VEALLS LIMITED

ACN 004 288 000

Registered Office
1st Floor 484 Toorak Road
Toorak Vic 3142
Postal Address
1st Floor 484 Toorak Road
Toorak Vic 3142
PH: (03) 9827-4110
FAX: (03) 9827-4112

27 February 2018

Company Announcements Office
Australian Securities Exchange
E-Lodgements

Dear Sir / Madam,

Commencement of compulsory acquisition of Vealls Limited shares

The Veall family, through Ijack Pty Ltd (**Ijack**), has commenced the process for compulsorily acquiring the outstanding capital, income and preference shares by lodging the relevant compulsory acquisition notices (each a **Notice**) with the Australian Securities and Investments Commission (**ASIC**).

As required by paragraph 664C(2)(d) of the Corporations Act 2001 (Cth) (**Corporations Act**), enclosed are a copy of the following documents, which have been provided to the Company by Ijack under paragraph 664C(2)(c) of the Corporations Act:

(a) the letter, Notice and objection form sent to the holders of capital shares;

(b) the letter, Notice and objection form sent to the holders of income shares;

(c) the letter, Notice and objection form sent to the holders of preference shares; and

(d) an independent expert's report prepared by Deloitte Corporate Finance Pty Ltd for the compulsory acquisition process and sent to the holders of capital, income and preference shares.

Ijack has confirmed that the Notices were lodged with ASIC today pursuant to section 664C(2)(a) of the Corporations Act.

Yours faithfully

Duncan Veall
Company Secretary

IJACK PTY. LTD.

A.C.N 004 287 987

Registered Office
Level 1, 484 Toorak Road
Toorak 3142 Australia
Telephone:: (03) 9827-4110
Facsimile : (03) 9827-4112

27 February 2018

Dear Shareholder

Compulsory acquisition notice - capital shares

As you may be aware, on 29 November 2017, Vealls Limited (**Company**) announced that the Veall family (**Family**) had advised the Company that it had met the compulsory acquisition thresholds contained in section 664A(2) of the Corporations Act 2001 (Cth) (**Corporations Act**) and intended to commence the process of compulsorily acquiring all of the capital, income and preference shares on issue in the Company that are not held or controlled by the Family following the close of the Company's on market share buy-back (**Buy-Back**).

You have received this letter as you hold (number) capital shares.

The Family, through Ijack Pty Ltd (**Ijack**), now proposes to compulsorily acquire those (number) capital shares from you for $14.56 per share, in accordance with Part 6A.2 of the Corporations Act. Ijack is offering to acquire the capital shares for $14.56 per share, being the price paid per capital share by the Company in the Buy-Back. The fair value per capital share determined by the independent expert engaged for the compulsory acquisition process is between $14.30 and $14.64 per share.

The following documents are enclosed:

(a) a notice of compulsory acquisition under section 664C of the Corporations Act (**Notice**) in relation to the capital shares you hold;

(b) a copy of the independent expert's report prepared by Deloitte Corporate Finance Pty Ltd for the compulsory acquisition process; and

(c) an objection form under which you may object to the acquisition by completing and submitting it within one month (ie prior to 2 April 2018).

What do you need to do?

If you agree to the acquisition you do not need to take any further action and, subject to the Corporations Act, your capital shares will be acquired and the purchase price paid to you.

If you want to object to the acquisition you need to complete and return the enclosed objection form in accordance with the instructions on the form.

If holders of less than 10% of the capital shares the subject of the compulsory acquisition object, the acquisition will proceed and your capital shares will be acquired, and proceeds paid to you, in approximately 6 weeks' time. If holders of at least 10% of the capital shares the subject of the compulsory acquisition object, Ijack will determine whether to seek to proceed with the compulsory acquisition by seeking Court approval for the acquisition.

