KordaMentha
restructuring

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FACSIMILE

Date:	10 December 2014		
To:	**Australian Securities Exchange**	Fax number:	**1300 135 638**
From:	Deed Administrators		
No. pages to follow:	57		
Subject:	**Savcor Group Limited (Subject to Deed of Company Arrangement) ACN 127 734 196 ('the Company')**		

Dear Sir/Madam

Please find enclosed a Notice of Extraordinary General Meeting, Explanatory Statement, Independent Expert's Report and Proxy Form to be placed on the Company's public ASX announcements.

Yours faithfully

Cliff Rocke
Deed Administrator

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SAVCOR GROUP LIMITED
ABN 127 734 196

(Subject to Deed of Company Arrangement)

NOTICE OF EXTRAORDINARY GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

INDEPENDENT EXPERT'S REPORT AND PROXY FORM

For an Extraordinary General Meeting to be held on 12 January 2015 at 1:00pm KordaMentha, Level 5, Chifley Tower, 2 Chifley Square, Sydney 2000

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This is an important document. Please read it carefully.

If you are unable to attend the Extraordinary General Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.

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LETTER TO SHAREHOLDERS

Dear Shareholder

On 27 June 2014, the directors of Savcor Group Limited **(Savcor** or the **Company)** appointed Jannamaria Robertson and Cliff Rocke of KordaMentha, as administrators of the Company **(Administrators or Deed Administrators)** pursuant to Section 436A of the Corporations Act.

The appointment was made at around the time the Company was voluntarily suspended from quotation on the Official List of ASX on 27 June 2014.

At a meeting adjourned on 1 August 2014 and reconvened on 3 October 2014, the Administrators recommended to the creditors of the Company that, in the opinion of the Administrators, it was in the best interests of creditors to approve the execution of a deed of company arrangement. At this meeting, creditors resolved to approve the execution of a deed of company arrangement, in accordance with the Recapitalisation Proposal, to recapitalise the Company, which was subsequently executed on 24 October 2014 **(Deed of Company Arrangement).** The terms of the proposal to recapitalise the Company are reflected in the Deed of Company Arrangement, which is available on www.kordamentha.com.. As contemplated by the Deed of Company Arrangement, the Company subsequently entered into an implementation deed with Triton Systems Australia Pty. Ltd. ACN 602 486 626 (**Triton**) and Triton Systems Inc, a company incorporated in the United States of America (**Triton Inc**) (**Implementation Deed**). Key terms of the Deed of Company Arrangement and the Implementation Deed are contained in the Memorandum. Details of Triton and Triton Inc are set out in the Memorandum.

This Notice of Meeting and Explanatory Statement has been prepared by the Deed Administrators and signed by Jannamaria Robertson (in her capacity as a Deed Administrator) in accordance with the Deed of Company Arrangement.

It is proposed that nominees of Triton and Triton Inc, being Peter Marks, Phillip Hains and Vincent Savage are to be appointed as Directors of Savcor from the Completion Date.

The Recapitalisation Proposal for the purposes of this Meeting requires as follows:

- Resolution 1: the consolidation of the existing capital of the Company on a 1 for 100 basis;
- Resolution 2: the issue and allotment of 12,683,605 Shares to the Subscribers (as described in the Memorandum) at an issue price of 4.34 cents per Share (post consolidation), to raise $550,468 (excluding the proceeds of any options exercised) for working capital with which to satisfy the obligations of the Deed of Company Arrangement and the Implementation Deed;
- Resolution 3: the issue of 4,227,868 Options to the Subscribers at an exercise price of 6.0 cents per Option and exercisable at any time on or before 1st December, 2016, and the issue of Shares upon exercise of those Options.
- Resolutions 4, 5 & 6: the election of the nominees of Triton and Triton Inc as Directors of the Company;
- Resolutions 7 and 8: the removal of the current Directors of the Company;
- Resolution 9: approval for the Company to dispose of the Company Assets; and
- Each of Resolutions 1 to 9 are conditional upon the due passage of all of the other proposed Resolutions 1 to 9.

The Resolutions proposed which are included in the attached Notice of Meeting enable the Company to satisfy the terms of the Deed of Company Arrangement. Full details in respect of the proposed Resolutions are contained in the attached Notice and Explanatory Statement.

If the above Resolutions are passed and the proposed recapitalisation completed, the Company will seek the reinstatement of the quotation of its securities on ASX. Triton and Triton Inc have advised the Administrators that it is the present intention of Triton and Triton Inc to:

- review a number of existing investment opportunities which are known to Triton and/or Triton Inc to determine if they are suitable investments for the Company. It is hoped to identify and complete a transaction in the first half of 2015;
- thereafter seek alternative investment or acquisition opportunities for Savcor to make; and
- raise capital for the purposes of these future investments and / or acquisitions.

If any one or more of the above Resolutions are not passed, the proposed recapitalisation will not proceed and the Deed of Company Arrangement will either be terminated or varied which may result in the Company being liquidated.

Neither the Deed Administrators, their professional advisers, KordaMentha or its partners, agents or employees are responsible for the contents of this Notice of Meeting, the Explanatory Statement or the Memorandum generally, nor the report by Stantons International Securities attached to and forming part of the Memorandum. The Deed Administrators do not accept any responsibility for any disclosure in or failure to include any disclosure in these documents.

The information contained in these documents has not been verified independently by the Deed Administrators, their professional advisors, KordaMentha or its partners, agents or employees who expressly disclaim responsibility and liability for the accuracy or completeness of the information in the documents.

Yours faithfully

Jannamaria Robertson
Deed Administrator

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TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Extraordinary General Meeting of the Shareholders of Savcor Group Limited (subject to deed of company arrangement) will be held at:

LOCATION	COMMENCING
KordaMentha **Level 5 Chifley Tower** **2 Chifley Square Sydney 2000**	**1:00pm on 12 January 2015**

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The meeting will commence at 1:00pm.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Extraordinary General Meeting as soon as possible and either:

- send the proxy by email to the Company Kate McLeod at kmcleod@kordamentha.com; or
- deliver to the Company, C/- Level 5, Chifley Tower, 2 Chifley Square, Sydney NSW 2000,

so that it is received not later than 1:00pm 10 January 2015.

Your proxy form is enclosed.

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SAVCOR GROUP LIMITED

ABN 127 734 196

(Subject to Deed of Company Arrangement)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting of Shareholders of Savcor Group Limited (subject to deed of company arrangement) (**Savcor** or **Company**) will be held at KordaMentha Level 5, Chifley Tower, 2 Chifley Square, Sydney at 1:00pm on 12 January 2015.

AGENDA

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes the matters to be considered as special business.

Capitalised terms used in this Notice of Meeting and Explanatory Statement are defined in the Glossary and throughout this Memorandum.

SPECIAL BUSINESS

Shareholders should note that Resolutions 1 to 9 inclusive are subject to and conditional upon each of Resolutions 1 to 9 inclusive being passed. Accordingly, these Resolutions should be considered collectively as well as individually.

Resolution 1: Consolidation of Capital

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution:**

"That, subject to and conditional on the due passage of Resolutions 2 to 9 inclusive, for the purposes of Section 254H of the Corporations Act, ASX Listing Rule 7.20, the Company's Constitution and for all other purposes, the issued capital of the Company be consolidated on the basis that every hundred (100) fully paid ordinary shares in the capital of the Company be consolidated into one (1) fully paid ordinary share in the capital of the Company and where this consolidation results in a fraction of a share being held by a member of the Company, the Directors of the Company be authorised to round that fraction down to the nearest whole share."

Short Explanation: Under the Corporations Act, a company may convert all or any of its shares into a smaller number of shares by resolution passed at a general meeting.

Resolution 2 - Allotment and Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution:**

"That, subject to and conditional on the due passage of Resolutions 1 and 3 to 9 inclusive, for the purposes of Sections 208 and Item 7 of Section 611 of the Corporations Act and for all other purposes, approval is given for:

a. *the Company to allot and issue up to 12,683,605 fully paid ordinary shares in the capital of the Company at an issue price of 4.34 cents per share (on a post consolidation basis) to raise $550,468 on the terms set out in the Explanatory Statement; and*

b. *those parties set out in the Explanatory Statement to acquire a relevant interest in issued voting shares in the Company on the issue of fully paid ordinary shares and options in accordance with this Resolution, and on the terms set out in the Explanatory Statement accompanying this Notice."*

Short Explanation: As part of the recapitalisation of the Company, Shares will be issued to Triton or its nominee (which may be Triton Inc) and to the other Subscribers. For this reason, approval is sought under Section 208 of the Corporations Act. Approval is also sought under Item 7 of Section 611 of the Corporations Act to allow those parties (who could be deemed to be acting in concert) to acquire a relevant interest in more than 20% of the Company. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

a. a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associates of those persons; and

b. a person who is to receive securities in relation to the entity and their associates.

Resolution 3 – Issue of Options and exercise into Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, *subject to and conditional on the due passage of Resolutions 1 and 2 inclusive and Resolutions 4 to 9 inclusive, for the purposes of ASX Listing Rule 7.1, Item 7 of Section 611 of the Corporations Act, Section 208 of the Corporations Act and for all other purposes, approval is given for the proposed issue of 4,227,868 Options, and the resultant issue of Shares on exercise of the Options, to the Subscribers, on the terms set out in the Explanatory Statement.*"

Short Explanation: As part of the recapitalisation of the Company, Options will be issued to the Subscribers. ASX Listing Rule 7.1 requires the prior approval of shareholders if a company proposes to issue or agrees to issue in any 12 month period equity securities exceeding 15% of its securities on issue at the commencement of the 12 month period. Approval is sought under ASX Listing Rule 7.1 for the issue of the Options so that the issue of the Options does not reduce the Company's future placement capacity. Approval is also sought under Item 7 of Section 611 of the Corporations Act in respect of the issue of Shares upon exercise of the Options. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

a. a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associates of those persons; and

b. a person who is to receive securities in relation to the entity and their associates.

Resolution 4 - Election of Peter Marks as a Director

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the due passage of Resolutions 1 to 3 inclusive and Resolutions 5 to 9 inclusive, Mr Peter Marks being eligible and having consented to act, be elected as a Director of the Company with effect from the Completion Date."

Resolution 5 - Election of Phillip Hains as a Director

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the due passage of Resolutions 1 to 4 inclusive and Resolutions 6 to 9 inclusive, Mr Phillip Hains being eligible and having consented to act, be elected as a Director of the Company with effect from the Completion Date."

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Resolution 6 - Election of Vincent Savage as a Director

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the due passage of Resolutions 1 to 5 inclusive and Resolutions 7 to 9 inclusive, Mr Vincent Savage being eligible and having consented to act, be elected as a Director of the Company with effect from the Completion Date."

Resolution 7 – Removal of Mr Hannu Savisalo as a Director

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the due passage of Resolutions 1 to 6 inclusive and Resolutions 8 and 9 inclusive, Mr Hannu Savisalo, for the purposes of section 203D and for all other purposes, be and is hereby removed from office as a Director of the Company with effect from the Completion Date."

Resolution 8 – Removal of Mr Iikka Savisalo as a Director

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the due passage of Resolutions 1 to 7 inclusive and Resolution 9, Mr Iikka Savisalo, for the purposes of section 203D and for all other purposes, be and is hereby removed from office as a Director of the Company with effect from the Completion Date."

Resolution 9 – Disposal of Company Assets

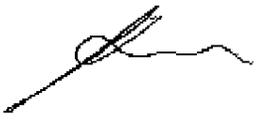
To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional on the due passage of Resolutions 1 to 8 inclusive, for the purpose of ASX Listing Rule 11.2 and for all other purposes, approval is given for the disposal by the Company of the Company Assets on the terms and conditions set out in the Explanatory Statement."

Short Explanation: As part of the recapitalisation of the Company, all of the Company Assets will be transferred to the Creditors' Trust. For this reason, approval is sought under ASX Listing Rule 11.2. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associates of those persons.

DATED THIS 5 DAY OF DECEMBER 2014



JANNAMARIA ROBERTSON
DEED ADMINISTRATOR

NOTES:

1. A Shareholder of the Company who is entitled to attend and vote at a general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 1:00pm (AEST) on 10 January 2015.

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EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the Shareholders of Savcor Group Limited (subject to a Deed of Company Arrangement) (**Savcor** or **Company**) in connection with the Extraordinary General Meeting of the Company to be held on 12 January 2015.

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company. In this regard, Shareholders should note that the securities of the Company have been suspended from trading since 27 June 2014 and the Company requires capitalisation to seek re-quotation of its securities on the ASX. Shareholders should also note that the Administrators prepared two reports to creditors of the Company and an Update Paper in accordance with Section 439A of the Corporations Act. The reports set out in detail the financial position of the Company, the actions and investigations taken by the Administrators, the reasons for the failure of the Company and the Administrators' recommendation for the future of the Company. A copy of these reports can be provided on request, but the Shareholders should note that these were prepared for the benefit of Savcor's creditors and any opinions expressed by the Administrators in these reports relate to the creditors' interests which may not be aligned with the Shareholders' interests. As such the Shareholders should not place reliance on these reports.

If all Resolutions are passed and the proposed re-structuring set out in the Recapitalisation Proposal is completed, the Company will be in a position to seek the reinstatement of its securities to official quotation on ASX. This reinstatement is, of course, subject to the discretion of ASX.

If Shareholders reject the proposed restructuring (by voting against one or more Resolutions), the Deed of Company Arrangement will either be terminated or varied which may result in the Company being liquidated. In the event of an unsuccessful recapitalisation, it is likely that there would be no return to Shareholders.

To the extent permitted by law, the Administrators do not accept responsibility or liability for any losses or damages of any kind arising out of the use of any of the information contained in these documents.

The Administrators make no recommendation about how Shareholders should vote on the Resolutions.

