VEALLS LIMITED

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CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING HELD ON THURSDAY 30 NOVEMBER 2017

On behalf of the Board of Directors I welcome you to the 67th Annual General Meeting of the Company.

The review that was previously announced by the Company has been completed. It was a wide-ranging review that encompassed taxation, investment and the Company's structure. The outcome of the review has been the recent commencement of an on-market share buy-back of the Company's capital and income shares which is on-going until at least 21 December 2017. In conjunction with the announcement of the buy-back, the Company announced that if the requisite thresholds were met, the Veall family intended to commence a compulsory acquisition process for all of the shares in the Company that it did not already own. This was communicated to shareholders through the ASX and by letter.

The Company obtained an Independent Expert Report prior to the buy-back that determined the fair value for the Company's shares. The Company, through its independent director, adopted the prices determined by the Independent Expert for the buy-back including setting the buy-back price for capital shares at the top of the range set out in the report.

As at the close of trading on 29 November 2017 the company has bought back 848,00 capital shares and no income shares.

As announced earlier this morning, the Veall family has advised the Company that, as a result of the buy-back, it has met the compulsory acquisition thresholds in the Corporations Act and that it intends to commence the process of compulsorily acquiring all the shares, including preference shares, that are not held or controlled by the family once the buy-back closes, which is expected to be on or around 21 December 2017.

As previously announced, the Veall family intends to compulsorily acquire the remaining capital and income shares at the buy-back prices of \$14.56 and \$0.52 respectively, and the preference shares at \$0.10 per share subject to receipt of a separate independent expert's report prepared pursuant to the Corporations Act by an expert appointed by ASIC for the purposes of the Compulsory Acquisition. Among other things, the Compulsory Acquisition IER will opine on whether the terms proposed in the Compulsory Acquisition notice give a fair value for each of the three classes of shares.

Before proceeding to the business of today's meeting, I would like to give you an update on the current status of the implementation of the restructure of the group's operations.

1. Vealls (Singapore) Pte Ltd continues to operate in both New Zealand and Singapore and has short-term deposits mainly in NZD. The bulk of these deposits were invested through the hub of Singapore in Hong Kong but have since been repatriated to New Zealand. Presently the amount of NZD on deposit is \$49.57m.

Cardrona Ski Resort Ltd also has short-term deposits in NZD amounting to $2.55m.

Currently the total aggregate amount of NZD on deposit is $52.12m.

The intention remains for our New Zealand operations to be closed down at an appropriate time. The amount provided for IRD penalties regarding the GST dispute at 30 June 2017 has been adequate with all matters now concluded.

2. The remaining Company asset that is scheduled for disposal is the freehold property at Mt. Martha, Victoria (held in V.L.Investments Pty Ltd) which has been further progressed. The local Council received the Company's proposal in October and has commenced internal referrals. Their housing strategy is yet to be finalised and adopted.

The carrying value of the Mt Martha property at 30 June 2017 was AUD $20.25m however the more recent valuation carried out at 2 November 2017 for the purpose of the buy-back was AUD $18.50m. The drop in value ascertained by the valuer is attributed to a vegetation offset allowance required for the clearing of native vegetation.

During the year the oak forest owned by the Company at Moulins, France was sold however an amount has been withheld by the Notary (€176,000) in lieu of any further tax assessed in France for a period of up to 3 years. The Company is continuing to liaise with the French Tax Authority to have these funds released.

Our Investment Program for the acquisition of securities through the hub of Singapore continues to be developed. We note again that China is still experiencing lower growth which is affecting their trading partners and that there has been a small increase in US interest rates this year as their economy improves and more recently mooted tax reforms. The recent election result in New Zealand has added a new uncertainty to its future, which will start to unfold over the next few months. We expect to see volatility during this period.

In light of this volatility, the timing of the acquisition of selected securities remains a fundamental consideration, as are exchange rates and market conditions.

With current low interest rates, the price/earnings ratio of companies and property prices remains high although more recently property prices in Australia have been stabilizing. It is important to note that the Company's results continue to be affected by changes across a range of currency values in relation to the Australian dollar, in particular the NZD / AUD exchange rate.

The Board has followed a conservative policy in relation to the company's capital and the investment thereof. Our current policy has continued to protect us from incurring potential capital losses while generating reasonable earnings.

D R Veall
Chairman
30 November 2017