Yours sincerely

Duncan Veall
Company Secretary
Ijack Pty Ltd

Australian Securities & Investments Commission

Form 6024
Corporations Act 2001
664C(1)

Notice of compulsory acquisition

Notice

To each holder of:

Description of class of securities	Class of securities ('the class'): capital shares
	in
Name of target company	Name ('the Company'): Vealls Limited
	ACN/ARBN/ARSN: ACN 004 288 000
Insert name of 90% Holder	**1.** Ijack Pty Ltd ACN 004 287 987 ('the 90% holder')
Tick one box	☐ holds either alone or with a related body corporate, full beneficial interests in at least 90% of the securities (by number) in the class. ☒ has voting power of at least 90% in the Company and holds, either alone or with a related body corporate, full beneficial interests in at least 90% by value of all securities of the Company that are either shares or convertible into shares.
Description of class of securities	**2.** Under subsection 664A(3) of the Corporations Act 2001 ('the Act') the 90% Holder may compulsorily acquire all the capital shares if less than 10% by value of holders in that class have objected to the acquisition by the end of the objection period set out in this notice or the Court approves the acquisition under section 664F of the Act.
Description of class of securities	**3.** The 90% Holder hereby gives notice that it proposes to compulsorily acquire capital shares that you hold for the cash amount of
Cash amount for the securities. This may be expressed as an amount per security.	$14.56 per share A notice sent by post to you is taken to be given to you 3 days after it is posted.
Period during which holders may return the objection form. The period must be at least one month.	**4.** Under section 664E of the Act, you, (or anyone who acquires the securities during the objection period) have the right to object to the acquisition of your securities by completing and returning the objection form that accompanies this notice within one month of receipt of this notice. The objection cannot be withdrawn.
	5. You have the right to obtain the names and addresses of everyone else who holds securities in the class from the Company register.
	6. Under section 664F of the Act, if 10% of holders of securities covered by this compulsory acquisition notice have objected to the acquisition before the end of the objection period, the 90% Holder may, within one month after the end of the objection period, apply to the Court for approval of the acquisition of the securities covered by this notice.
Details of the consideration given for the securities	**7.** During the last 12 months the 90% Holder or an associate has purchased securities of the same class for $14.56 per share

Continued… **Notice**

Include any information that is known to the 90% Holder or any related bodies corporate that is material to deciding whether to object to the acquisition and has not been disclosed in an expert's report under section 667A of the Act.

8.

none

Signature

Name of person signing

Duncan Veall

Capacity

Company Secretary

Signature

Date signed

2 6 / 0 2 / 1 8

[D D] [M M] [Y Y]

CORPORATIONS ACT 2001
PART 6A.2
OBJECTION FORM

The Director
Ijack Pty Ltd
Level 1, 484 Toorak Road
Toorak VIC 3142
Attention: Duncan Veall

Dear Director

OBJECTION TO COMPULSORY ACQUISITION OF CAPITAL SHARES IN VEALLS LIMITED

I/We refer to the notice of compulsory acquisition dated 26 February 2018 relating to the capital shares in Vealls Limited ACN 004 288 000 held by me/us (**Notice**).

Pursuant to section 664E(1) of the Corporations Act 2001, I/we ______________________________,

of ____,

object to the proposed compulsory acquisition of the capital shares held by me/us and acknowledge that this objection:

(i) relates to all securities that are covered by the Notice and are held by me/us as at the date that is one month from the date of receipt of the Notice; and

(ii) cannot be withdrawn.

Yours faithfully

signature of shareholder ►	______________________	*signature of second shareholder (if applicable)* ►	______________________
name of shareholder	______________________	*name of second shareholder (if applicable)*	______________________
capacity of shareholder (if applicable)	______________________		
date	______________________		

IJACK PTY. LTD.

