

ASX ANNOUNCEMENT

SCHEME OF ARRANGEMENT UPDATE

Melbourne, 26 September 2016:

Announcement

The Company announced on 21 September 2016 the decision of the Supreme Court of Victoria to the effect that, if necessary, it would not allow shares held by the former chief executive officer of the Company to be acquired before 18 November 2016 in order that a share price indemnity given to him by certain Simonds private family companies would not be frustrated.

The agreement with SR Residential Pty Ltd announced on 31 August 2016 was subject to a condition that permitted SR Residential Pty Ltd to terminate the agreement if the scheme was not implemented on or before 17 November 2016. Therefore, the court's decision effectively meant that SR Residential Pty Ltd's right to terminate would inevitably come into operation.

The Company and SR Residential Pty Ltd have now agreed to amend their agreement such that SR Residential Pty Ltd will have a new right to terminate the agreement for any reason. This right could be exercised at any time until 21 October 2016, or 7 days after SR Residential Pty Ltd is provided with the Company's financial results for the 3 month period to 30 September 2016, whichever is the later. After that time, the right would cease.

On this basis, it is anticipated that the Scheme Booklet containing information relating to the scheme and the Independent Expert's Report will be sent to shareholders in early October 2016 for a shareholders' meeting in early November and, subject to all conditions being satisfied, the scheme will be implemented on 18 November 2016.

ENDS

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