2. BACKGROUND

Savcor was incorporated on 26 September 2007 and subsequently listed on the ASX on 18 December 2007. Savcor is, to a large extent, an intermediary holding company being:

- majority owned by Savisalo family related entities. Savcor Group Oy, which is based in Finland, has a ~63.3% interests in Savcor; and
- the holder of a wide range of subsidiaries (with limited, if any, value)

The group structure is summarised below:

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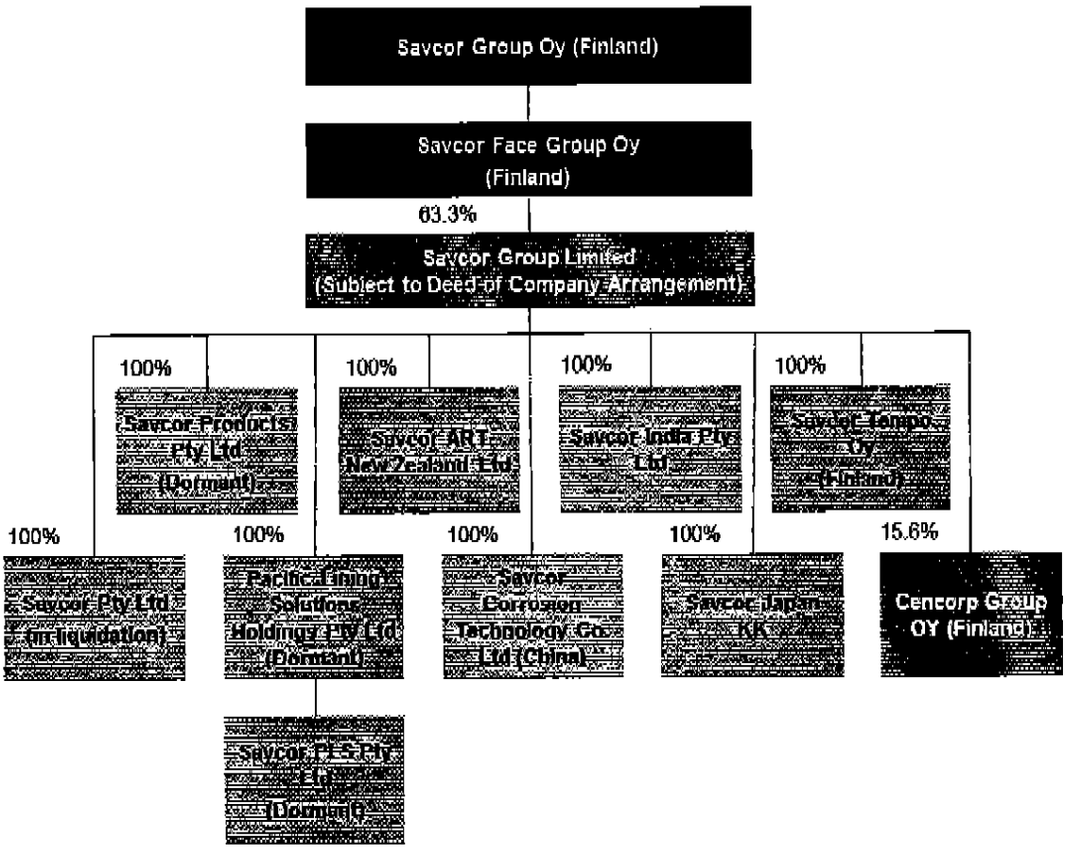

Historically the group's operations included:

- Asset maintenance and remediation technologies.
- Repair, rehabilitation, protection and maintenance of buildings and infrastructure.
- Protection, rehabilitation and corrosion solutions for reinforced concrete and street structures including:
  - concrete repair;
  - cathodic protection;
  - industrial coatings; and
  - protective coatings.
- Application of high-tech fireproofing, rope access repair techniques, the supply of corrosion monitoring equipment and the installation of protective coatings.

In March 2013 the group retained advisors to explore a sale of substantially all of the group's Australian operations in order to pay down debt. A prolonged sale programme ultimately lead to:

- Between July 2013 and February 2014 Soletanche Freyssinet SAS (**Freyssinet**) making a series of declining offers for the group's business.
- On October 2013 Savcor and Freyssinet signing a Heads of Terms granting Freyssinet exclusivity.
- In March 2014 Savcor and Freyssinet executing a Share Purchase Deed for the sale of substantially all of the group's Australian operations for $13,500,000 plus a potential earn-out of up to $14,000,000.
- In May 2014 Freyssinet withdrawing their intention to complete the Share Purchase Deed.

3. MAJOR SECURED CREDITOR

The group was funded through a finance facility with Australia and New Zealand Banking Group Limited (**ANZ**) and ANZ is a creditor of Savcor for in excess of $28,000,000. The facility is secured by All Property and After Acquired Property security interests registered under the *Personal Properties Security Act 2009 (Cth)* against:

- Savcor
- Savcor Pty Ltd (in liquidation) (**Savcor Pty**)
- Savcor ART Pty Ltd (**ART**)
- A.C.N. 102 384 930 Pty Ltd (formerly Savcor Products Pty Ltd) (**Products**)

In addition, Savcor Tempo Oy guarantees the facility.

Despite various amendments to the facility agreement, Savcor breached the facility's covenants and was reliant on waivers at each of the follow covenant testing dates: June 2010, September 2010, December 2010, December 2011, September 2012, December 2012, March 2013, June 2013, September 2013, December 2013 and March 2014.

Under a facility amendment in August 2013, Savcor agreed to a mandatory repayment of $10,000,000 to be made by 30 November 2013. This repayment was never made despite ANZ extending the due date for payment.

4. AUSTRALIAN OPERATIONS

When the Directors appointed the Administrators on 27 June 2014 the Australian business was largely operated through Savcor Pty. Administrators were appointed to this company at the same time and they subsequently became Savcor Pty's liquidators on 1 August 2014. No distribution is anticipated to be made to Savcor Pty's unsecured creditors and it is not anticipated that Savcor will derive any future dividends from its holding in Savcor Pty.

Products specialised in the supply of corrosion products into a number of sectors including pipelines, refineries, above- and under-ground storage tanks, water, wastewater, concrete infrastructure, and marine. This company is not subject to an external administration but its assets were sold on 23 July 2014. Surplus proceeds from this sale were paid to the secured creditor with no return to Savcor. Products has no assets of value, has no employees and has ceased operating.

5. OVERSEAS OPERATIONS[1]

Management accounts for the twelve months ended 31 December 2013 provided to the Deed Administrators identify that Savcor's foreign subsidiaries in New Zealand, China, Finland, Japan and India have made only a limited contribution to the group's revenues and have accrued significant losses:

Table 1: Summary of FY13 performance – Savcor's foreign subsidiaries

Aggregated foreign subsidiary performance FY13	$,000
External revenue	5,000
Internal revenue	1,229
Total revenue	6,228
Operating profit / (loss)	(195)
Profit / (loss) after tax	(162)
EBITDA	(44)
Retained losses as at 31 December 2013	(29,389)

Savcor's holdings in the foreign subsidiaries will be transferred to the Creditors' Trust under the Recapitalisation Proposal.

6. SUSPENSION OF TRADING OF SAVCOR SHARES AND APPOINTMENT OF ADMINISTRATORS

On 27 June 2014, the Company made a request to ASX to suspend its securities from official quotation.

[1] The group's Papua New Guinea (**PNG**) operations were previously managed by Savcor ART Pty Ltd (**ART**). ART's directors appointed Administrators to this company on 19 August 2014 pursuant to Section 436A of the Corporations Act. ART was subsequently sold through a Deed of Company Arrangement which was fully effectuated on 31 October 2014 such that the group no longer has any interest in ART or the PNG operations.

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Pursuant to a resolution of the Directors of the Company, Jannamaria Robertson and Cliff Rocke of KordaMentha, were appointed as Administrators of the Company pursuant to section 436A of the Corporations Act.

At a meeting adjourned on 1 August 2014 and reconvened on 3 October 2014, the Administrators recommended to the creditors of the Company, that, in the opinion of the Administrators, it was in the best interests of creditors to approve the execution of a deed of company arrangement. The 3 October 2014 meeting was the adjourned second meeting of creditors of Savcor which was reconvened following the initial meeting on 1 August 2014 for the purpose of determining the future of Savcor. At this meeting, creditors voted to approve the execution of a deed of company arrangement, in accordance with the Recapitalisation Proposal, to recapitalise the Company which was subsequently executed on 24 October 2014 (**Deed of Company Arrangement**). The terms of the proposal to recapitalise the Company are reflected in the Deed of Company Arrangement, a summary of which is set out in this Memorandum. As contemplated by the Deed of Company Arrangement, the Company entered into an implementation deed with Triton Systems Australia Pty. Ltd. ACN 602 486 626 (**Triton**) and Triton Systems Inc, a company incorporated in the United States of America (**Triton Inc**), on 6 November 2014 (**Implementation Deed**). Details of Triton and Triton Inc are set out in the Memorandum.

The Deed of Company Arrangement provides that, subject to Shareholder approval:

- Triton and Triton Inc contribute funds via a subscription for ordinary shares in Savcor. Post issue Triton and Triton Inc or parties associated with them will own 90% of issued shares in Savcor.
- $500,000 of the funds will be allocated to:
    i. firstly, $150,000 of the $500,000 is to be made available to pay employee priority creditors;
    ii. thereafter the funds are available to meet costs associated with the administration and deed administration and the costs of administering a creditors' trust; and
    iii. thereafter to pay a dividend to creditors in accordance with the order of priority set out in the Corporations Act.
- All of the Company Assets will be transferred to the Creditors' Trust.

If all of the Resolutions are passed, and the Recapitalisation Proposal is implemented, the Company will have $50,468 cash for working capital purposes and no other employees, assets or liabilities.

7. FUTURE OF THE COMPANY

It is the present intention of Triton and Triton Inc to:

- review a number of existing investment opportunities which are known to Triton and/or Triton Inc to determine if they are suitable investments for Savcor. It is hoped to identify and complete a transaction in the first half of 2015;
- thereafter seek alternative investment or acquisition opportunities for Savcor to make;
- raise additional capital as may be required for the purposes of these future investments and/or acquisitions.

The purpose of this Meeting is to give effect to the Deed of Company Arrangement and the Implementation Deed and matters associated with the Deed of Company Arrangement and the Implementation Deed to allow the Company to continue to operate. Following completion of the Recapitalisation Proposal, the Company will seek reinstatement of its securities to quotation on ASX.

8. PURPOSE OF CAPITAL RAISING PURSUANT TO RESOLUTION 2

The purpose of the capital raising proposed by Resolution 2 is to the cost of the recapitalisation of the Company and to discharge Savcor's obligations under the terms of the Deed of Company Arrangement and to raise working capital to fund the Company for a period of time.

In particular, it is proposed that the funds raised pursuant to Resolution 2 will be applied as follows:

Table 2: Source and use of funds

Expense	$
Total funds raised through issue of Shares	550,468
Utilised as follows:	
Working capital to be retained in the business	(50,468)
Repayment of advances paid to the Deed Administrators to satisfy obligations under the Deed of Company Arrangement	(75,000)
Payment to Deed Administrators to satisfy obligations under the Deed of Company Arrangement	(425,000)

9. TRITON AND TRITON INC

Triton Inc is a private company (Registration 043157697) incorporated on 23 June 1992 in Massachusetts and head quartered in Chelmsford Massachusetts. It invests in businesses with a view to delivering creative solutions to the marketplace through advancing product from incubation to commercial stage companies. In this regard Triton Inc has assembled professional resources including basic research scientists, applied applications engineers, quality system experts and manufacturing professionals. Triton Inc's senior leadership team have experience in managing both private and public companies.

Triton Inc was founded by Mr Ross Haghighat, who is its President and Treasurer. Other board members are Mr Robert Miller and Dr Kang Lee. These principals and Aspen Systems Inc wholly own Triton Inc.

Triton is a wholly owned Australian subsidiary of Triton Inc, which was incorporated on 23 October 2014.

10. SUMMARY OF THE TERMS OF THE RECAPITALISATION PROPOSAL AND DEED OF COMPANY ARRANGEMENT

Set out below is a detailed summary of the Recapitalisation Proposal and Deed of Company Arrangement.

Details of Recapitalisation Proposal – creditor approval

The Recapitalisation Proposal was considered by the creditors at the reconvened second creditors meeting held on 3 October 2014 and the Deed of Company Arrangement was executed on 24 October 2014 as detailed in this Section 10 below.

Details of Recapitalisation Proposal – Replacement directors

It is proposed that Mr Peter Marks, Mr Phillip Hains and Mr Vincent Savage are to be appointed Directors of Savcor on the Completion Date. Detailed information in respect of these persons is set out below.

Mr Peter Marks, BEc LLB Grad. Dip. Comm. Law MBA

Peter has served as a Director of Prana Biotechnology Limited from July 2009 to date. In addition, from November 2006 to October 2011, Mr Marks also served as Executive Chairman of iSonea Ltd, formally KarmelSonix Ltd, a medical devices company listed on the ASX that is focused on developing and commercialising a range of devices in the respiratory and medicine space. From September 1998 until March 2001, Mr Marks was employed by KPMG Corporate Finance Ltd (Australia), where he rose to Director and was responsible for heading up the equity capital markets group in Melbourne. From January 1992 until July 1994, Mr Marks served as Head of the Melbourne Companies Department at the Australian Securities Exchange and was founding Director of Momentum Funds Management Pty Ltd, an Australian venture capital firm. From December 1990 until December 1991, Mr Marks served as Director of Corporate Finance at Burdett Buckeridge & Young Ltd in their Melbourne offices, from August 1988 until November 1990, he held senior corporate finance positions at Barings Securities Ltd, and from July 1985 until July 1988, he served as an Associate Director of McIntosh Securities, now Merrill Lynch Australia.

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In his roles with these various financial institutions, Mr Marks was responsible for advising a substantial number of listed and unlisted companies on issues ranging from corporate and company structure, to valuations, business strategies, acquisitions and international opportunities. For over 13 years until the end of August 2014, Mr. Marks was a Director of Peregrine Corporate Ltd, an Australian based investment bank. Mr Marks is currently a Director of Armadale Capital Plc (formerly Watermark Global Plc), an AIM listed company commercialising the treatment and recycling of acid mine drainage water from South African mines. Mr. Marks is currently the principal of Halcyon Corporate Pty Ltd, a corporate and capital markets advisory firm specializing in advising small to mid-cap companies.

