



29 August 2019

Circular to Shareholders

The Board approved the Statutory Accounts and Directors Report for year ending 31 May 2019 at their August meeting. These accounts have subsequently been lodged with the Australian Securities and Investments Commission and have been loaded to the Company's website.

Of significance in these accounts and reports, the Directors have determined that circumstance exist that require property, plant, equipment and investment property assets to be impaired to reflect their recoverable value. This is a requirement under the Australian Accounting Standards and is a process undertaken each year by the Directors and management.

When determining a value for the Company's property, plant, equipment and investment property assets, two valuation approaches were considered being 'fair value' and 'value in use'. The higher of the two approaches has been used to establish recoverable value. Using the fair value approach the asset impairments of \$165.06 million have resulted in the value of total assets decreasing to \$309.46 million from \$490.23 million in the previous year. As total liabilities as at 31 May 2019 are \$309.46 million, net assets (total equity) is \$Nil.

The impairment losses are also reported in the statement of profit or loss and have contributed to the loss for the year ended of \$190.19 million.

Further details on the process undertaken and a breakdown of the results are included in the Director's report, financial reports and the notes to the accounts.

Donna Rasmussen
COMPANY SECRETARY