

**MINUTES OF ANNUAL GENERAL MEETING OF PHILEO AUSTRALIA LIMITED
A.C.N. 007 608 755 AT LEVEL 14, 303 COLLINS STREET, MELBOURNE AT
12.00 NOON ON THURSDAY, 24 NOVEMBER 2016**

Directors present:

Graham Homes (Chairman), Rudy Eng Wah Koh, Alfred Sung, Michael Loke. Andrew Hang.

Apologies: None

Company Secretary present:

Tejas Gandhi

Observers present:

Andrew Johnston, (Auditors, Moore Stephens Chartered Accountants); Michael Schoenfeld (Schoenfeld Consulting), Anita Das (Boardroom Ltd), Elize Strydom (Phileo Australia Ltd) Jeremy Lanzer (Lawyers).

Members present:

Brian Benger, Brian Benger (Proxy for Benger Superannuation Pty Ltd, Hathorn Holdings Pty Ltd, Amy Louise Benger, Sarah Benger, Susan Marie Benger, Anthony Benger & Phoebe Clare Love), Barry Thompson, John Zee, Kingsley Bibby, Peter Slattery and Robert Ng.

Quorum

In accordance with the Company's Constitution, the Chairman noted there were 7 members (including members with proxies), other than the directors (who are also members), in attendance. The Chairman noted that he held 14 proxies and that a quorum was present (a quorum is 3, whether in person or by proxies) and declared the meeting open, welcomed the members and introduced the Board of Directors.

Proceedings

The Chairman read the Notice of Annual General Meeting and the resolutions.

1. *2016 Annual Report, including the Directors' Report, Auditor's Report and Financial Report*

The 2016 Annual Report and its contents were received and considered by members.

2. *Adoption of Remuneration Report*

The Chairman referred to the Remuneration Report contained in the Directors' Report on page 11 & 12 of the 2016 Annual Report.

RESOLVED THAT the Remuneration Report be adopted.

The above resolution was not passed on show of hands. 3 of the members present voted in favour, 3 voted against and 1 abstained. A member voting against the resolution, advised that he was doing so because he was of the opinion that the Board is not proactive in providing sufficient information to shareholders relating to company affairs. This comment was later withdrawn after the shareholder questions were discussed.

The Chairman decided to call a Poll for the resolution. The poll was carried out under the supervision of the representative from Boardroom Ltd.

The resolution was passed with a total of validly cast votes of 9,354,603, of which 5,857,098 (62.61%) votes (including proxies) voted in favour, 820,435 (8.77%) votes (including proxies) voting against and 2,677,070 (28.62%) votes (including proxies) abstained.

3. *Re-election of Director*

Alfred Sung retires by rotation and being eligible, offers himself for re-election. .

RESOLVED THAT Alfred Sung be re-appointed as director of the company.

The above resolution was passed on show of hands. All present voted in favour.

The Chairman with the assistance of directors/consultant addressed the following questions tabled by shareholders:

Wyndham Vale land – Development plans.

In addition to the future plans disclosed in the Annual Report for the year ended 30 June 2016, management estimates to develop the land in stages, Stage 1 could be available for sale in 18-24 months' time and would require approximately \$40 million expenditure on infrastructure before commencement of sales.

Wyndham Vale land – Current valuation.

On 25th May 2016 the company informed the market the valuation of the land as determined by a well-recognised independent valuer, Knight Frank Valuations. The valuer adopted Direct Comparison methodology to arrive at the valuation of \$120 million.

In view of recent sale events in the surrounding area and in order to keep market appropriately informed about any significant movement in the value of the property held by the company, the company is committed to obtaining an updated independent valuation of this property before 30 June 2017 and will make an appropriate market announcement.

Use of funds generated from sale of Rocklea Homemaker Centre

The settlement date of the sale of the Rocklea Homemaker Centre is 30th November 2016. The gain or loss from sale of the property will be included in the half year report for the period ended 31st December 2016.

The Company intends to use the resulting sale proceeds to repay its current debt secured over the property and to fund its working capital and the development of its properties, including Wyndham Vale Stage 1, Box Hill and the remaining Rocklea warehouse site.

Development plans for Federation Street, Box Hill.

Preliminary designs for the development of the site are being prepared. This design aims to incorporate the entire land rather than only the virgin land as previously contemplated.

At this stage, it is difficult to estimate a timeframe as the development of this land is dependent on the resolution of some outstanding matters with the Environmental Protection Authority (EPA) in relation to the former landfill site and with Heritage Victoria for preservation of the Brickwork site.

303 Collins Street, Melbourne.

The lease agreements with new tenants such as Westpac and Qatar Airways have reduced the vacancy rate from 35% as at 30 June 2016 to 28%. Management intends to refurbish the lobby once the Westpac fit out is complete and refurbish floors progressively in order to retain the existing tenants and actively market the property for new tenants.

Management intention is to continue to hold this property as a long term investment.

Future plans for the distribution of dividends

The Board maintains its position that it cannot borrow to fund dividends and notes that although the distribution of franking credits is possible by the declaration of a franked dividend the company would need to secure external funding (either through a rights issue or additional debt funding) to pay for such a dividend.

The Company will assess the internal working capital requirement and funding requirements of development properties before committing to plans for payment of future dividends.

General Financial Information on Inventory

The Board maintains that all relevant information is published in the financial report. The accounting standards do not require the company to separately publish the carrying value of each separate item of trading stock.

Management considers the disclosure of the carrying value of each separate item of the inventory to be commercially sensitive. However, in order to better inform the shareholders, the impact of the recent independent valuations on the Net Tangible Assets (NTA) of the company, the Chairman in the Chairman's Address in the Annual report has disclosed the NTA based on the current property valuations less applicable income tax.

Future strategic direction and information to the market:

The Board confirmed that at present there are no plans to acquire any major assets. However, management will consider all opportunities with an intention to maximise the shareholder value.

The Chairman emphasised that the company and the Board are aware of and comply with their legal and fiduciary obligations. The company has and will continue to provide appropriate information to the market in a timely manner.

Proxies

The Chairman noted that he held 14 proxies amounting to 8,205,688 votes representing approximately 28% of the company's issued share capital at one vote per share. The results of the proxy votes were as follows:

Resolution 1 (Remuneration Report): 5,559,679 in favour, 0 against, 2,646,009 abstained.

Resolution 2 (Re-election of Alfred Sung as director): 8,200,688 in favour, 0 against, 5,000 abstained.

There being no further business, the meeting was declared closed.

Tejas Gandhi
Company Secretary
Date: 24 November 2016