Mr Phillip Hains

Mr. Hains is a Chartered Accountant operating a specialist public practice, 'The CFO Solution'. The CFO Solution focuses on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Mr Hains has served the needs of a number of company boards and their related committees. He has over 20 years' experience in providing businesses with accounting, administration, compliance and general management services. He holds a Master of Business Administration from RMIT and a Public Practice Certificate from the Institute of Chartered Accountants.

Mr Vincent Savage

Mr Savage has been a Director of West Wits Mining Limited since October 2011 and has over 36 years' experience in the building and mining industries, coupled with 21 years working within the insolvency and business advisory sectors. Mr Savage's experience has seen him lead company reconstructions, refinancing and development projects for mining clients throughout Australia and Internationally. Over the last three years Mr Savage has been intimately involved in all governmental and regulatory issues involving the Derewo River Gold Project as well as working closely with the Company's local Indonesian partners.

Details of Recapitalisation Proposal – Key terms

The essential terms of the Recapitalisation Proposal are as follows:

1. the consolidation of the capital of the Company on a 1 for 100 basis;
2. the issue and allotment of 12,683,605 Shares to the Subscribers at an issue price of 4.34 cents per Share (post consolidation) to raise $550,468 for working capital with which to satisfy the obligations of the Deed of Company Arrangement. It is anticipated that entities associated with Triton and Triton Inc will control 90% of the issued share capital in the company post the recapitalisation;
3. the election of the nominees of Triton and Triton Inc as Directors of the Company;
4. the removal of Mr Hannu Savisalo and Mr Iikka Savisalo as Directors of the Company;
5. the transfer of all Company Assets to the Creditors' Trust; and
6. the payments set out in Section 8 are made in accordance with the Deed of Company Arrangement with the liabilities of the Company being thereby compromised.

It is also contemplated that the Company will issue 4,227,868 Options to the Subscribers on a 1:3 basis, such that each Subscriber will receive one Option for every three Shares held by that Subscriber. These Options will be exercisable at 6 cents at any time on or before 1 December 2016.

The funds raised pursuant to the capital raisings set out in paragraph (b) above will be applied as detailed in Section 8 of this Explanatory Statement.

The Recapitalisation Proposal is conditional upon Shareholder and regulatory approval.

Details of Deed of Company Arrangement, Implementation Deed and Creditors' Trust Deed (together Transaction Deeds)

The Transaction Deeds detail the recapitalisation arrangements and have been entered into by the following parties:

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Transaction Document	Date	Parties
Deed of Company Arrangement	24 October 2014	Savcor, the Administrators (following the approval of creditors at the reconvened meeting on 3 October 2014)
Implementation Deed	6 November 2014	Savcor, the Administrators, Triton Inc and Triton
Savcor Creditors' Trust Deed	4 December 2014	Savcor and the Administrators

The Transaction Deeds are inter-dependant and incorporate the terms of the Recapitalisation Proposal but are each subject to:

a. Shareholder approval being obtained in respect of Resolutions 1 to 9 set out in the Notice;

b. neither ASIC nor the ASX objecting to the issue of the Notice of Meeting

In aggregate the Transaction Deeds include the following essential terms:

a. Triton and Triton Inc will pay the sum of $75,000 to the Administrators as a deposit. This payment has been made as at the date of this Notice;

b. The Company must do all things reasonably necessary or expedient on its part for the implementation of the recapitalisation of the Company including convening a meeting of Shareholders and issuing this Notice of Meeting;

c. Triton Inc and/or Triton applying for, or procuring that other parties apply for, the Shares being issued pursuant to Resolution 2;

d. the Company's liabilities shall be compromised conditional on:

   i. the establishment of a trust pursuant to which the Deed Administrators, as trustees of the trust (**Trustees**), are obliged to hold the trust funds for the admitted creditors of the Company with:

      A $150,000 being available to the Priority Creditors (as that term is defined in the Deed of Company Arrangement); and

      B the balance being available to meet costs and expenses and to pay a dividend to creditors in accordance with the order of priority set out in the Corporations Act (and recognising the ANZ's security);

   ii. preparation, execution and delivery of an asset transfer agreement by which the Company shall transfer to the trust all assets of the Company; and

   iii. the payment to the Deed Administrators by Triton and Triton Inc, or the other Subscribers, the sum of $500,000 (inclusive of the $75,000 deposit paid by Triton and Triton Inc to the Administrators);

e. the creditors of the Company must accept their entitlements under the Deed of Company Arrangement in full satisfaction and complete discharge of their debts and claims which they have or claim against the Company and shall release the Company from all encumbrances;

f. all of the Company Assets shall be transferred to the Creditors' Trust;

g. within three (3) days of the payment of the sum of $475,000 to the Deed Administrators the Company will issue the Shares to the Subscribers at which time the Deed of Company Arrangement will be effectuated; and

h. the Trustees will call for proof of debts and adjudicate on the claims of creditors which arose on or before the date of the administration and will pay a dividend to creditors in accordance with (d) above.

The Deed of Company Arrangement will immediately terminate after completion of the events set out in paragraphs (a) to (g) above.

It is also contemplated that the Company will issue 4,227,868 Options to the Subscribers on a 1:3 basis, such that each Subscriber will receive one Option for every three Shares held by that Subscriber.

11. CONCLUSION

The Resolutions set out in the Notice are important and affect the future of Savcor. Shareholders are therefore urged to give careful consideration to the Notice and the contents of this Explanatory Statement.

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12. **THE RESOLUTIONS**

Resolution 1 - Consolidation of Capital

The Company is seeking Shareholder approval to consolidate the issued capital of the Company on a 1 for 100 basis in accordance with the Recapitalisation Proposal and the Deed of Company Arrangement.

Section 254H of the Corporations Act provides that a company may, by resolution passed in general meeting, convert all or any of its shares into a larger or smaller number of shares. The ASX Listing Rules also require that the number of options on issue be consolidated in the same ratio as the ordinary capital and the exercise price be amended in inverse proportion to that ratio.

If Resolution 1 is passed, the number of Shares on issue will be reduced on 1 for 100 basis, from 140,928,943 to approximately 1,409,289. The terms and conditions of the Shares will not be affected.

All options issued by the Company as at the date of this Notice of Meeting have been taken up or expired and there is no requirement for a resolution to consolidate the Company's options (and exercise price) in the same manner as the Shares.

As from the effective date of the Resolutions (being the date of the Meeting), all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of post-consolidation Shares.

After the consolidation becomes effective, the Company will dispatch a notice to Shareholders advising them of the number of Shares held by each Shareholders both before and after the consolidation. The Company will also arrange for new holding statements to be issued to Shareholders. It is the responsibility of each Shareholder to check the number of Shares held prior to a disposal.

For the purpose of the ASX Listing Rules, the Company is required to follow the following timetable for the consolidation:

Table 3: Consolidation timetable

Event	Date
Company to send out Notice of Meeting	On or about 5 December 2014
Company tells ASX that Shareholders have approved the consolidation and last day for trading in pre- reorganised securities	13 January 2015
Trading in the reorganised securities commences on a deferred settlement basis	14 January 2015
First day for the Company to send notices to security holders confirming the number of securities held before and after the consolidation, and first day for the Company to register securities on a post re- organisation basis and issue of holding statements	18 January 2015
Last day for securities to be entered on the holders' security holding and deferred trading ends.	22 January 2015

The securities of the Company will remain suspended from ASX during this process.

For the reference of Shareholders, the Company provides the following additional information:

The current share capital structure of the Company is as follows:

Table 4: Capital structure

Shares on issue	Shares on Issue	Issued equity ($'000)
Ordinary shares	140,928,943	273,584

Following completion of the consolidation proposed by Resolution 1, the issue and allotment of Shares proposed by Resolution 2 and the issue of Options proposed to be issued under Resolution 3, as set out in this Notice, the capital structure of the Company will be as follows:

Table 5: Post consolidation capital structure

Securities on issue	Shares on issue	Options on issue	Issued equity ($'000)
Shares on issue post consolidation - Resolution 1	1,409,289	Nil	273,584
Issue of Shares - Resolution 2	12,683,605	Nil	550
Shares on Issue after consolidation and issue proposed in this Notice	**14,092,894**	**Nil**	**274,134**
Issue of Options – Resolution 3		4,227,868	Nil
Shares and Options on Issue after consolidation and issues proposed in this Notice	**14,092,894**	**4,227,868**	**274,134**

Where the number of Shares is not evenly divisible by 100, any fractional entitlement that would otherwise result from the consolidation will be rounded down to the nearest whole Share.

It is considered that there are no taxation consequences that exist for Shareholders arising from the consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the consolidation and neither the Company, the Deed Administrators nor the Directors (or the Company's advisers) accept responsibility for the individual taxation consequences arising from the consolidation.

Resolutions 2 and 3 - Allotment and Issue of Shares and Options (including issue of Shares upon exercise of Options) for Working Capital

The Shares under Resolution 2 are being issued in accordance with the Recapitalisation Proposal and the Deed of Company Arrangement.

It is also proposed, under Resolution 3, to issue 4,227,868 Options on a 1:3 basis. This means that for every three Shares issued to a Subscriber, the Company will also issue that Subscriber with one Option which, upon exercise, will entitle that Subscriber to be issued with one Share. The Options will be issued for nil consideration, will have an exercise price of 6 cents and may be exercised at any time on or before 1 December 2016.

The Shares and Options proposed to be issued under Resolutions 2 and 3 will be issued to the Subscribers as below:

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Table 6: Shares and Options to be issued under Resolutions 2 and 3

Party	Ordinary shares (post consolidation)	Options exercisable at 6 cents
Triton (or its nominee)	1,153,055	384,352
Lisa Messina	2,075,499	691,833
Dave Model	1,729,582	576,527
Bob Miller	1,153,055	384,352
Alexandra Haghighat	576,527	192,176
Ari Glaya	345,916	115,305
Providence Equity A/c.	1,153,055	384,352
Beacon Unit Trust	1,153,055	384,352
John W. King Nominees Pty Ltd	461,222	153,741
Challney Technology Ventures	576,527	192,176
Sadarajak Pty.Ltd	461,222	153,741
Mathew Banks	230,611	76,870
Nathan Leong	230,611	76,870
Lillis Services Pty.Ltd. (an entity associated with Mr Hains)	230,611	76,870
Lampam Pty.Ltd.(an entity associated with Mr Marks)	461,222	153,741
Torres Industries Pty.Ltd.	691,833	230,611
Total	**12,683,605**	**4,227,868**

The funds raised from the allotment of Shares pursuant to Resolution 2 will be used to repay Triton and Triton Inc the $75,000 deposit paid to the Administrators and to meet Triton and Triton Inc's obligations pursuant of the terms of the Deed of Company Arrangement and the Implementation Deed, and to provide working capital for Savcor for a period of time.

It is the present intention of Triton and Triton Inc that the funds raised from the issue of Shares upon the exercise of the Options will be used for working capital purposes. If all Options are exercised by 1 December 2016, the Company would receive a gross $253,672.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a public company issuing securities.

For the purpose of this meeting, a "related party" includes:

a. a director;

b. an entity over which a director has control; and

c. an entity which believes, or has reasonable grounds to believe, that it is likely to become a related party in the future.

For the purposes of Chapter 2E of the Corporations Act, Peter Marks, Phillip Hains and Vincent Savage are each a related party of the Company by virtue of the fact that they believe, or have reasonable grounds to believe, that they are likely to become Directors. Whilst none of Peter Marks, Phillip Hains and Vincent Savage owns an interest in Triton Inc or Triton they will subscribe for shares in Savcor via associated entities, Lillis Services Pty Ltd (associated with Phillip Hains) and Lampam Pty Ltd (associated with Peter Marks) and accordingly these are related parties of the Company.

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Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of that company, the public company must:

a. obtain the approval of members in the way set out in Sections 217 to 227 of the Corporations Act; and

b. give the benefit within 15 months after the approval.

For the avoidance of doubt, the Company is seeking Shareholder approval for the purposes of Chapter 2E of the Corporations Act in respect of the Shares and Options proposed to be issued pursuant to Resolutions 2 and 3 to Lillis Services Pty Ltd (associated with Phillip Hains) and Lampam Pty Ltd (associated with Peter Marks).

The following information is provided to satisfy the requirements of Section 219 of the Corporations Act:

a. the proposed financial benefit to be given to the related party is the maximum number of Shares and Options set out in Table 9. The related parties to whom these Shares and Options are proposed to be allotted are Lillis Services Pty Ltd and Lampam Pty Ltd;

b. the Shares and Options proposed to be issued pursuant to Resolutions 2 and 3 are being issued to the related parties with the issue prices as set out in Table 9. These values are as incorporated into the Deed of Company Arrangement;

c. as the Company was placed in administration and thereafter executed a Deed of Company Arrangement, the Directors have no authority to act on behalf of the Company (other than when expressly authorised under the terms of the Deed of Company Arrangement). Accordingly, the Directors make no recommendation to Shareholders in respect of Resolutions 2 and 3;

d. if Shareholders approve the allotment and issue of the Shares and Options the effect will be to dilute the shareholding of existing Shareholders. Subject to any adjustments arising from further issues of securities by the Company, 12,683,605 Shares and 4,227,868 Options (post consolidation) will be allotted and issued with the effect that the shareholding of existing Shareholders will be diluted by approximately 90% on issue of the Shares and Options and up to a maximum of 92.3% on exercise of the Options; and

e. additional information in relation to Resolutions 2 and 3 is set out throughout this Explanatory Statement. In particular, an Independent Expert's Report, attached to this Memorandum, has been provided in relation to Resolutions 2 and 3 which sets out a valuation of the Company and concludes that the proposed transaction is fair and reasonable to non-associated Shareholders. Shareholders should therefore read this Explanatory Statement and the Independent Expert's Report in its entirety before making a decision as to how to vote in relation to Resolutions 2 and 3.