A.C.N 004 287 987

Registered Office
Level 1, 484 Toorak Road
Toorak 3142 Australia
Telephone:: (03) 9827-4110
Facsimile : (03) 9827-4112

27 February 2018

Dear Shareholder

Compulsory acquisition notice - income shares

As you may be aware, on 29 November 2017, Vealls Limited (**Company**) announced that the Veall family (**Family**) had advised the Company that it had met the compulsory acquisition thresholds contained in section 664A(2) of the Corporations Act 2001 (Cth) (**Corporations Act**) and intended to commence the process of compulsorily acquiring all of the capital, income and preference shares on issue in the Company that are not held or controlled by the Family following the close of the Company's on market share buy-back (**Buy-Back**).

You have received this letter as you hold (number) income shares.

The Family, through Ijack Pty Ltd (**Ijack**), now proposes to compulsorily acquire those (number) income shares from you for $0.57 per share, in accordance with Part 6A.2 of the Corporations Act. The Family had previously stated its intention to acquire the income shares for $0.52 per share, being the price offered per income share by the Company pursuant to the Buy-Back. However, Ijack is offering $0.57 per share which is 10% higher than the price offered in the Buy-back and 10% higher than the fair value for an income share as determined by the independent expert engaged for the compulsory acquisition process.

The following documents are enclosed:

(a) a notice of compulsory acquisition under section 664C of the Corporations Act (**Notice**) in relation to the income shares you hold;

(b) a copy of the independent expert's report prepared by Deloitte Corporate Finance Pty Ltd for the compulsory acquisition process; and

(c) an objection form under which you may object to the acquisition by completing and submitting it within one month (ie prior to 2 April 2018).

What do you need to do?

If you agree to the acquisition you do not need to take any further action and, subject to the Corporations Act, your income shares will be acquired and the purchase price paid to you.

If you want to object to the acquisition you need to complete and return the enclosed objection form in accordance with the instructions on the form.

If holders of less than 10% of the income shares the subject of the compulsory acquisition object, the acquisition will proceed and your income shares will be acquired, and proceeds paid to you, in approximately 6 weeks' time. If holders of at least 10% of the income shares the subject of the compulsory acquisition object, Ijack will determine whether to seek to proceed with the compulsory acquisition by seeking Court approval for the acquisition.

Yours sincerely

Duncan Veall
Company Secretary
Ijack Pty Ltd

Australian Securities & Investments Commission

Form 6024
Corporations Act 2001
664C(1)

Notice of compulsory acquisition

Notice

To each holder of:

Description of class of securities

Class of securities ('the class')

income shares

in

Name of target company

Name ('the Company')

Vealls Limited

ACN/ARBN/ARSN

ACN 004 288 000

Insert name of 90% Holder

1. Ijack Pty Ltd ACN 004 287 987

('the 90% holder')

Tick one box

☐ holds either alone or with a related body corporate, full beneficial interests in at least 90% of the securities (by number) in the class.

☒ has voting power of at least 90% in the Company and holds, either alone or with a related body corporate, full beneficial interests in at least 90% by value of all securities of the Company that are either shares or convertible into shares.

2. Under subsection 664A(3) of the Corporations Act 2001 ('the Act') the 90% Holder may compulsorily acquire all the

Description of class of securities

income shares

if less than 10% by value of holders in that class have objected to the acquisition by the end of the objection period set out in this notice or the Court approves the acquisition under section 664F of the Act.

3. The 90% Holder hereby gives notice that it proposes to compulsorily acquire

Description of class of securities

income shares

that you hold for the cash amount of

Cash amount for the securities. This may be expressed as an amount per security.

$0.57 per share

A notice sent by post to you is taken to be given to you 3 days after it is posted.

4. Under section 664E of the Act, you, (or anyone who acquires the securities during the objection period) have the right to object to the acquisition of your securities by completing and returning the objection form that accompanies this notice within

Period during which holders may return the objection form. The period must be at least one month.

one month

of receipt of this notice. The objection cannot be withdrawn.

5. You have the right to obtain the names and addresses of everyone else who holds securities in the class from the Company register.

