

Piston Machinery Ltd ACN 618 786 333

Refresh Supplementary Prospectus

Important information

This Refresh Supplementary Prospectus is dated 5 December 2017 and supplements the supplementary prospectus of Piston Machinery Ltd. ACN 618 786 333 (**Company**) dated 10 November 2017 (**Supplementary Prospectus**) which supplemented the original prospectus issued by the Company dated 5 September 2017 (**Original Prospectus**).

This Refresh Supplementary Prospectus is a "refresh document" as defined in section 724(3H) of the *Corporations Act 2001* (Cth) (**Act**), as inserted by the ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (**Instrument**) and has been lodged with the Australian Securities and Investments Commission (**ASIC**) in accordance with section 724(3G) of the Act as inserted by the Instrument.

Neither ASIC nor ASX take any responsibility as to the contents of this Refresh Supplementary Prospectus.

This Refresh Supplementary Prospectus must be read together with the Supplementary Prospectus and Original Prospectus. Other than as set out below, all details in relation to the Supplementary Prospectus remain unchanged. To the extent of any inconsistency between this Refresh Supplementary Prospectus, the Supplementary Prospectus and the Original Prospectus, this Refresh Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Supplementary Prospectus and Original Prospectus have the same meaning in this Refresh Supplementary Prospectus.

This Refresh Supplementary Prospectus will be issued with the Supplementary Prospectus and Original Prospectus as an electronic prospectus and can be downloaded from the Company's website at www.zqpst.com.

The Company will send a copy of this Refresh Supplementary Prospectus to all Applicants who have applied for securities under the Supplementary Prospectus and Original Prospectus as at the date of this Refresh Supplementary Prospectus.

This is an important document and should be read in its entirety. Please seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser without delay if you do not understand its contents.

1. Purpose of this Refresh Supplementary Prospectus

This Refresh Supplementary Prospectus has been issued for the purposes of:

- (a) extending the Closing Date of the Offer to 5 March 2018;
- (b) advising that at the date of this Refresh Supplementary Prospectus, the Company's securities have not been admitted to quotation on ASX;
- (c) advising that at the date of this Refresh Supplementary Prospectus, the Company has not issued any securities pursuant to the Supplementary Prospectus and Original Prospectus;
- (d) refreshing the period for admission to quotation of Shares offered under the Supplementary Prospectus and Original Prospectus from three (3) months from the date of the Original Prospectus to three (3) months from the date of this Refresh Supplementary Prospectus in accordance with section 724(3G)(d) of the Act, as inserted by the Instrument; and
- (e) refreshing the period to raise the minimum subscription under the Public Offer from four (4) months from the date of the Original Prospectus to four (4) months from the date of this Refresh Supplementary Prospectus in accordance with section 724(3G)(c) of the Act, as inserted by the Instrument.

In accordance with section 723(3) of the Act, if a person offers securities under a disclosure document such as a prospectus, and the disclosure document states or implies that the securities will be quoted on a financial market such as the ASX, and the securities are not then admitted to quotation within three (3) months after the date of the disclosure document, the issue of securities is void and the Application Monies have to be returned to the Applicants.

Further, in accordance with sections 723(2) and 724 of the Act, if a person offers securities under a disclosure document such as a prospectus and the disclosure document states a minimum subscription amount must be raised before any securities will be issued, then the minimum subscription must be received within four (4) months after the date of the disclosure document, otherwise Applicants must be given a supplementary disclosure document and the opportunity to withdraw their Application (in certain circumstances) or all Application Monies must be returned.

By the issue of the Instrument, ASIC has varied the Act to allow companies to refresh the timing of minimum subscription and quotation conditions, to commence from the date of a refresh document (i.e. this Refresh Supplementary Prospectus), such that the respective three and four month periods are taken to commence from the date that the refresh document is lodged with ASIC. The Instrument imposes a number of requirements as to the content of the refresh document and on the company issuing the refresh document. This Refresh Supplementary Prospectus addresses those requirements.

2. Specific disclosures required by the Instrument

2.1 Withdrawal rights

Any Applicant who, prior to the date of this Refresh Supplementary Prospectus, has lodged an Application for Shares will receive a copy of this Refresh Supplementary Prospectus.