For the purposes of the related party provisions, the following additional information is disclosed:

a. the remuneration paid to the related parties over the last 12 months to the date of issue of this Notice is as follows:

Table 7: Remuneration

Name	$
Mr Peter Marks	Nil
Mr Phillip Hains	Nil
Mr Vincent Savage	Nil
Lillis Services Pty Ltd	Nil
Lampam Pty Ltd	Nil

b. the Company's Shares have been suspended from trading on ASX since 27 June 2014 accordingly, no information can provided as to recent price history; and

c. the interest of each of the proposed Directors and Subscribers in Shares in the Company as at the date of this Memorandum is nil, as disclosed in Table 9 of this Explanatory Statement.

Although Lillis Services Pty Ltd and Lampam Pty Ltd are each a related party of the Company, the Administrators are of the view that Shareholder approval under ASX Listing Rule 10.11 is not required because the Company relies on the exception to the requirements of ASX Listing Rule 10.11 contained

in Exception 6 of ASX Listing Rule 10.12 in relation to the issue of Shares and Options to these entities, which exception is available where the person who receives securities in the Company is a related party by reason only of the transaction which is the reason for the issue of the securities and the application to it of section 228(6) of the Corporations Act.

ASX Listing Rule 7.1

Resolution 3 requires Shareholder approval in accordance with ASX Listing Rule 7.1.

Under ASX Listing Rule 7.1, a listed company must not, without the prior approval of shareholders, issue equity securities if the number of securities issued by the company during the previous 12 months, exceeds 15% of the number of securities on issue at the commencement of the 12 month period.

Resolution 3 seeks approval by Shareholders of the issue of the Options for the purposes of ASX Listing Rule 7.1 so that the proposed issue does not reduce the Company's future placement capacity under the ASX Listing Rules.

If approved, Resolution 3 will result in:

a. the approval of the issue of 4,227,686 Options; and

b. the Company refreshing its ability to issue further equity securities up to a limit of 15% of its issued capital in the next 12 month period without Shareholder approval.

Pursuant to, and in accordance with, ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Options in Resolution 3:

a. The maximum number of Options to be issued is 4,227,868 Options.

b. The Options are anticipated to be issued upon issue of the Shares in Resolution 2, and in any event, will be issued no later than 3 months after the date of the Meeting.

c. The Options will be issued for nil consideration.

d. The Options will be issued to the Subscribers on a 1:3 basis. Each Subscriber will receive one Option for every 3 Shares issued to that Subscriber under Resolution 2.

e. The terms of the Options are as set out below:

- **Number**: 4,227,868 Options;
- **Expiry Date**: 1 December 2016;
- **Exercise Price**: $0.06 per Option;
- **Ranking**: The Shares issued upon exercise of the Options will be fully paid and will rank equally with all other Shares;
- **Quotation**: The Options will not be quoted. However the Company will apply to list the Options as a separate class of security if there are at least 50 holders; and
- **Other**: Each Option will entitle the Subscriber to be issued with one Share upon exercise of that Option. The Options are not transferable and may be exercised at any time prior to 1 December 2016 by notice in writing to the Company and payment of the Exercise Price.

f. No funds will be raised from the issue of the Options. The present intention is that the funds raised from the issue of Shares upon exercise of the Options will be used for working capital purposes.

Section 611 of the Corporations Act

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

a. from 20% or below to more than 20%; or

b. from a starting point above 20% and below 90%,

unless one of the exceptions in Section 611 of the Corporations Act applies.

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Relevantly, Item 7 of Section 611 of the Corporations Act allows persons to acquire securities with Shareholder approval.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

The "associate" reference includes a reference to a person in concert with whom a primary person is acting or proposes to act.

A person has a relevant interest in securities if they:

a. are the holder of the securities;

b. have the power to exercise, or control the exercise of, a right to vote attached to securities; or

c. have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Pursuant to Resolution 2, in accordance with the Recapitalisation Proposal, it is proposed that the Company issue and allot an aggregate of 12,683,605 Shares to Triton or its nominee (which may be Triton Inc) and the other Subscribers. Pursuant to Resolution 3, it is proposed that the Company issue an aggregate of 4,227,868 Options to the Subscribers on a 1:3 basis. Accordingly, it is proposed that for every three Shares issued to a Subscriber, that Subscriber will also receive one Option. Each Option will entitle the Subscriber to be issued with one Share upon exercise of that Option. The maximum number of Shares to be subscribed for by each of these parties is set out in Table 9. Table 9 also sets out the maximum number of Shares that will be held by each Subscriber if all of the Options are exercised.

Triton and the other Subscribers

Other than the Transaction Deeds described in this Notice of Meeting, there are no relevant agreements between some or all of the Subscribers which are conditional on (or directly or indirectly depend on) Shareholder approval of the proposed transactions.

Reasons for Approval

Shareholder approval under Item 7 of Section 611 of the Corporations Act is required because at the time of settlement under the Deed of Company Arrangement and the Recapitalisation Proposal, Triton (or its nominee) and the other Subscribers may arguably be acting in concert, or otherwise considered "associates", in relation to the Recapitalisation Proposal including in particular the issue of Shares contemplated in Resolution 2 and the issue of Options (including the issue of Shares upon exercise of those Options) contemplated in Resolution 3. Although Triton, Triton Inc and the other Subscribers contend that they are not "associates" for the purpose of the Corporations Act, the Company proposes to treat these entities as "associates" for the purposes of Resolutions 2 and 3 and seek Shareholder approval under Item 7 of Section 611 of the Corporations Act on this basis. To the extent that Triton, Triton Inc and the other Subscribers are associates at the date of this Notice, these entities may no longer be considered associates following the completion of the Recapitalisation Proposal.

Certain information is required to be provided to Shareholders under ASIC Policy Statement 74 and the Corporations Act in respect of obtaining approval for Item 7 of Section 611 of the Corporations Act for Resolutions 2 and 3. Shareholders are also referred to the Independent Expert's Report prepared by Stantons International Securities which accompanies this Explanatory Statement.

For the purposes of the Corporations Act and the approval under Item 7 of Section 611 for the issue of Shares and Options to the Subscribers as contemplated in Resolutions 2 and 3, the following information is disclosed:

Identity of persons who will hold a relevant interest in the Shares to be allotted and issued (including upon exercise of the Options).

The identity of the persons who will hold a relevant interest in issued Shares (including Shares issued upon exercise of the Options) following the approval of Resolutions 2 and 3, for the purposes of Item 7 of Section 611 are set out below:

Table 8: Persons with relevant interest

Party	Ordinary shares (post consolidation)	Ordinary shares (after exercise of Options)
Triton or its nominee	1,153,055	384,352
Lisa Messina	2,075,499	691,833
Dave Model	1,729,582	576,527
Bob Miller	1,153,055	384,352
Alexandra Haghighat	576,527	192,176
Ari Giaya	345,916	115,305
Providence Equity A/c.	1,153,055	384,352
Beacon Unit Trust	1,153,055	384,352
John W. King Nominees Pty Ltd	461,222	153,741
Challney Technology Ventures	576,527	192,176
Sadarajak Pty.Ltd	461,222	153,741
Mathew Banks	230,611	76,870
Nathan Leong	230,611	76,870
Lillis Services Pty.Ltd. (an entity associated with Mr Hains)	230,611	76,870
Lampam Pty.Ltd.(an entity associated with Mr Marks)	461,222	153,741
Torres Industries Pty.Ltd.	691,833	230,611
Total	**12,683,605**	**4,227,868**

The number of issued Shares in which each of the Subscribers will have a relevant interest, after both the proposed issue and upon exercise of the Options, is shown in the Table 8 above.

Shares to which the allottees will be entitled immediately before and after the allotment and the exercise of the Options

As at the date of this Notice, each of the Subscribers have a relevant interest in the Shares of the Company as shown in Column 1 of Table 9 below.

The maximum number of Shares (post consolidation) following the proposed issue of Shares in Resolution 2 and upon the exercise of all Options, that each of Triton (or its nominee) and the other Subscribers will have a relevant interest in, is 16,911,473 as set out in the table below (Table 9).

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Table 9: Shares issued upon exercise of Options

	Column 1 No. of Shares currently held, both directly & Indirectly (post consolidation)	Column 2 Maximum no of Shares to be issued at 4.34 cents (Resolution 2)	Column 3 Maximum no of Shares to be issued upon exercise of Options (Resolution 3)	Column 4 Maximum no of Shares to be held by Subscribers after the exercise of Options(Resolution 3)	Column 5 Maximum no. of Shares to be issued to Subscribers
Triton or its nominee	Nil	1,153,055	384,352	1,537,407	1,537,407
Lisa Messina	Nil	2,075,499	691,833	2,767,332	2,767,332
Dave Model	Nil	1,729,582	576,527	2,306,110	2,306,110
Bob Miller	Nil	1,153,055	384,352	1,537,407	1,537,407
Alexandra Haghighat	Nil	576,527	192,176	768,703	768,703
Ari Giaya	Nil	345,916	115,305	461,222	461,222
Providence Equity A/c.	Nil	1,153,055	384,352	1,537,407	1,537,407
Beacon Unit Trust	Nil	1,153,055	384,352	1,537,407	1,537,407
John W. King Nominees Pty Ltd	Nil	461,222	153,741	614,963	614,963
Challney Technology Ventures	Nil	576,527	192,176	768,703	768,703
Sadarajak Pty.Ltd	Nil	461,222	153,741	614,963	614,963
Mathew Banks	Nil	230,611	76,870	307,481	307,481
Nathan Leong	Nil	230,611	76,870	307,481	307,481
Lillis Services Pty.Ltd. (an entity associated with Mr Hains)	Nil	230,611	76,870	307,481	307,481
Lampam Pty.Ltd.(an entity associated with Mr Marks)	Nil	461,222	153,741	614,963	614,963
Torres Industries Pty.Ltd.	Nil	691,833	230,611	922,444	922,444
Total	**Nil**	**12,683,605**	**4,227,868**	**16,911,473**	**16,911,473**

The maximum number of securities that may be held by each of the Subscribers is set out in the table below (Table 10).

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Table 10: Shares issued under Resolution 2 and upon exercise of the Options

	Column 1 No. of Shares currently held, both directly & indirectly (post consolidation)	Column 2 Maximum no of Shares to be issued at 4.34 cents (Resolution 2)	Column 3 Voting power post Issue of Shares pursuant to Resolution 2	Column 4 Maximum no of Shares to be issued upon exercise of Options (Resolution 3)	Column 5 Maximum no of Shares to be issued, including upon exercise of Options (Resolutions 2 and 3)	Column 6 Voting power post issue of Shares under Resolution 2 and upon exercise of Options
Triton or its nominee	Nil	1,153,055	8.2%	384,352	1,537,407	8.4%
Lisa Messina	Nil	2,075,499	14.7%	691,833	2,767,332	15.1%
Dave Model	Nil	1,729,582	12.3%	576,527	2,306,110	12.6%
Bob Miller	Nil	1,153,055	8.2%	384,352	1,537,407	8.4%
Alexandra Haghighat	Nil	576,527	4.1%	192,176	768,703	4.2%
Ari Giaya	Nil	345,916	2.5%	115,305	461,222	2.5%
Providence Equity A/c.	Nil	1,153,055	8.2%	384,352	1,537,407	8.4%
Beacon Unit Trust	Nil	1,153,055	8.2%	384,352	1,537,407	8.4%
John W. King Nominees Pty Ltd	Nil	461,222	3.3%	153,741	614,963	3.4%
Challney Technology Ventures	Nil	576,527	4.1%	192,176	768,703	4.2%
Sadarajak Pty.Ltd	Nil	461,222	3.3%	153,741	614,963	3.4%
Mathew Banks	Nil	230,611	1.6%	76,870	307,481	1.7%
Nathan Leong	Nil	230,611	1.6%	76,870	307,481	1.7%
Lillis Services Pty.Ltd. (an entity associated with Mr Hains)	Nil	230,611	1.6%	76,870	307,481	1.7%
Lampam Pty.Ltd.(an entity associated with Mr Marks)	Nil	461,222	3.3%	153,741	614,963	3.4%
Torres Industries Pty.Ltd.	Nil	691,833	4.9%	230,611	922,444	5.0%
Total	**Nil**	**12,683,605**	**90%**	**4,227,868**	**16,911,473**	**92.3%**
Existing Shareholders	1,409,289	Nil	10%	Nil	1,409,289	7.7%
Total	**1,409,289**	**12,683,605**	**100%**	**4,227,868**	**18,320,762**	**100%**

Also set out above are the matters required to be disclosed in accordance with Section 611 Item 7 of the Corporations Act. This information is disclosed on the assumption that:

a. settlement under the Deed of Company Arrangement has occurred;
b. all Resolutions set out in the Notice are duly passed;
c. the capital raising pursuant to Resolution 2 is fully subscribed; and
d. all Options are exercised.

Each of the Subscribers will have maximum voting power per column 6 of Table 10 above following the implementation of all resolutions. Column 6 of Table 10 represents the maximum extent of the increase of voting power for each of the Subscribers.

The maximum voting power that the Subscribers will hold, in aggregate, after the implementation of all Resolutions (assuming all Options are exercised) is 92.3%. This represents an increase from 0% to 92.3%.

Other Required Information

The following further information is disclosed:

a. the Company will be required to raise sufficient capital to satisfy its obligations under the Deed of Company Arrangement. To this end, the Company is seeking Shareholder approval to proceed with a placement. Shareholders should refer to Resolution 2 for further details regarding this capital raising; and

b. there are currently no employees of the Company nor are there any proposals whereby any property will be transferred between the Company and the allottees, or any person associated with the allottees as required under the Deed of Company Arrangement. The assets of the Company are to be transferred to a creditors trust; and

c. there is no intention to change the Company's existing policies in relation to financial matters or dividends. At present, the Company does not pay a dividend. The financial and dividend policies of the Company will be assessed in accordance with the future profitability of the Company's· business.

The Administrators are of the view that Shareholder approval under ASX Listing Rule 7.1 is not required for the issue of the Shares contemplated in Resolution 2, or the issue of the Shares on exercise of the Options, because the Company relies on the exception to the requirements of ASX Listing Rule 7.1 contained in Exception 16 of ASX Listing Rule 7.2 in relation to the issue of the Shares, which exception is available where the issue of securities is being approved for the purposes of Item 7 of Section 611 of the Corporations Act.

