



17 December 2015

FIRST SUPPLEMENTARY TARGET'S STATEMENT

Pursuant to section 647(3)(b) of the *Corporations Act 2001* (Cth), enclosed is a copy of Devine Limited's (ASX: DVN) first supplementary target's statement dated 17 December 2015 in relation to the takeover offer by CIMIC Residential Investments Pty Limited (ABN 97 124 839 069), a wholly owned subsidiary of CIMIC Group Limited (ACN 004 482 982) ("**CIMIC**").

A copy has also been provided to CIMIC and lodged with the Australian Securities and

Financial adviser

**Goldman
Sachs**

Investments Commission today.

Legal adviser

**KING & WOOD
MALLESONS**
金杜律师事务所

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First Supplementary Target's Statement

1 Introduction

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the first supplementary target's statement ("**First Supplementary Target's Statement**") issued by Devine Limited (ABN 51 010 769 365) ("**Devine**") in response to the takeover bid made by CIMIC Residential Investments Pty Limited (ABN 97 124 839 069) ("**CRI**"), a wholly owned subsidiary of CIMIC Group Limited (ACN 004 482 982) (together for the purposes of this First Supplementary Target's Statement, "**CIMIC**").

This First Supplementary Target's Statement supplements, and should be read together with, Devine's target's statement dated 10 December 2015 ("**Target's Statement**").

2 Offer update

As announced on 9 December 2015, CIMIC has agreed that it will increase the consideration payable under the Offer from \$0.75 to \$0.81 in cash per Devine Share if during the Offer Period CRI obtains, as a result of on-market acquisitions and/or receipt of valid acceptances under the Offer, a relevant interest in at least 90% of the Devine Shares on issue.

Brazil Farming Pty Limited ("**Brazil Farming**") currently holds 15.63% of the Devine Shares on issue, meaning that Brazil Farming's acceptance of the Offer is effectively a precondition to CIMIC's obligation to increase the Offer consideration to \$0.81.

Certain press reports following CIMIC's announcement on 10 November 2015 of its intention to make the Offer suggested that Mr Lyn Brazil, controller of Brazil Farming, would not accept the Offer and would not sell his Devine Shares for less than \$0.90 each. Devine attempted but could not verify the accuracy of these reports.

ASIC has contacted Mr Brazil and Devine with respect to Mr Brazil's statements. ASIC has advised Mr Brazil and Devine that it considers Mr Brazil's statements are subject to its "truth in takeovers" policy, with the effect that:

- Brazil Farming cannot accept into the Offer for less than consideration of \$0.90 per Devine Share; and
- Brazil Farming cannot otherwise sell Devine Shares in a manner that is inconsistent with the statements, including for example selling on-market for less than consideration of \$0.90 per Devine Share.

ASIC has informed Devine that Mr Brazil has confirmed in writing to ASIC that he will act in accordance with his reported statements and therefore that he will not accept the Offer for less than \$0.90 per Devine Share.

Accordingly, in the absence of an unforeseeable change in circumstances, CIMIC will not obtain a relevant interest in 90% of the Devine Shares on issue and Devine Shareholders will not be entitled to the increased Offer consideration of \$0.81.

For the reasons explained in the Target's Statement, the Independent Directors continue to recommend that Devine Shareholders ACCEPT the Offer (at \$0.75 in cash) in the absence of a superior proposal. The key reasons why Devine Shareholders should ACCEPT the Offer include:

- the Offer represents a premium to the market prices for Devine Shares prior to CIMIC's announcement of its intention to make the Offer;
- the Independent Expert views the Offer as not fair but reasonable;
- the Devine Share price may fall following completion of the Offer;

- the Devine Shares may be more illiquid following close of the Offer;
- CIMIC is seeking to make unspecified changes to Devine's business strategy, to reconstitute Devine's Board and to appoint a new Chief Executive Officer;
- CIMIC may be able to exercise greater influence on Devine following close of the Offer;
- uncertain that a superior competing proposal would succeed;
- there will be a number of disadvantages for Devine Shareholders if Devine is delisted in the future; and
- uncertainty of future financing arrangements.

The detailed reasons to ACCEPT the Offer are set out in full in Section 1 of the Target's Statement.

3 Other notices

This First Supplementary Target's Statement is dated 17 December 2015, which is the date it was lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents. This First Supplementary Target's Statement was approved by a resolution of the board of directors of Devine.

Unless the context otherwise requires, capitalised terms used in this First Supplementary Target's Statement but not defined have the meanings given to them in the Target's Statement.

Devine has established a Shareholder Information Line which Devine Shareholders should call if they have any queries in relation to the Offer. The telephone number for the Shareholder Information Line is:

- 1300 393 217 (within Australia)
- +61 3 9415 4037 (outside Australia)

which is available Monday to Friday between 8.30am and 5.00pm (AEDT).