All applicants who have previously submitted an Application Form have one (1) month to withdraw their Application and be repaid all Application Monies.

Any repayment of Application Monies made by the Company pursuant to an Applicant exercising their right to withdraw their Application will be made in full without interest.

An Applicant who wishes to withdraw their Application and obtain a refund of Application Monies must submit a written request to the Company at the address set out below so that it is received within one (1) month of the date of this Refresh Supplementary Prospectus (i.e. by close of business on 5 January 2018) (**Withdrawal Period**):

For delivery by hand or post:

Piston Machinery Ltd Offer
Suite 23.05, Level 23
One International Towers Sydney
100 Bangaroo Avenue
SYDNEY NSW 2000
Australia

The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that Applicant.

The Offer will remain open at least until 5 January 2018, being after the end of the Withdrawal Period.

2.2 Applications received

As at the date of this Refresh Supplementary Prospectus, the Company has received Applications for a total of 370,000 Shares, totalling \$148,000.

No Applications have been processed and no Shares have been issued.

2.3 Minimum Subscription condition

As at the date of this Refresh Supplementary Prospectus, the Minimum Subscription of \$15,000,000 specified in the Original Prospectus has not been achieved (given that Applications may be withdrawn under this Refresh Supplementary Prospectus).

The Minimum Subscription remains unchanged as at the date of this Refresh Supplementary Prospectus. No securities under the Offers will be issued unless the Minimum Subscription is achieved.

Upon lodgement of this Refresh Supplementary Prospectus, and subject only to the lodgement of any future refresh document, the Minimum Subscription condition must be satisfied by 5 April 2018, being four (4) months after the date of this Refresh Supplementary Prospectus.

2.4 Quotation condition

The Company applied to ASX within seven (7) days of the date of the Original Prospectus for ASX to grant official quotation of the Shares offered by the Original Prospectus. As at the date of this Refresh Supplementary Prospectus, the Shares have not been admitted to quotation by ASX.

As at the date of this Refresh Supplementary Prospectus, quotation of the Company's securities remains subject to successful completion of the Offers and satisfaction of all other outstanding conditions to the Offers, as specified in the Supplementary Prospectus and Original Prospectus. This remains unchanged.

ASX has neither indicated that the securities offered under the Offers will not be admitted to quotation, nor that the securities will be admitted to quotation subject to certain conditions being satisfied. The Company expects that ASX will, in due course, set such conditions, but the Company expects to be in a position to satisfy those conditions.

Upon lodgement of this Refresh Supplementary Prospectus, and subject only to the lodgement of any future refresh document, the quotation condition must be satisfied by 5 March 2018, being three (3) months after the date of this Refresh Supplementary Prospectus.

2.5 Updated timetable

The revised timetable set out in section 3 of the Supplementary Prospectus is updated as follows and all dates in the Original Prospectus are amended accordingly:

Indicative timetable*	
Lodgement of Original Prospectus with ASIC	5 September 2017
Lodgement of Supplementary Prospectus with ASIC	10 November 2017
Lodgement of this Refresh Supplementary Prospectus with ASIC	5 December 2017
Closing of withdrawal rights in respect of applications under this Refresh Supplementary Prospectus	5 January 2018
Extended Closing Date of the Offer	5 March 2018
Offer Shares expected to be issued	15 March 2018
Expected dispatch of Holding Statements	20 March 2018
Expected trading date on ASX	28 March 2018

*Note: The above dates are indicative only and may change without notice.

3. Updates to the Original Prospectus

3.1 Investment Overview

- (a) The section under "Debt Rollover Risk" under section 2.2 is deleted and replaced with:

The Group has significant bank loan liabilities of \$39.3 million, of which \$34.6 million is from Guangdong Nanyue Bank as at 5 December 2017. It is imperative that the Group agree with bank lenders to renew bank debt facilities with repayment dates from April 2018 onwards, failing which the Group will experience strain on its working capital and its solvency may be threatened. Based on previous debt facility renewals and comfort from the Group's bankers, the Company believes that its bank lenders will continue to support it during 2018 and beyond. These facilities, as with PRC bank debt facilities generally, must be repaid by their maturity date, before renewal and re-draw.