13. Directors' Recommendations

As the Company is subject to a Deed of Company Arrangement, the existing Directors of the Company do not make any recommendation in respect of this Resolution. Shareholders should read this Memorandum in full, together with the Independent Expert's Report referred to below to form an opinion on the merits of the Recapitalisation Proposal.

14. Independent Expert's Report

The Independent Expert's Report accompanying this Memorandum has been prepared by Stantons International Securities and sets out a detailed examination of the proposed issue of Shares and Options to the Subscribers to enable Shareholders to assess the merits and decide whether to approve Resolutions 2 and 3.

To the extent that it is appropriate, the Independent Expert's Report sets out further information with respect to this proposed transaction and concludes that the issue of the Shares pursuant to Resolution 2, and upon exercise of the Options as contemplated in Resolution 3, is fair and reasonable to the non associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

15. Proforma Statement of Financial Position

Set out below is a statement of financial position of the Company as at 27 June 2014 prepared from the Reports As To Affairs received by the Administrators from the directors of the Company (adjusted as appropriate) together with the pro forma statement of financial position on the basis of the assumptions set out below. Although the Reports as to Affairs do not include Contributed Equity, Reserves, or Accumulated losses figures, these have been inserted for completeness.

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Table 11: Proforma statement of financial position: Savcor Group Limited

	Notes	RATA $'000	Notes	Proforma after capital raising and completing the Deed of Company Arrangement $'000
Current assets				
Sundry debtors		1,779		Nil
Cash assets		-	3	50
Assets subject to specific security interest / other	1	28,329		Nil
Total assets		**30,108**		
Current liabilities				
Amounts owing to priority creditors		(107)		Nil
Unsecured creditors		(1,146)		Nil
Amounts owing to secured		(27,810)		Nil
Total liabilities		**(29,063)**		
Net assets / (liabilities)		**1,045**		**50**
Adjustment	*1*	*(27,329)*		
Adj net assets / (liabilities)		**(26,284)**		
Contributed equity		269,401	4	274,134
Adjustment	*2*	*4,183*		
Losses		(299,868)		(274,084)
Total equity / (liabilities)		**(26,284)**		**50**

Notes to Proforma statement of financial position: Savcor Group Limited

Note	Comment
1	The RATA balance primarily represents the cost of Savcor's investments in its subsidiaries and associates. The adjustment reflects an estimate of the realisable value of these investments.
2	The adjustment to contributed equity is to reconcile the RATA with the FY13 audited accounts.
3	The movement in the cash assets is reconciled as follows:

	$'000
Opening balance	**Nil**
Placement of Shares at 4.34 cents	550
Working capital retained in the Company	(50)
Repayment of monies advanced by Triton and Triton Inc	(75)
Payment to satisfy obligations under Deed of Company Arrangement	(425)
Closing balance	**Nil**

4 The movement in the contributed equity is reconciled as follows:

	$
Opening balance	**273,584**
Placement of Shares at 4.34 cents	550
Closing balance	**274,134**

Resolutions 4, 5 and 6 - Election of Directors

Rule 6.1 of the Constitution of the Company states that the Directors may appoint any natural person to be a Director of the Company, either as an addition to the existing Directors or to fill a casual vacancy.

The Recapitalisation Proposal and the Deed of Company Arrangement provides for the appointment of the nominees of Triton and Triton Inc, being Mr Peter Marks, Mr Phillip Hains and Mr Vincent Savage, as Directors of the Company.

Accordingly, Resolutions 4, 5 and 6 seek the election of Mr Peter Marks, Mr Phillip Hains and Mr Vincent Savage as Directors, effective at the Completion Date.

Set out earlier in section 10 of this Explanatory Statement is a summary of the backgrounds of each of these persons.

Resolutions 7 and 8 – Removal of Directors

Under section 203D of the Corporations Act, a company may by resolution remove a director from office.

The Recapitalisation Proposal, the Deed of Company Arrangement and the Implementation Deed provide for the removal of the current Directors, being Mr Hannu Savisalo and Mr Iikka Savisalo.

Accordingly, Resolutions 7 and 8 propose to remove both of the current Directors.

Resolution 9 – Disposal of Company Assets

ASX Listing Rule 11.2 provides that if an entity proposes to make a significant change that involves the entity disposing undertaking (including its assets), the entity must get the approval of holders of its ordinary securities.

It is a term of the Deed of Company Arrangement and the Implementation Deed that all of the assets of the Company be transferred to the Creditors' Trust. The Implementation Deed requires that such transfer be completed before the issue of the Shares to the Subscribers contemplated in Resolution 2 can occur.

The key Company Assets comprise the following:

- loans to and receivables from the subsidiaries of the Company;
- shareholdings in the subsidiaries of the Company;
- shares in Cencorp Group OY; a loan to Cencorp Group OY; and
- a potential claim against Freyssinet

Resolution 9 seeks the approval of the Shareholders for the disposal of all of the Company Assets by transferring the Company Assets to the Creditors' Trust, as contemplated by the Recapitalisation Proposal, the Deed of Company Arrangement and the Implementation Deed.

16. ENQUIRIES

Shareholders are invited to contact Kate McLeod of KordaMentha, on (08) 9220 9332 if they have any queries in respect of the matters set out in this Memorandum.

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GLOSSARY

Administrators means Jannamaria Robertson and Clifford Stuart Rocke of KordaMentha.

ASIC means Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited.

ASX Listing Rules or Listing Rules means the Listing Rules of ASX.

Board means the board of directors of the Company.

Company and **Savcor** means Savcor Group Limited (subject to deed of company arrangement) (ACN 127 734 196).

Company Assets means all assets owned by the Company, including but not limited to those set out in the Explanatory Statement.

Completion Date means the date that is 3 business days after the Completion Payment Date.

Completion Payment Date means the date that is 30 days after the passing of the Resolutions.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Creditors' Trust means the trust created by the Creditors' Trust Deed.

Creditors' Trust Deed means the deed entered into between the Company and the Trustees in accordance with the Deed of Company Arrangement.

Deed Administrators means Jannamaria Robertson and Clifford Stuart Rocke of KordaMentha.

Directors means the directors of the Company.

Explanatory Statement means the explanatory statement to the Memorandum.

Independent Expert's Report means the independent expert's report prepared by Stantons International Securities which is annexed to this Memorandum as the Annexure.

Meeting means the Extraordinary General Meeting of Shareholders convened by the Notice.

Memorandum means this information memorandum.

Notice or Notice of Meeting means the notice of Extraordinary General Meeting accompanying this Memorandum.

Official List means the official list of ASX.

Options means the 4,227,868 options over Shares with an exercise price of 6.0 cents, exercisable on or before 1st December, 2016, having the terms set out in section 12 of the Explanatory Statement,

Recapitalisation Proposal means the recapitalisation proposal approved by creditors of the Company on 3 October 2014.

Resolution means a resolution contained in the Notice.

Shareholders means holders of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

Stantons International Securities means Stantons International Securities Pty Ltd trading as Stantons International Securities.

Subscribers means the persons and entities set out in section 12 of the Explanatory Statement.

Triton means Triton Systems Australia Pty Ltd ACN 602 486 626.

Triton Inc means Triton Systems Inc, a company incorporated in the United States of America.

Trustee means Jannamaria Robertson and Clifford Stuart Rocke of KordaMentha.

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ANNEXURE – INDEPENDENT EXPERT'S REPORT

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18 November 2014

Savcor Group Limited (Subject to Deed of Company Arrangement)
C/-KordaMentha
Level 5, Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

Summary of Opinion

For the purposes of Section 611 (item 7) of TCA, in relation to the approval to issue 12,683,605 post consolidated shares and to issue 4,227,868 post consolidated options and allowing the exercise of such options into shares in Savcor, in our opinion, taking into account the factors noted elsewhere in this report including the factors (positive, negative and other factors) noted in section 8 of this report, the proposals as outlined in paragraph 1.3 and Resolutions 2 and 3 may on balance be considered to be fair and reasonable to the non associated shareholders at the date of this report.

Dear Sirs

RE: SAVCOR GROUP LIMITED (ABN 127 734 196) ("SAVCOR" OR "THE COMPANY") MEETING OF SHAREHOLDERS PURSUANT TO SECTION 611 (ITEM 7) OF THE CORPORATIONS ACT 2001 ("TCA") RELATING TO THE PROPOSAL TO ISSUE 12,683,605 POST CONSOLIDATED SHARES AND 4,227,868 POST CONSOLIDATED OPTIONS AND ALLOW THE EXERCISE OF SUCH OPTIONS INTO SHARES IN SAVCOR.

1. Introduction

1.1 We have been requested by the Deed Administrators of Savcor Group Limited (Subject to Deed of Company Arrangement) ("Savcor" or "the Company") to prepare an Independent Expert's Report to determine the fairness and reasonableness relating to the proposals as set out in Resolutions 2 and 3 of the Notice of Meeting ("the Notice") to be disseminated to shareholders of Savcor in November 2014.

Under the Recapitalisation Proposal put forward by Savcor and Triton Systems Australia Pty Ltd ("Triton") and Triton Systems Inc ("Triton Inc") represented by Peter Marks, Phillip Hains and Vincent Savage, Triton or its nominee (which may be Triton Inc) and other Subscribers (together referred to as the "Investment Group") would increase their shareholding from a starting point that is nil to a shareholding in a recapitalised Savcor of in excess of 20%.

1.2 Further details on Triton and Triton Inc are noted in Section 9 of the Explanatory Statement ("ES") attached to the Notice that outlines the resolutions being put to the shareholders of Savcor and further details on the other Subscribers are noted in Section 12 of the ES.

1.3 Resolutions 2 and 3 relate to the issue of up to 12,683,605 post consolidated ordinary shares in Savcor at an issue price of 4.34 cents each to raise a gross $550,468 to Triton and other Subscribers and the issue of up to 4,227,868 Options (and allowing such Options to be exercised into shares in Savcor). Triton (or its nominee) will be issued 1,153,055 shares and 384,352 options. Lillis Services Pty Ltd (associated with Phillip Hains) and Lampam Pty Ltd (associated with Peter Marks) will be issued 230,611 and 461,222 shares respectively pursuant to Resolutions 2 and 76,870 and 153,741 options respectively pursuant to Resolution 3. Lillis Services Pty Limited and Lampam Pty Ltd are for purposes

of Chapter 2E of TCA regarded as related parties of the Company. Approval for Resolution 2 is subject to the passing of Resolutions 1 and 3 to 9. Resolution 3 relates to the issue of up to 4,227,868 options on a post consolidated basis in Savcor to Triton and other Subscribers (and allowing such Options to be exercised into shares in Savcor). Approval for Resolution 3 is subject to the passing of Resolutions 1 and 2 and Resolutions 4 to 9 inclusive.

1.4 In addition, as part of the Recapitalisation Proposal, there are the following additional resolutions:

- Resolution 1 relates to the approval for the Company's existing shares to be consolidated on a 1 for 100 basis;
- Resolution 4 relates to the appointment of Peter Marks as a director of the Company;
- Resolution 5 relates to the appointment of Phillip Hains as a director of the Company;
- Resolution 6 relates to the appointment of Vincent Savage as a director of the Company;
- Resolution 7 relates to the removal of Hannu Savisalo as a director of the Company;
- Resolution 8 relates to the removal of Iikka Savisalo as a director of the Company; and
- Resolution 9 relates to the disposal of Company Assets.

We are not reporting on the fairness and reasonableness of Resolutions 1 and 4 to 9 inclusive. This report specifically addresses Resolutions 2 and 3 only. However, we note that each of the Resolutions 1 to 9 are conditional upon the due passage of all of the other proposed Resolutions 1 to 9.

Further details on the resolutions are included in the ES.

1.5 The proposed issue of 12,683,605 post consolidation shares to Triton and the other Subscribers (the Investment Group) is referred to in this report as the Subscription for a total capital raising of a gross $550,468 as noted above and in the ES.

1.6 The Deed of Company Arrangement provides that subject to shareholder approval:

- Triton and Triton Inc contribute funds via a subscription for ordinary shares in Savcor. Post issue Triton and Triton Inc or parties associated with Triton will own 90% of issued shares in Savcor.

- $500,000 of the funds will be allocated to;

  i. firstly, $150,000 of the $500,000 is to be made available to pay employee priority creditors;
  ii. thereafter the funds are available to meet costs associated with the administration and deed administration and the costs of administering a creditors' trust; and
  iii. thereafter to pay a dividend to creditors in accordance with the order of priority set out in the Corporations Act 2001.

- All of the Company Assets will be transferred to the Creditors' Trust.

1.7 In the event that the Recapitalisation Proposal is consummated, the Company would have approximately $50,468 net cash funds for working capital, it would review a number of existing investment opportunities, seek new investment or acquisition opportunities and raise additional capital as may be required for the purposes of these future investments

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and/ or acquisitions. The Company will not have its shares re-quoted on ASX until it complies with Chapters 1 and 2 of the Listing Rules of ASX.

1.8 As at the date of this Notice neither Triton nor Triton Inc have any relevant interest in any shares in Savcor.

1.9 Following the consummation of the resolutions relating to the issue of new shares and options, the following table depicts the new share structure of the Company assuming the Investment Group receives the 12,683,605 post consolidated shares described in Resolution 2 and exercises the Options received pursuant to Resolution 3. Section 12 of the ES refers to the shareholding details if all resolutions are passed and consummated. The total number of post consolidated shares on issue would initially be 14,092,894 and, in the event the Options are issued, 18,320,762 shares as detailed in the following table.

	Existing shareholders	Maximum No. of Shares to be Issued to Triton (or nominee) and related parties	Maximum No. of Shares to be issued to other Subscribers	Total	Percentage share holding by Triton (or Nominee) and related parties	Percentage shareholding by Investment Group
Existing shareholders pre consolidation	**140,928,943**	-	-	**140,928,943**	-	-
Consolidation of shares 1:100	139,519,654	-	-	139,519,654	-	-
Existing shareholders post consolidation	**1,409,289**	-	-	**1,409,289**	-	-
Issue of shares to Triton and related parties and to other Subscribers being the Investment Group (Resolution 2)	-	1,844,888	10,838,717	12,683,605	-	-
Total shares after issue to Investment Group	**1,409,289**	1,844,888	10,838,717	**14,092,894**	**13.09**	**90.00**
Issue of options to Triton and related parties and to other Subscribers being the Investment Group (Resolution 3)	-	614,963	3,612,905	4,227,868	-	-
Total potential number of shares on issue after the exercise of the Options	**1,409,289**	**2,459,851**	**14,451,622**	**18,320,762**	**13.43**	**92.31**

The ES refers to various tables outlining the potential shareholdings (and percentages) of the various allotees.

