before the date stated above, to extend the closing date and subsequent dates, or not to proceed with the Rights Issue described in the Prospectus. Shareholders should refer to announcements to ASX by the Company on the ASX website and the Company's website for updated information about the Closing Date and timetable.*

# CML Group

The shares offered are fully paid ordinary shares, and will rank equally with the Company's existing ordinary shares. Shareholder approval is not required for the issue of the shares.

The offer is to be made to shareholders of the Company registered as holders of Shares as at 7.00 pm (AEST) on the Record Date whose address in the Company's register of members is in Australia or New Zealand. No offer is made to shareholders of the Company whose address in the Company's register of members is outside Australia or New Zealand.

The Company will apply to ASX for quotation of the shares offered.

As announced to the ASX on 9 May 2016 the Company has entered a conditional agreement with 180 Group Holdings Pty Ltd, a wholly owned subsidiary of ASX-listed FSA Group Limited, to acquire its subsidiary company which owns and operates a factoring business (180 Acquisition).

The 180 Acquisition will, in part, be funded from the existing cash reserves of the Company. Funds raised through the Rights Issue (after costs) will be used to replenish the Company's cash reserves and thereafter used for the general working capital requirements of the Company.

Further details are included in the Prospectus.

Offers of the Company's shares are made in the Prospectus dated 19 May 2016 which has been lodged with the Australian Securities and Investments Commission and ASX. Anyone wishing to acquire the Company's shares who is eligible to do so will need to complete an application form that will accompany the Prospectus or utilise the BPay facility described in the Prospectus.

A copy of the Prospectus can be viewed on the website of ASX ([www.asx.com.au](http://www.asx.com.au)) or the Company's website ([www.cml-group.com.au](http://www.cml-group.com.au)) or can be requested from the Company. Before deciding to acquire shares, you should read and consider the Prospectus in its entirety and, if in any doubt, consult with your professional advisor.

A copy of the Prospectus will be sent to each eligible shareholder.

Yours faithfully

CML GROUP LIMITED



23 May 2016

Dear Shareholder,

**PARTICIPATION IN UNDERWRITTEN NON-  
RENOUNCEABLE 1:5 PRO-RATA RIGHTS ISSUE**

CML Group Limited [ACN 098 952 277] (ASX Code: CGR) ("CML" or "the Company") is undertaking an underwritten non-renounceable pro-rata rights issue ("the Rights Issue") pursuant to a prospectus lodged with ASIC on 19 May 2016 ("the Prospectus").

The Rights Issue offer under the Prospectus is made on the basis of one new share for every five shares held on the record date at an issue price of 15 cents (\$0.15).

The full amount of the Rights Issue is underwritten by Henslow Pty Ltd [ACN 605 393 137] [AFSL 483168].

The Offer is being made to existing CML shareholders whose address in the register of members (shareholders) is in Australia and New Zealand. The Company has determined, pursuant to Listing Rule 7.7 of the Listing Rules of ASX (the Australian Securities Exchange Limited) ("the Listing Rules"), that it would be unreasonable to make offers under the Prospectus to shareholders with addresses outside of Australia and New Zealand ("Ineligible Holders").

Accordingly, in compliance with Listing Rule 7.7, the Company wishes to advise you that it will not be extending the Offer to Ineligible Holders. The shares that would otherwise have been offered to you will be available to be taken up by the Underwriter or sub-underwriters or as allocated by the Underwriter.

Should you have any questions in relation to the above matters, please contact the Lead Manager and Underwriter, Henslow Pty Ltd on (03) 8622 3333.

Yours faithfully

CML GROUP LIMITED