In May 2017, the Zhaoqing Government issued a "Notice" in relation to providing bridging facilities to help small and medium enterprises bridge bank loans which are in the process of being renewed". Each bridging facility is expected to be within a limit of \$3,842,000 (RMB20 million) and the period to be no more than 10 days. The daily interest rate of the bridging facility is 0.02%~0.03% p.a. for the first two facilities and

0.04%~0.045% p.a. after the first two facilities. The Group has historically met the criteria for use of these bridging facilities and the Company expects going forward that they the Group will continue to access these facilities to facilitate debt facility renewals.

- (b) The section under the heading "What securities will be listed?" under section 2.2 is deleted and replaced with:

The Company made an application to ASX on 11 September 2017 for quotation of the Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of those Shares within 3 months of 5 December 2017, or such longer period as modified by ASIC, none of the Shares offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act, including the return of all Application Moneys without interest. A decision by ASX to grant official quotation of the Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the Shares.

Official Quotation, if granted, of the Shares offered under this Prospectus will commence as soon as practicable after statements of holdings of the Shares are dispatched.

- (c) The section under the heading "Will any shares be subject to escrow?" under section 2.2 is deleted and replaced with:

No. ASX have indicated to the Company that no shares will be subject to escrow.

- (d) The section under the heading "when will I receive confirmation that my Application has been successful?" under section 2.2 is deleted and replaced with:

Confirmation of successful Applications in the form of Holding Statements are expected to be despatched by post on or around 20 March 2018.

3.2 Details of the Offer

- (a) The first paragraph of Section 6.8 is deleted and replaced with:

The Company made an application to ASX on 11 September 2017 for quotation of the Shares offered by this Prospectus on ASX. Trading of Shares on ASX is expected to commence on 28 March 2018.

- (b) The third paragraph of Section 6.8 onwards is deleted and replaced with:

It is expected that initial Holding Statements will be despatched by standard post on 20 March 2018 and that trading of Shares on a normal settlement basis will commence on 28 March 2018. If you apply, it is your responsibility to determine your allocation before you trade any Shares. If you trade any Shares before you receive your initial Holding Statement, then you do so at your own risk.

The fact that ASX may agree to grant Official Quotation to any Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered. ASX takes no responsibility for the contents of this Prospectus.

If permission for quotation of the Shares is not granted within 3 months after the date of this Prospectus, Application Monies will be refunded without interest as soon as practicable.

3.3 Financial Information

The fifth paragraph under the heading "Description of the financing facilities" under section 7.6(f) is deleted and replaced with:

The Group has significant bank loan liabilities of \$39.3 million, of which \$34.6 million is from Guangdong Nanyue Bank as at 5 December 2017. It is imperative that the Group agree with bank lenders to renew bank debt facilities with repayment dates from April 2018 onwards, failing which the Group will experience strain on its working capital and its solvency may be threatened. Based on previous debt facility renewals and comfort from the Group's bankers, the Company believes that its bank lenders will continue to support it during 2018 and beyond. These facilities, as with PRC bank debt facilities generally, must be repaid by their maturity date, before renewal and re-draw.

3.4 Risk Factors

Section 9.2(a) is deleted and replaced with:

As at 31 December 2016, the Company had significant loan liabilities, including loans of \$42.46 million (including bank debt of \$39.3 million) and total liabilities of \$60.35 million. Since that time, the Group has agreed with its bank lenders to roll over some of its debt facilities and now has all bank debt maturing from April 2018 onwards. Despite this, the Company believes that its bank lenders will continue to support it in 2018.

As at 5 December 2017, the Group has significant bank loan liabilities of \$39.3 million, of which \$34.6 million is from Guangdong Nanyue Bank. It is imperative that the Group agree with bank lenders to renew bank debt facilities with repayment dates from April 2018 onwards, failing which the Group will experience strain on its working capital and its solvency may be threatened. Based on previous debt facility renewals and comfort from the Group's bankers, the Company believes that its bank lenders will continue to support it during 2018 and beyond. These facilities, as with PRC bank debt facilities generally, must be repaid by their maturity date, before renewal and re-draw.