1.10 As noted in Section 8 of the ES, the total value of funds to be raised and the use of those funds, is set out below:

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Use of Funds – Expenditure Budget

	$
Total funds raised	**550,468**
Utilised as follows:	
Repayment of advances paid to the Deed Administrators	(75,000)
Payment to the Deed Administrators	(425,000)
Working capital and potential acquisitions	(50,468)
Total funds utilised	**(550,468)**

1.11 The above recapitalisation is subject to the Company obtaining necessary shareholder approvals and any ASX regulatory re-quotation approvals.

1.12 Under Section 606 of TCA, a person must not acquire a relevant interest in issued voting shares in a company if because of the transaction, that person's or someone else's voting power in the company increases:

(a) from 20% or below to more than 20%; or
(b) from a starting point that is above 20% and below 90%.

Under Section 611 (Item 7) of TCA, Section 606 does not apply in relation to any acquisition of shares in a company approved by resolution passed at a general meeting at which no votes were cast in favour of the resolution by the acquirer or the disposer or their respective associates. An independent expert is required to report on the fairness and reasonableness of the transaction pursuant to a Section 611 (Item 7) meeting.

1.13 The Investment Group (including Triton and related parties) currently hold nil shares in Savcor. Following completion of the Recapitalisation Proposal and the other proposals noted in paragraph 1.3 above and in the Notice, the Investment Group would own a total of 12,683,605 post consolidated shares in Savcor representing approximately 90.0% of the then shares on issue. There would be 14,092,894 post consolidation Savcor shares on issue.

1.14 Shareholder approval under Item 7 of Section 611 of TCA is required because at the time of settlement under the Deed of Company Arrangement and the Recapitalisation Proposal, Triton (or its nominee) and the other Subscribers together being the Investment Group may arguably be acting in concert, or otherwise considered "associates", in relation to the Recapitalisation Proposal including in particular the issue of shares contemplated in Resolution 2 and the issue of Options (including the issue of Shares upon exercise of those Options) contemplated in Resolution 3. Although Triton, Triton Inc and the other Subscribers contend that they are not "associates" for the purpose of TCA, the Company proposes to treat these entities as "associates" for the purposes of Resolutions 2 and 3 and seek shareholder approval under Item 7 of Section 611 of TCA on this basis. To the extent that Triton, Triton Inc and the other Subscribers are associates at the date of this Notice, these entities may no longer be considered associates following the completion of the Recapitalisation Proposal.

1.15 Certain information is required to be provided to Shareholders under ASIC Policy Statement 74 and the Corporations Act in respect of obtaining approval for Item 7 of Section 611 of TCA for Resolutions 2 and 3. A notice prepared in relation to a meeting of shareholders convened for the purposes of Section 611 (Item 7) of TCA should be accompanied by an independent expert's report stating whether it is fair and reasonable to approve the issue of 12,683,605 post consolidated shares and up to 4,227,868 Options to the Investment Group (and allow the exercise of such Options to shares in Savcor).

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To assist shareholders in making a decision on the proposals outlined in the Notice (and in particular Resolutions 2 and 3), the Company's Deed Administrators have requested that Stantons International Securities prepare an Independent Expert's Report, which must state whether, in the opinion of the Independent Expert, the proposals under Resolutions 2 and 3 are fair and reasonable to the non-associated shareholders of Savcor.

1.16 We are not reporting on the fairness and reasonableness of the other resolutions referred to in the Notice and ES, other than Resolutions 2 and 3 as outlined above.

1.17 Apart from this introduction, this report considers the following:

- Summary of opinion
- Implications of the proposals with Triton
- Corporate history and nature of business
- Future direction of Savcor
- Basis of valuation of Savcor shares
- Premium for control
- Fairness of the Proposals
- Conclusion as to fairness
- Reasonableness of the Proposals
- Conclusion as to reasonableness
- Sources of information
- Appendix A and Financial Services Guide

1.18 In determining the fairness and reasonableness of the transaction pursuant to Resolutions 2 and 3 we have had regard to the definitions set out by the Australian Securities and Investments Commission ("ASIC") in its Regulatory Guide 111, "Content of Expert Reports". The Regulatory Guide 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above mentioned offer. Furthermore, this comparison should be made assuming 100% ownership of the "target" and irrespective of whether the consideration is scrip or cash. An offer is "reasonable" if it is fair.

An offer may also be reasonable, if despite not being "fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer. It also states that, where an acquisition of shares by way of an allotment is to be approved by shareholders pursuant to Section 611 (Item 7) of TCA, it is desirable to commission a report by an independent expert stating whether or not the proposal is fair and reasonable, having regards to the proposed allottees and whether a premium for potential control is being paid by the allottees. Regulatory Guide 111 also provides that such an allotment should involve a comparison of the advantages and disadvantages likely to accrue to non associated shareholders if the transactions proceed compared with if they do not.

1.19 Accordingly, our report in relation to Resolutions 2 and 3 comprising the approval to issue a total of 12,683,605 post consolidated shares and 4,227,868 Options (and allow the exercise of such Options to shares in Savcor), to the Investment Group is concerned with the fairness and reasonableness of the proposal with respect to the existing non-associated shareholders of Savcor and whether the Investment Group is paying a premium for control.

Summary of Opinion

1.20 For the purposes of section 611 (item 7) of TCA, the proposal in relation to the approval to issue 12,683,605 post consolidated shares and 4,227,868 Options (and allow the exercise of such options to share in Savcor) as set out in Resolutions 2 and 3 is in our opinion taking into account the factors noted elsewhere in this report including the factors (positive, negative and other factors) noted in section 8 of this

report, be considered to be fair and reasonable to the non associated shareholders at the date of this report.

1.21 Each shareholder needs to examine the share price of Savcor, market conditions and announcements made by Savcor up to the date of the shareholders meeting at the time of exercise of vote to ascertain the impact, if any, on Resolutions 2 and 3. The opinion expressed above must be read in conjunction with the more detailed analysis and comments made in this report.

2. Implications of the Proposals

2.1 As at 17 November 2014, there are 140,928,943 pre-consolidated ordinary fully paid shares on issue in Savcor (1,409,289 on a post consolidated basis). Post the implementation of all of the recapitalisation proposals, the number of shares may increase to 14,092,894 before the exercise of any options and up to 18,320,762 after the exercise of the Options as set out in paragraph 1.9 above.

Further details on the shares that could be on issue and the shareholding interests of Triton and other parties are noted in Section 1 of this report and in Tables 8, 9 and 10 in Section 12 of the ES attached to the Notice.

2.2 Pursuant to Resolution 1 the Company will consolidate its existing 140,928,943 pre-consolidated ordinary fully paid shares on a 1:100 basis so that 1,409,289 post consolidation shares will be on issue.

2.3 Pursuant to Resolutions 2 and 3 the Company will issue to the Investment Group a total of 12,683,605 post consolidation shares at 4.34 cents per share to raise a gross $550,468. The Investment Group's shareholding will increase from nil% to approximately 90.0% based on the issued share capital of 14,092,894 post consolidated shares.

2.4 We understand that the monies raised from the issue of the 12,683,605 post consolidated shares to the Investment Group at 4.34 cents per share ($550,468) will be used for payments to the Deed Administrators ($500,000) and the balance of $50,468 to review new projects, working capital and potential new acquisitions. Refer Section 1.10 above and Section 8 of the ES.

2.5 The Recapitalisation Proposal provides that from the date of the Meeting, the Board will include nominees of Triton. Subject to the approval of the shareholders, the existing Directors, Hannu Savisalo and Ikka Savisalo will be removed. The new board will include three new directors Peter Marks, Phiilip Hains and Vincent Savage. Resolutions 4, 5 and 6 respectively seek to achieve this.

2.6 The costs of the Notice and other recapitalisation costs will be paid pre completion of the recapitalisation by the Deed Administrator (or if post completion, by the trustee of the Creditors' Trust).

2.7 Set out below is an estimated unaudited statement of financial position of the Company as at 27 June 2014 prepared from the Reports As To Affairs received by the Administrators from the Directors together with the pro-forma balance sheet (statement of financial position) adjusted to include the transactions assuming all resolutions are passed and consummated.

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	Estimated Statement of Financial Position $000	Statement of Financial Position after Resolutions 2 and 3 are passed $000
Current Assets		
Sundry debtors	1,779	-
Cash Assets	-	50
Assets subject to specific security interest (at estimated realisable value)	1,000	-
Total current assets	2,779	-
Non Current Assets		
Business assets	-	-
Total non-current assets	-	-
Total Assets	-	
Liabilities		
Amounts owing to priority creditors	107	-
Unsecured creditors	1,146	-
Amounts owing to secured creditors	27,810	-
Total Current Liabilities	29,063	-
Net (Liabilities)/Assets	(26,284)	50
Equity		
Issued Capital	273,584	274,134
Reserves	-	-
Accumulated Losses	(299,868)	(274,084)
Total Equity/(Deficiency)	(26,284)	50
Post consolidated shares on issue	1,409,289	14,092,894
Net assets/(liabilities) per post consolidated share (cents)	(1865.05)	0.358

On a post consolidated basis after the issue of the 12,683,605 shares but before the issue of any other shares the net asset per share is 0.358 cents based on net assets of $50,468.

We have also been advised by the Deed Administrators that no offers have been made to purchase the Company as a shell company. It is noted that values of shell companies vary considerably but for small cap companies may vary between $250,000 and $500,000. However it is noted that the Company cannot sell itself and parties are only prepared to place funds in a company shell on the back of a firm proposal (as is the case with Savcor). The amount payable is dependent on a number of factors including shareholder spread, ASX compliance matters and extent of debt amongst many factors. In our view a Company such as Savcor may have a shell value not exceeding $300,000 but realistically this would be based on the premise that the Company has no or very minimal debt. Savcor is debt laden and may need to comply with ASX Listing Rules (Chapters 1 and 2) in order to have its shares requoted. This can be a significant exercise and there is no guarantee that it can occur. The raising of an initial gross $550,468 will not be enough to ensure meeting ASX Listing Rules for requotation.

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In the event that a notional value was ascribed to the Company as a shell company of $300,000, the value per share may approximate 21.29 cents on a post consolidated basis. However, we consider this is misleading as no investor(s) would pay for a controlling interest in Savcor without a firm re-capitalisation proposal that not only assumes the investor(s) would place funds in Savcor but would assume further investors would place funds in Savcor to recapitalise the Company (at least to the extent of sufficient funds to pay out creditors) and have some sufficient working capital to explore new business opportunities, and probably seek ASX quotation, that as noted elsewhere in this report, has quite a challenge attached to it.

Note 1 The movement in the cash assets is reconciled as follows:	**$000**
Cash Assets:	-
Opening Balance	-
Placement of 12,683,605 post consolidation shares (Resolution 2)	550
Repayment of monies advanced by Triton	(75)
Payment to satisfy obligations under the Deed Of Company Arrangement	(425)
Net cash on hand	50

Note 2 The movement in the issued capital is reconciled as follows:	**$000**
Issued Capital:	
Opening Balance	273,584
Placement of Shares to the Investment Group	550
Closing balance (estimated)	274,134

We have been advised by the Directors, that the most recent available set of audited financial statements of the Company is for the year ended 31 December 2013. We have also been advised by KordaMentha that immediately prior to the completion of the Recapitalisation Proposal the Company will have no assets or liabilities.

3. Corporate History and Nature of Business

3.1 Savcor is currently suspended from its listing on the ASX. As noted in Section 2 of the ES Savcor was incorporated on 26 September 2007 and subsequently listed on the ASX on 18 December 2007. Savcor is, to a large extent, an intermediary holding company being majority owned by Savisalo family related entities. Savcor Group Oy, which is based in Finland has interests of 63.3% in Savcor. Savcor is the holder of a wide range of subsidiaries (with limited, if any, value) as disclosed more fully under section 2 of the ES. Historically, the group's main activities included:

- Asset maintenance and remediation technologies.
- Repair, rehabilitation, protection and maintenance of buildings and infrastructure.
- Protection, rehabilitation and corrosion solutions for reinforced concrete and street structures including:
    - concrete repair
    - cathodic protection
    - industrial and protective coatings
- Application of high-tech fireproofing, rope access repair techniques, the supply of corrosion monitoring equipment and the installation of protective coatings

In March 2013 the group retained advisors to explore a sale of substantially all of the group's Australian operations in order to pay down debt. A prolonged sale programme ultimately lead to:

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- Between July 2013 and February 2014 Soletanche Freyssinet SAS (Freyssinet) making a series of declining offers for the group's business;
- In October 2013 Savcor and Freyssinet sign a Heads of Terms granting Freyssinet exclusivity;
- In March 2014 Savcor and Freyssinet executing a Share Purchase Deed for the sale of substantially all of the group's Australian operations for $13,500,000 plus a potential earn-out of up to $14,000,000; and
- In May 2014 Freyssinet withdrew their intention to complete the Share Purchase Deed.

The group was funded through a finance facility with Australia and New Zealand Banking Group Limited (ANZ). ANZ was a secured creditor for an amount in excess of $28,000,000. On 27 June 2014 the Company appointed Voluntary Administrators. On 27 June 2014, the Company made a request to ASX to suspend its securities from official quotation.

At a meeting adjourned on 1 August 2014 and reconvened on 3 October 2014, the Administrators recommended to the creditors of the Company, in the opinion of the Administrators that it was in the best interests of creditors to approve the execution of a deed of company arrangement. The 3 October 2014 meeting was the adjourned second meeting of creditors of Savcor which was reconvened following the initial meeting on 1 August 2014 for the purpose of determining the future of Savcor. At this meeting, creditors voted to approve the execution of a deed of company arrangement with Triton to recapitalise the Company which was subsequently executed on 24 October 2014 ("Deed of Company Arrangement"). The terms of the proposal to recapitalise the Company are reflected in the Deed of Company Arrangement.