In May 2017, the Zhaoqing Government issued a "Notice" in relation to providing bridging facilities to help small and medium enterprises bridge bank loans which are in the process of being renewed". Each bridging facility is expected to be within a limit of \$3,842,000 (RMB20 million) and the period to be no more than 10 days. The daily interest rate of the bridging facility is 0.02%~0.03% p.a. for the first two facilities and 0.04%~0.045% p.a. after the first two facilities. The Group has historically met the criteria for use of these bridging facilities and the Company expects going forward that they the Group will continue to access these facilities to facilitate debt facility renewals.

3.5 Material Contracts

(a) The first paragraph under section 10.1 is deleted and replaced with:

As at the date of 5 December 2017, the Company has aggregate bank debt balances of \$39.3 million, (of which \$34.6 million (180 million RMB) is from Guangdong Nanyue Bank), including asset leases under an overall facilities limit with Guangdong Nanyue Bank, summarised in the table below:

(b) Section 10.1(a) is deleted and replaced with:

No.	Lender	Balance Owing	Interest Rate	Instalments	Loan Term/Final repayment date	Purpose	Secured
1	Guangdong Nanyue Bank	\$14,407,500 75,000,000 RMB	8% per annum, payable monthly	Interest is payable monthly	27 May 2015 to 26 May 2018	Fixed asset loan	Yes
2	Guangdong Nanyue Bank,	\$4,802,500 25,000,000 RMB	7.6% per annum, payable monthly	Interest is payable monthly	23 June 2015 to 26 May 2018	Fixed asset loan	Yes
3	Guangdong Nanyue Bank	\$2,881,500 15,000,000 RMB	7% per annum, payable monthly	Interest is payable monthly	17 May 2017 to 17 May 2018	Working Capital	Yes
4	Guangdong Nanyue Bank	\$2,881,500 15,000,000 RMB	7% per annum, payable monthly	Interest is payable monthly	18 May 2017 to 18 May 2018	Working Capital	Yes
5	Guangdong Nanyue Bank	\$1,728,900 10,000,000 RMB	7% per annum, payable monthly	Interest is payable monthly	18 May 2017 to 18 May 2018	Working Capital	Yes
6	Guangdong Nanyue Bank	\$1,921,000 10,000,000 RMB	7% per annum, payable monthly	Interest is payable monthly	17 May 2017 to 17 May 2018	Working Capital	Yes
7	China Citic Bank	\$1,921,000 10,000,000 RMB	6.525% per annum, payable monthly	Interest is payable monthly	5 September 2017 to 5 September 2018	Fixed Asset Loan	Yes
8	Guangdong Nanyue Bank	\$1,921,000 10,000,000 RMB	7% per annum, payable monthly	Interest is payable monthly	23 October 2017 to 23 May 2018	Fixed Asset Loan	Yes
9	Guangdong Nanyue Bank	\$1,921,000 10,000,000 RMB	7% per annum, payable monthly	Interest is payable monthly	24 October 2017 to 24 May 2018	Fixed Asset Loan	Yes
10	Guangdong Nanyue Bank	\$1,921,000 10,000,000 RMB	7% per annum, payable monthly	Interest is payable monthly	24 October 2017 to 24 May 2018	Fixed Asset Loan	Yes
11	Media Financial Service	\$2,881,500 15,000,000 RMB	7% per annum, payable monthly	Interest is payable monthly	18 October 2017 to 18 April 2018	Working Capital Loan	Yes

(c) Section 10.1(b) is deleted and replaced with:

In May 2017, the Zhaoqing Government issued a "Notice" in relation to providing bridging facilities to help small and medium enterprises bridge bank loans which are in the process of being renewed". Each bridging

facility is expected to be within a limit of \$3,842,000 (RMB20 million) and the period to be no more than 10 days. The daily interest rate of the bridging facility is 0.02%~0.03% p.a. for the first two facilities and 0.04%~0.045% p.a. after the first two facilities. The Group has historically met the criteria for use of these bridging facilities and the Company.