The Deed of Company Arrangement provides that, subject to shareholder approval:

- Triton and Triton Inc contribute $500,000 via a subscription for ordinary shares in Savcor. Post issue Triton or parties associated with Triton will own 90% of issued shares in Savcor
- The $500,000 to be allocated to;
    - Firstly, $150,000 of the $500,000 is to be made available to pay employee priority creditors
    - Thereafter the funds are available to meet costs associated with the administration and deed administration and the costs of administering a Creditors' Trust
    - Thereafter to pay a dividend to creditors in accordance with the order of priority set out in the Corporations Act.

3.2 A summarised unaudited consolidated balance sheet (statement of financial position) of the Savcor Corporation post ratification of all Resolutions is outlined in paragraph 2.7 of this report.

4. Future Directions of Savcor

4.1 We have been advised by the directors that the initial proposals are to:

- Complete all the proposals as noted in the resolutions in the Notice and raise $550,468. This assumes that all funds will be raised under the proposals. Such funds will be used to repay $75,000 to Triton for advances made, $425,000 to the Deed Administrators and the balance of $50,468 for working capital, review of new projects and potential acquisitions;

- Composition of the Board of directors of Savcor will change in the near future as outlined in paragraph 2.5; and

- No dividend policy has been set and it is not proposed to be set until such time as the Company is profitable and has a positive cash flow.

If Resolutions 1 to 9 are passed together with the completion of the recapitalisation process, the Company's chances to continue to investigate opportunities are enhanced as without the recapitalisation, it is likely that the Company may be liquidated and struck off. However, in the short term the re-quotation of the Company's shares on ASX is unlikely as the Company will need to meet the provisions of Chapters 1 and 2 of the ASX Listing Rules. The Company would need to find a new business and raise additional funds so that it could meet the Listing Rules.

5. Basis of Valuation of Savcor

5.1 Shares

5.1.1 In considering the proposals as outlined individually and collectively in Resolutions 2 and 3, we have sought to determine whether the issue price of the shares to the Investment Group (or their nominees) is in excess of the current fair value of the shares in Savcor on issue and whether the proposed Investment Group subscription is at a price that Savcor could make to unrelated third parties and then conclude whether the proposal is fair and reasonable to the existing non associated shareholders of Savcor.

5.1.2 The valuation methodologies we have considered in determining a theoretical value of a Savcor share are:

- capitalised maintainable earnings/discounted cash flow;
- takeover bid - the price at which an alternative acquirer might be willing to offer;
- adjusted net asset backing and windup value; and
- the recent market prices of Savcor shares.

5.2 Capitalised maintainable earnings and discounted cash flows

5.2.1 Savcor currently does not have a reliable cash flow or profit history from a business undertaking and therefore this methodology is not considered to be appropriate, particularly given the fact that the Company went into Voluntary Administration on 27 June 2014 and according to the audited accounts for the years ended 31 December 2013 and 2012 had incurred losses after tax of $14,740,000 and $14,452,000 respectively.

5.3 Takeover Bid

5.3.1 It is possible that a potential bidder for Savcor could purchase all or part of the existing shares, however no certainty can be attached to this occurrence. Currently the Company does not have any material assets. In the view of the Deed Administrators, the Recapitalisation proposal with Triton is the most appropriate for the Company. However, if all of the 12,683,605 shares are issued, then the Investment Group would control approximately 90% of the expanded ordinary issued capital of the Company and potentially up to approximately 92.31% if all the 4,227,868 Options are exercised.

5.4 Adjusted Net Asset Backing

5.4.1 Net asset backing and windup value

5.4.1 As noted above prior to the recapitalisation process, Savcor has no cash, or other material assets and no business activities. The net asset backing is nil as there is a net liability position. On a windup basis, the return to shareholders arguably is nil (refer paragraph 2.7 of this report). It is noted that values of shell companies vary considerably but for small cap companies may vary between $250,000 and $500,000 (assuming no or immaterial debt). However it is noted that the Company cannot sell itself and parties are only prepared to place funds in a company shell on the back of a firm proposal (as is the case with Savcor). The amount payable is dependent on a number of factors including shareholder spread, ASX compliance matters and extent of debt amongst many factors. In our view a Company

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such as Savcor may have a shell value not exceeding $300,000 (on the assumption that all debt was eliminated). We have conducted a number of expert's reports involving companies being recapitalised and in all cases the "shell value" was based on no or minimal debt. In view of a poor market and lack of investor sentiment for small cap companies over the past several years, a potential "shell value" may be on the lower side of the above range. Savcor is debt laden and even if a value of $300,000 was attributed to the Company, debts still exceed a potential shell value. Shell value is only paid for on the basis of a recapitalisation proposal and not in isolation. In addition, the Company will need to comply with ASX Listing Rules (Chapters 1 and 2) in order to have its shares relisted. The raising of an initial $550,468 will not be enough to ensure meeting ASX Listing Rules for re-quotation.

We reiterate that "shell value" is dependent on a commercial recapitalisation proposal and if shareholders do not approve the Triton proposal or a more superior offer (made before shareholders vote on Resolutions 1 to 9), then shell value does not exist.

It is our understanding that the Company received other offers of recapitalisation but were not as beneficial or commercial to shareholders as the recapitalisation proposal of Triton.

From a review of Administrators Reports on other companies, they have concluded that in the absence of a recapitalisation proposal, returns to shareholders are nil (and creditors are not repaid in full). There is no reason to believe that based on the unaudited statement of financial position of Savcor, this would not be the case for Savcor.

In the absence of a commercial recapitalisation (such as proposed by Triton), eventually, the major creditors and shareholders would withdraw support to keep Savcor alive and it would then be placed into liquidation.

5.4.2 Purely based on the net cash value of Savcor following the issue of the 12,683,605 shares to the Investment Group (pursuant to Resolution 2), the net assets would be disclosed at approximately $50,468 (assuming the Company raises $550,468 as noted above) which would be equivalent to approximately 0.358 cents per share, assuming 14,092,894 shares would be on issue. This compares with the estimated current net value of a Savcor share of nil cents as noted elsewhere in this report (but recognising it may have some value as a shell company if all debts were eliminated. The Company has a deficiency in shareholders' funds and if placed into liquidation creditors would receive nil funds and shareholders would receive nil value.

5.5 **Market price of Savcor shares**

5.5.1 As the Company has been suspended from the ASX since 27 June 2014, we do not believe it is appropriate to value a Savcor share based on prior quoted prices of Savcor shares on the ASX.

Summary conclusion on value of a share in Savcor

5.6 After taking into account the matters referred to in the preceding paragraphs, we are of the view that the current theoretical value of a Savcor share (prior to the recapitalisation process) is nil cents (notwithstanding a potential share value that is dependent on a firm recapitalisation proposal and all debts eliminated). As disclosed above the Company has no material assets with minimal business activities.

5.7 If the issue of the 12,683,605 shares to the Investment Group is finalised, the net value of a Savcor share immediately post this recapitalisation would approximate 0.358 cents per share (assuming that $550,468 is raised as noted in the Resolution 2 in the Notice) and accepting the unsubstantiated value of $nil for the Savcor Business.

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6. Premium for Control

6.1 Premium for control for the purposes of this report has been defined as the difference between the price per share that a buyer would be prepared to pay to obtain a controlling interest in the Company and the price per share at which the same person would be required to pay per share which does not carry with it control of the Company.

6.2 Under TCA, control may be deemed to occur when a shareholder or group of associated shareholders' control more than 20% of the issued capital. In this case, the Investment Group could initially hold up to approximately 90.00% of the expanded issued capital of Savcor but before the exercise of any Options (Triton and related parties could own approximately 13.09% of the expanded post consolidated capital of the Company). Assuming the exercise of all the Options, the Investment Group's interest could increase to approximately 92.31%. In take-over offers, it is often the case that a premium for control falls in the normal range of 15% to 40% and it is often accepted that a 20% premium for control should be payable. The actual premium may be more or less. In this case, we assume a reasonable premium for control in the current circumstances should be 20%.

6.3 The Savcor shares that are proposed to be issued to the Investment Group (the subject of Resolution 2), are deemed to be theoretically worth nil cents. After certain transaction costs and payment of creditors, a net cash balance of approximately $50,468 will remain in the Company (assuming the raising of the $550,468 pursuant to Resolution 2 referred to above).

In our opinion, it is possible that the Investment Group is only paying a small premium for control, however, the non associated shareholders of Savcor are benefiting in that the theoretical value of a Savcor share rises from nil cents (with $nil of net business assets and minimal business activities) to a company with a theoretical cash backed value of approximately 0.358 cents per share.

If Resolutions 1 to 9 are passed together with the completion of the recapitalisation process, the Company's chances to continue to investigate opportunities are enhanced as without the recapitalisation, it is likely that the Company may eventually be dissolved and struck off. However, in the short term the re-quotation of the Company's shares on ASX is unlikely as the Company may need to meet the provisions of Chapters 1 and 2 of the ASX Listing Rules. The Company would need to find a new business and raise additional funds so that it could meet the Listing Rules.

6.4 Our preferred methodology is to value Savcor and a Savcor share on a technical net asset basis which assumes a 100% interest in the Company. Therefore no adjustment is considered necessary to the technical asset value determined under paragraph 5.4.2 as this already represents the fair value of the Company or a share in the Company on a pre Proposed Transaction control basis.

6.5 We set out below the comparison of the low, preferred and high values of a Savcor share compared to the issue price for the Investment Group shares.

	Para.	Low (cents)	Preferred (cents)	High (cents)
Estimated fair value of a Savcor Share	5.6	0.00	0.00	0.00
Issue price of the Shares to the Investment Group		4.34	4.34	4.34
Excess between Subscription Price and fair value		4.34	4.34	4.34

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We note elsewhere in this report the potential shell value of Savcor but also note that technically Savcor is insolvent and thus without a recapitalisation proposal, the value of a share in Savcor has no value.

6.6 On a pre Proposed Transaction control basis, the value of a Savcor share is nil cents per share. The issue of 12,683,605 shares to the Investment Group is expected to raise $550,468. Based on the preferred value of nil cents per share, a premium for control of 4.34 cents per share is being paid by the Investment Group.

6.7 We note that Triton will have Board control of Savcor as all nominated directors are deemed associated with Triton.

7. Fairness of the Proposals

7.1 The concept of "fairness" is to be taken to be the value of the offer price, or the consideration being equal to or greater than the value of the securities in the above mentioned offer. As noted above the Savcor shares that are proposed to be issued to the Investment Group, the subject of Resolution 2 are deemed to be theoretically worth nil cents. Assuming a 20% premium for control, the deemed theoretical value is still nil.

7.2 If the issue of the 12,683,605 shares to the Investment Group is completed, the theoretical value of a Savcor share increases to approximately 0.358 cents. The theoretical value of a Savcor share post the issue of the shares to the Investment Group from a non associated shareholder's perspective, based on the estimated net assets of $50,468 is 0.358 cents as noted in paragraph 2.8 above which is in excess of the theoretical value pre recapitalisation of nil cents per share.

7.3 In arriving at our conclusion on fairness, we considered whether the transaction is "fair" by comparing:

(a) the fair market value of a Savcor share pre-transaction on a control basis; versus
(b) the fair market value of a Savcor share post-transaction on a minority basis, taking into account the additional cash raised and the associated dilution resulting from the issue of new shares and exercise of Options under the transaction.

7.4 The low, preferred and high values of a Savcor share pre the Recapitalisation Proposal on a control basis is:

	Para.	Low (cents)	Preferred (cents)	High (cents)
Estimated fair value of a Savcor Share	5.6	**nil**	**nil**	**nil**

7.5 The preferred fair market value of a Savcor share has been estimated at nil cents on a pre Proposed Transaction control basis. The Investment Group subscription results in an adjusted value of 0.358 cents per Savcor share. As the preferred fair market value of a Savcor share is greater on a post transaction basis, the proposed the Investment Group Subscription is considered to be fair to the non associated shareholders.

7.6 We set out below the estimated technical net asset values of Savcor based on the post recapitalisation Pro-forma Balance Sheet as detailed in paragraph 2.8 adjusted for a minority discount.

	$
Savcor Business Assets	nil
Cash	50,468
Other current assets	nil
Other current liabilities	nil
Total net assets	50,468

Number of shares on issue	14,092,894
Net asset value per share (cents)	0.358
Minority interest discount	16.67%
Minority value per share (cents)	0.298
Issue Price (see paragraph 6.5 above) (cents)	4.34

7.7 In order to reflect the minority interest value we have applied a minority interest discount to the technical net asset value. The minority interest discount has been calculated as the inverse of the premium for control of 20% as discussed in paragraph 6.2.

7.8 As noted above the fair market value of a Savcor share Post-Transaction on a minority basis, taking into account the additional cash raised pursuant to Resolution 2 and the associated dilution resulting from the issue of new shares under the transactions has a preferred fair value of approximately 0.298 cents.

7.9 We also set out below a comparison of:

(a) the fair market value of a Savcor share pre-transaction on a control basis; versus
(b) the fair market value of a Savcor share post-transaction on a minority basis, taking into account the additional cash raised and the associated dilution resulting from the issue of the shares to the Investment Group.

	Para.	Low (cents)	Preferred (cents)	High (cents)
Estimated fair value of a Savcor Share Pre Transaction on a control basis	5.6	nil	nil	nil
Estimated fair value of a Savcor Share Post Transaction on a minority basis	7.6	0.298	0.298	0.298
Excess/(shortfall) between Pre transaction Price and Post transaction Price		0.298	0.298	0.298

Using the preferred net asset fair values, the estimated fair value of a Savcor share Pre Transaction on a control basis is less than the estimated fair value of a Savcor share Post Transaction on a minority basis and on this basis the Investment Group's subscription is considered to be fair to the non associated shareholders of Savcor.