- (d) Add a new second paragraph to section 10.3:

In October 2017 Zhaoqing Piston has entered an operating lease with Taijun International Leasing Co., Ltd in which it has leased 1 shell mould casting line and 5 computerised numerical control machines (including tool machine). The term of the lease is from 31 October 2017 to 31 September 2019. The initial rent of \$274,031 (1,426,500 RMB) was paid on 31 October 2017 and the total rent payable in 23 tranches is \$813,171 (4,233,060 RMB). Pingfan Jia and Liping Liu are listed as joint guarantors.

3.6 Glossary

- (a) The definition of Closing Date in section 13 is deleted and replaced with:

5pm AEST on 5 March 2018 or an amended date or time as determined by the Board.

- (b) The definition of Offer Period in section 13 is deleted and replaced with:

the period between 6 December 2017 and 5 March 2018, unless changed by the Directors.

- (c) The definition of Opening Date in section 13 is deleted and replaced with:

6 December 2017

- (d) The definition of Prospectus in section 13 is deleted and replaced with:

this prospectus and all supplementary and refresh prospectuses, and includes the electronic prospectus.

3.7 Additional Information

The second paragraph at section 11.20 is deleted and replaced with:

***Colin Biggers & Paisley Lawyers** has acted as legal adviser to the Company in relation to the Offer and the Placement and has been involved in undertaking due diligence enquiries and providing legal advice to the Offer. Colin Biggers & Paisley Lawyers will be paid an estimated fee of \$250,000 (excluding GST) for these services.*

3.8 Application Form attached to the Prospectus

The Application Form attached to the Prospectus is deleted and replaced with the application form annexed to this Refresh Supplementary Prospectus as Annexure A.

4. Applications

Investors who have NOT previously submitted an Application Form

Applications for Shares under the Offer must be made using the application form attached to or accompanying this Refresh Supplementary Prospectus (**Supplementary Application Form**).

Applications must not be made on the Application Form accompanying or attached to the Original Prospectus.

The Supplementary Application Form contains detailed instructions on how it is to be completed.

Completed Supplementary Application Forms and Application Monies must be received by the Company no later than the extended Closing Date (being 5 March 2018).

In all other respects, the procedure for applying for Shares is as set out in section 6.2 of the Original Prospectus.

The Company reserves the right to close the Offer early, however the Offer will remain open at least until the end of the Withdrawal Period (i.e. 5 January 2018).

Applicants who HAVE previously submitted an Application Form and DO NOT want to withdraw their Application

Applicants in this category do not need to complete a Supplementary Application Form. However, such applicants may lodge a Supplementary Application Form if they wish to apply for additional Shares in accordance with the instructions set out above and contained in the Supplementary Application Form.

Applicants who have previously submitted an Application Form and want to withdraw their Application

Applicants in this category may withdraw their Application and be repaid all Application Monies upon written request to the Company, as set out in section 2.1 of this Refresh Supplementary Prospectus.

5. Directors' authorisation

This Refresh Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Refresh Supplementary Prospectus with ASIC.

Dennis Trlin
Chairman

ANNEXURE A to Refresh Supplementary Prospectus

PISTON MACHINERY LTD

ACN 618 786 333

Applicants who received this Offer from their broker must return their Application Form and Application Monies back to their broker

Broker Code

Adviser Code

Offer Application Options:

Option A: Apply Online and Pay Electronically (Recommended)

Apply online:

- ✓ **Pay Electronically:** Applying online allows you to pay electronically, for Australian residents through BPAY®. Overseas applicants in permitted jurisdictions can also pay electronically through an electronic funds transfer.
- ✓ **Get in first, its fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **Its Secure and Confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your application has been successfully processed.



To apply online, simply scan the barcode to the right with your tablet or mobile device or you can enter the following link into your browser.