7.10 On a fully diluted basis, assuming the exercise of the 4,227,868 Options at 6.0 cents each, the cash assets of Savcor would increase by $253,672. We set out below the estimated technical net asset values of Savcor based on the post recapitalisation Pro-forma Balance Sheet as detailed in paragraph 2.8 adjusted for cash received on the issue of the shares, cash received on the exercise of the Options, the increased number of shares on issue and after applying a minority discount.

	$
Savcor Business Assets	nil
Cash	304,140
Other current assets	nil
Other current liabilities	nil
Total net assets	304,140

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Number of shares on issue	18,320,762
Net asset value per share (cents)	1.66
Minority interest discount	16.67%
Minority value per share (cents)	1.38
Issue Price (see paragraph 6.5 above) (cents)	4.34

7.11 We also set out below a comparison of:

(a) the fair market value of a Savcor share pre-transaction on a control basis; versus
(b) the fair market value of a Savcor share post-transaction on a minority basis and on a fully diluted basis, taking into account the additional cash raised and the associated dilution resulting from the issue of the shares to the Investment Group and the exercise of the Options by the Investment Group.

	Para.	Low (cents)	Preferred (cents)	High (cents)
Estimated fair value of a Savcor Share Pre Transaction on a control basis	5.6	nil	nil	nil
Estimated fair value of a Savcor Share Post Transaction on a minority basis (on a fully diluted basis)	7.10	1.38	1.38	1.38
Excess/(shortfall) between Pre transaction Price and Post transaction Price		1.38	1.38	1.38

Using the preferred net asset fair values, the estimated fair value of a Savcor share Pre Transaction on a control basis is less than the estimated fair value of a Savcor share Post Transaction on a minority and fully diluted basis and on this basis the Investment Group's subscription is considered to be fair to the non associated shareholders of Savcor.

7.12 Conclusion as to fairness

After taking into account the matters referred to in section 7 above and elsewhere in this report, we are of the opinion that, in the absence of a more superior proposal, the proposals as outlined in Resolutions 2 and 3 are on balance fair to the non-associated shareholders of Savcor as at the date of this report.

As noted above, if Savcor had no debts and we ascribed a shell value of $300,000, then the theoretical share price may approximate 0.213 cents a share (approximately 21.29 cents on a post consolidated basis, if the 1 for 100 consolidation of capital took place) and thus the proposals under Resolutions 2 and 3 would not be fair. However, we reiterate that "shell value" is dependent on a commercial recapitalisation proposal and if shareholders do not approve the Triton proposal or a more superior offer (made before shareholders vote on Resolutions 1 to 9), then shell value does not exist.

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8. Reasonableness of the Proposals

Advantages

8.1 The passing and consummation of Resolutions 2 and 3 as part of the recapitalisation process would result in a net cash position of approximately $50,468 (assuming the capital raising of the $550,468 referred to above) and having a company with minimal or no liabilities, compared with the current position whereby the Company has net assets of $nil and significant debts to pay. In the event that the Options are exercised the cash position of the Company would increase by a further $253,672.

8.2 If the proposals per Resolutions 2 and 3 are consummated as part of the recapitalisation process, the net cash asset backing of a Savcor share rises from nil cents to approximately 0.358 cents (assumes $550,468 worth of shares are issued for cash) before the conversion of any Options and to approximately 1.66 cents on the exercise of the Options.

8.3 If Resolutions 1 to 9 are passed together with the completion of the Recapitalisation Proposal, the Company's chances to continue to investigate opportunities are enhanced as without the recapitalisation, it is likely that the Company may be dissolved and struck off. However, in the short term the re-quotation of the Company's shares on ASX is unlikely as the Company will need to meet the provisions of Chapters 1 and 2 of the ASX Listing Rules. The Company would need to find a new business and raise additional funds so that it could meet the Listing Rules.

8.4 The proposed directors bring expertise to the Company in that such Directors have financial, accounting, finance and corporate experience and/or experience as directors or managers of public listed companies or other trading entities. The ES discloses the background of the proposed directors.

8.5 If the Company is not recapitalised pursuant to the Recapitalisation Proposal and there are no other satisfactory recapitalisation proposals the Company is likely to be liquidated and the non associated shareholders would be worse off.

Disadvantages

8.6 A significant shareholding in the Company is being given to the Investment Group in that it could own up to approximately 90.00% of the expanded issued capital of the Company (before the exercise of any Options or the issue of any other shares). However, we note that Savcor will be partly recapitalised with approximately $50,468 in net cash (assuming only the $550,468 capital raising), will have no debt and will have the opportunity to consider the acquisition of other assets or businesses. The existing shareholders are diluted to approximately 10.00% before any other shares are issued. It is assumed that all the Investment Group investors will obtain a benefit particularly if the Company's shares can be re-quoted on ASX (the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules).

8.7 Savcor would only have approximately net cash of $50,468 (assuming the raising of $550,468 as noted above) after the issue of 12,683,605 shares to the Investment Group. However as noted above, the shares in Savcor prior to the recapitalisation process are considered to be of nil value with the possibility of the Company eventually going into liquidation, and this would provide no value to the existing shareholders. We reiterate that "shell value" is dependent on a commercial recapitalisation proposal and if shareholders do not approve the Triton proposal or a more superior offer (made before shareholders vote on Resolutions 1 to 9), then shell value does not exist.

8.8 In the event that all the Options are exercised, the Investment Group could increase its shareholding from 90.0% to up to 92.31% and the existing shareholders would be diluted further to approximately 7.69%.

8.9 If the Company seeks new business opportunities, there is no guarantee that such businesses will be profitable.

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9. Conclusion as to Reasonableness

9.1 After taking into account the matters referred to in section 8 above and elsewhere in this report, we are of the opinion that, in the absence of a more superior proposal, the proposals as outlined in Resolutions 2 and 3 are on balance reasonable to the non-associated shareholders of Savcor as at the date of this report.

10. Shareholder Decision

10.1 Stantons International Securities has been engaged to prepare an independent expert's report setting out whether in its opinion the issues of 12,683,605 shares and 4,227,868 Options to the Investment Group (and allowing the exercise of such Options to shares in Savcor) are fair and reasonable and state reasons for that opinion. Stantons International Securities has not been engaged to provide a recommendation to shareholders in relation to Resolutions other than Resolutions 2 and 3 (but we have been requested to determine whether the proposals pursuant to Resolutions 2 and 3 are fair and/or reasonable to those shareholders not associated with the Investment Group). The responsibility for such a voting recommendation lies with the directors of Savcor.

10.2 In any event, the decision whether to accept or reject Resolutions 2 and 3 is a matter for individual shareholders based on each shareholder's views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the proposals under Resolutions 2 and 3 shareholders should consult their own professional adviser.

10.3 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in Savcor. This is an investment decision upon which Stantons International Securities does not offer an opinion and is independent on whether to accept the proposals under Resolutions 2 and 3. Shareholders should consult their own professional adviser in this regard.

11. Sources of Information

11.1 In making our assessment as to whether the proposals pursuant to Resolutions 2 and 3 are fair and reasonable, we have reviewed relevant published available information and other unpublished information of Savcor which is relevant in the current circumstances. In addition, we have held discussions with KordaMentha about the present state of affairs of Savcor. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by KordaMentha, the Company and publicly filed information on the financial position of the Company lodged via the ASX website.

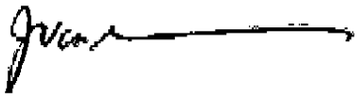
11.2 Information we have received includes, but is not limited to:

- drafts of the November 2014 Notice of General Meeting of Shareholders of Savcor (and drafts of the ES attached);
- discussions with Vincent Savage a proposed director of the Company;
- Deed of Company Arrangement executed on 24 October 2014;
- Implementation Deed between Savcor and Triton dated 6 November 2014;
- shareholding details of Savcor;
- Creditors Trust Deed;
- announcements, if any, made by Savcor to the ASX from January 2014 and to 17 November 2014;
- the latest set of audited consolidated accounts of Savcor for the year ended 31 December 2013; and
- unaudited balance sheet of Savcor as at 27 June 2014 and information on the unaudited draft balances as at 27 June 2014.

Stantons International Securities

11.3 Our report includes Appendix A and Financial Services Guide, attached to this report.

Yours faithfully
STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)



John Van Dieren- FCA
Director

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APPENDIX A

AUTHOR INDEPENDENCE

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities Pty Ltd (trading as Stantons International Securities) dated 18 November 2014, relating to Resolutions 2 and 3 outlined in the Notice of Meeting of Shareholders and the accompanying ES to be distributed to shareholders of Savcor in late November 2014.

At the date of this report, Stantons International Securities Pty Ltd does not have any interest in the outcome of the proposals. There are no relationships with Savcor other than acting as an independent expert for the purposes of this report. There are no existing relationships between Stantons International Securities and the parties participating in the transactions detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated not to exceed $10,000 (excluding GST). The fee is payable regardless of the outcome. With the exception of that fee, neither Stantons International Securities Pty Ltd nor John Van Dieren have received nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the making of this report. Stantons International Securities and Stantons International Audit and Consulting Pty Ltd or any directors of Stantons International Securities Pty Ltd and Stantons International Audit and Consulting Pty Ltd do not hold any securities in Savcor. There are no pecuniary or other interests of Stantons International Securities Pty Ltd that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities Pty Ltd has consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice. Stantons International Securities Pty Ltd has prepared other independent expert reports for parties associated with the Promoter or its nominees.

QUALIFICATIONS

We advise Stantons International Securities Pty Ltd is the holder of an Investment Advisers Licence (No 448697) under the Corporations Act relating to advice and reporting on mergers, takeovers and acquisitions involving securities. A number of the directors of Stantons International Audit and Consulting Pty Ltd are the directors and authorised representatives of Stantons International Securities Pty Ltd. Stantons International Securities Pty Ltd and Stantons International Audit and Consulting Pty Ltd (trading as Stantons International) have extensive experience in providing advice pertaining to mergers, acquisitions and strategic and financial planning for both listed and unlisted companies and businesses.

Mr John Van Dieren FCA and Jorge Dos Santos CA the persons responsible for the preparation of this report, have extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuations and financial aspects thereof, including the fairness and reasonableness of the consideration offered. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

DECLARATION

This report has been prepared at the request of the Company's Deed Administrators in order to assist the shareholders of Savcor to assess the merits of the proposal (Resolutions 2 and 3) to which this report relates. This report has been prepared for the benefit of the Savcor shareholders and those persons only who are entitled to receive a copy for the purposes of Section 611 (Item 7) of the Corporations Act 2001 and does not provide a general expression of Stantons International Securities Pty Ltd's opinion as to the longer term value of Savcor. Stantons International Securities Pty Ltd does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of Savcor or any of its subsidiaries. Neither the whole, nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities Pty Ltd to the form and context in which it appears.

Stantons International Securities

DUE CARE AND DILEGENCE

This report has been prepared by Stantons International Securities with due care and diligence. The report is to assist shareholders in determining the fairness and reasonableness of the proposals set out in Resolutions 2 and 3 to the Notice and each individual shareholder may make up their own opinion as to whether to vote for or against Resolutions 2 and 3.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities Pty Ltd may rely on information provided by the Company's Deed Administrators and the proposed directors (represented by Vincent Savage), its officers and other parties (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities Pty Ltd experience and qualifications), the Deed Administrators and the proposed directors on behalf of Savcor have agreed:

(a) to make no claim by it or its officers against Stantons International Securities Pty Ltd (and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which Savcor may suffer as a result of reasonable reliance by Stantons International Securities Pty Ltd on the information provided by the directors; and

(b) subject to the terms of Savcor's Deed of Company Arrangement, Savcor will indemnify Stantons International Securities Pty Ltd (and Stantons International Audit and Consulting Pty Ltd) against any claim arising (wholly or in part) from the directors officers and Savcor providing Stantons International Securities Pty Ltd any false or misleading information or in the failure of the directors, Savcor and their officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities Pty Ltd.

A draft of this report was presented to the Deed Administrators and to the proposed Directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

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FINANCIAL SERVICES GUIDE
FOR STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)
Dated 18 November 2014

1. Stantons International Securities Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("SIS" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 448697;
- remuneration that we and/or our staff and any associated entities receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. All Stantons International Audit and Consulting Pty Ltd employees receive a salary. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. From time to time, SIS and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities Pty Ltd
Level 2
1 Walker Avenue
WEST PERTH WA 6005

Telephone: 08 9481 3188
Facsimile: 09 9321 1204

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

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9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOSL"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 8007

Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

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PROXY FORM

APPOINTMENT OF PROXY
SAVCOR GROUP LIMITED
ACN 127 734 196
(Subject to Deed of Company Arrangement)

EXTRAORDINARY GENERAL MEETING

I/We

being a Member of Savcor Group Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 1:00pm 12 January 2015, Level 5, 2 Chifley Square, Sydney NSW 2000 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the EXTRAORDINARY GENERAL MEETING

	FOR	AGAINST	ABSTAIN
Resolution 1	☐	☐	☐
Resolution 2	☐	☐	☐
Resolution 3	☐	☐	☐
Resolution 4	☐	☐	☐
Resolution 5	☐	☐	☐
Resolution 6	☐	☐	☐
Resolution 7	☐	☐	☐
Resolution 8	☐	☐	☐
Resolution 9	☐	☐	☐

OR

If you do not wish to direct your proxy how to vote, please place a mark in this box ☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest The Chairman will vote in favour of all of the resolutions if no directions are given.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is___%

Dated .....

Signature .....

Name .....

Address .....

.....

Phone .....

Email address: .....

Fax number: .....

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SAVCOR GROUP LIMITED

ACN 127 734 196

(Subject to Deed of Company Arrangement)

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
   a. 2 directors of the company;
   b. a director and a company secretary of the company; or
   c. for a proprietary company that has a sole director who is also the sole company secretary - that director.
4. For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
5. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
6. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
7. Please complete and sign this Proxy Form as soon as possible and either: send the proxy by email to the Company, C- KordaMentha, GPO Box 2523, Sydney NSW Australia 2001 or facsimile number (08) 9220 9399 (International: + 618 9220 9399); or deliver to the Company KordaMentha, Level 5, Chifley Tower, 2 Chifley Square, Sydney NSW 2000; so that it is received not later than 1:00pm 10 January 2015.

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