<https://investor.automic.com.au/pistonmachineryltd.html>

Option B: Standard Application and Pay by Cheque

Enter your details below, attach cheque and return in accordance with the instructions on the reverse.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

1. Number of Shares applied for

Application payment (multiply box 1 by \$0.40 per share)

A\$

Applications must be for a minimum of 5,000 Shares (A\$2,000), and thereafter in multiples of 1,000 Shares (A\$400)

2. Applicant name(s) and postal address - refer to naming standards for correct form of registrable title(s) (See overleaf)

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

Postal address

Unit / Street Number / Street name or PO Box

Suburb/Town

State

Postcode

Country and ZIP Code (if outside Australia)

3. Contact details

Telephone Number

Contact Name (PLEASE PRINT)

Email Address

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESSE Holders Only - Holder Identification Number (HIN)

Note: If the name and address details in sections 2 do not match exactly with your registration details held at CHESSE, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant 1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

Privacy Clause: Automic Pty Ltd (ACN 152 260 814) trading as Automic Registry Services (Automic) advises that Chapter 2C of the *Corporation Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

This is an Application Form for Ordinary Fully Paid Shares ('Shares') in Piston Machinery Limited (ACN 618 786 33) (Company), made under the terms set out in the Second Supplementary Prospectus dated 5 December 2017. The expiry date of the original Prospectus is the date which is 13 months after the date of the original Prospectus.

The original Prospectus contains important information relevant to your decision to invest and you should read the entire original Prospectus together with the supplementary Prospectus and second supplementary Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the original Prospectus and any supplementary prospectus (if applicable). While the original Prospectus is current, the Company will send paper copies of the original Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

1 Shares applied for - Enter the number of Shares you wish to apply. Your application must be for a minimum of 5,000 Shares (A\$2,000). Applications for greater than 10,000 shares must be in multiples of 1,000 Shares (A\$400). Enter the amount of the Application Monies. To calculate this amount, multiply the number of Shares applied for by the offer price which is A\$0.40.

2 Applicant name(s) and postal address - Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. You should refer to the table for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Enter your postal address for all correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released.

3 Contact Details - Please advise your contact details between 9:00am AEST and 5:00pm AEST should we need to speak to you about your application. You can notify any change to your communication preferences by visiting the registry website – www.automic.com.au

4 CHESSE Holders - If you are sponsored by a stockbroker or other participant and you wish to hold shares allotted to you under this Application on the CHESSE subregister, enter your CHESSE HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.

5 TFN/ABN/Exemption - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

6 Payment - Unless received from their broker, Applicants under the Offer must lodge their Application Form and Application Monies with the Share Registry by 5.00pm (AEST) on the Closing Date.

BPAY® your payment via internet or phone banking. Please visit our share registry's website: <https://investor.automic.com.au/pistonmachineryltd.html> and complete the online application form. All online applicants can BPAY® their payments via internet or phone banking. A unique reference number will be quoted upon completion of the application. Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date of the offer. BPAY® applications will only be regarded as having been made if payment is received by the registry from your financial institution on or prior to the Closing Date. It is the applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return any documents if you have made payment via BPAY®.

Your BPAY® reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid.

All cheques should be made payable to "Piston Machinery Ltd Offer" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Do not forward cash as receipts will not be issued.

Electronic Funds Transfer (EFT) is available for overseas applicants. Please email your completed Application Form and payment method request to hello@automic.com.au. The registry will then contact you with your unique payment reference number and will outline the procedure for making payment by EFT. Applicants should be aware of their financial institution's cut-off time. It is the Applicant's responsibility to ensure funds are submitted correctly by the Closing Date and time.

Applicants who received this Offer from their broker must return their Application Form and Application Monies back to their broker. Any cheque must be made payable to the broker.

LODGEMENT INSTRUCTIONS

There is no maximum value of Shares that may be applied for under the Offer. The Company may determine a person to be eligible to participate in the Offer.

The Offer opens at 9.00am (AEST) on 6 December 2017 and is expected to close at 5.00pm (AEST) on 5 March 2018. The Company and the Lead Manager may elect to extend the Offer or any part of it, may be closed at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible.

Completed Application Forms and cheques must be:

Posted to:

Piston Machinery Ltd
C/- Automic
PO Box 2226
STRAWBERRY HILLS NSW 2012

Delivered to:

Piston Machinery Ltd
C/- Automic
Level 3, 50 Holt Street
SURREY HILLS NSW 2010
Hand delivery during business hours only - 9am to 5pm (AEST)

Enquiries in respect of this Share Application Form should be addressed to Automic at 1300 288 664.

Share Application Forms must be received no later than 5.00pm (AEST) 5 March 2018