6. Under section 664F of the Act, if 10% of holders of securities covered by this compulsory acquisition notice have objected to the acquisition before the end of the objection period, the 90% Holder may, within one month after the end of the objection period, apply to the Court for approval of the acquisition of the securities covered by this notice.

7. During the last 12 months the 90% Holder or an associate has purchased securities of the same class for

Details of the consideration given for the securities

N/A

Continued... **Notice**

Include any information that is known to the 90% Holder or any related bodies corporate that is material to deciding whether to object to the acquisition and has not been disclosed in an expert's report under section 667A of the Act.

8.

none

Signature

Name of person signing

Duncan Veall

Capacity

Company Secretary

Signature

Date signed

2	6	/	0	2	/	1	8
[D	D]		[M	M]		[Y	Y]

68709406

CORPORATIONS ACT 2001
PART 6A.2
OBJECTION FORM

The Director
Ijack Pty Ltd
Level 1, 484 Toorak Road
Toorak VIC 3142
Attention: Duncan Veall

Dear Director

OBJECTION TO COMPULSORY ACQUISITION OF INCOME SHARES IN VEALLS LIMITED

I/We refer to the notice of compulsory acquisition dated 26 February 2018 relating to the income shares in Vealls Limited ACN 004 288 000 held by me/us (**Notice**).

Pursuant to section 664E(1) of the Corporations Act 2001, I/we ______________________________,

of ____,

object to the proposed compulsory acquisition of the income shares held by me/us and acknowledge that this objection:

(i) relates to all securities that are covered by the Notice and are held by me/us as at the date that is one month from the date of receipt of the Notice; and

(ii) cannot be withdrawn.

Yours faithfully

signature of shareholder ►	______________________	*signature of second shareholder (if applicable)* ►	______________________
name of shareholder	______________________	*name of second shareholder (if applicable)*	______________________
capacity of shareholder (if applicable)	______________________		
date	______________________		

IJACK PTY. LTD.

A.C.N 004 287 987

Registered Office
Level 1, 484 Toorak Road
Toorak 3142 Australia
Telephone:: (03) 9827-4110
Facsimile : (03) 9827-4112

27 February 2018

Dear Shareholder

Compulsory acquisition notice - preference shares

As you may be aware, on 29 November 2017, Vealls Limited (**Company**) announced that the Veall family (**Family**) had advised the Company that it had met the compulsory acquisition thresholds contained in section 664A(2) of the Corporations Act 2001 (Cth) (**Corporations Act**) and intended to commence the process of compulsorily acquiring all of the capital, income and preference shares on issue in the Company that are not held or controlled by the Family following the close of the Company's on market share buy-back (**Buy-Back**).

You have received this letter as you hold (number) preference shares.

The Family, through Ijack Pty Ltd (**Ijack**), now proposes to compulsorily acquire those (number) preference shares from you for $0.11 per share, in accordance with Part 6A.2 of the Corporations Act. The Family had previously stated its intention to acquire the preference shares for $0.10 per share, being the price determined by the Company's independent expert engaged for the Buy-Back. However, Ijack is offering $0.11 per share which is 10% higher than the value determined in relation to the Buy-back and 10% higher than the fair value for a preference share as determined by the independent expert engaged for the compulsory acquisition process.

The following documents are enclosed:

(a) a notice of compulsory acquisition under section 664C of the Corporations Act (**Notice**) in relation to the preference shares you hold;

(b) a copy of the independent expert's report prepared by Deloitte Corporate Finance Pty Ltd for the compulsory acquisition process; and

(c) an objection form under which you may object to the acquisition by completing and submitting it within one month (ie prior to 2 April 2018).

What do you need to do?

If you agree to the acquisition you do not need to take any further action and, subject to the Corporations Act, your preference shares will be acquired and the purchase price paid to you.

If you want to object to the acquisition you need to complete and return the enclosed objection form in accordance with the instructions on the form.

If holders of less than 10% of the preference shares the subject of the compulsory acquisition object, the acquisition will proceed and your preference shares will be acquired, and proceeds paid to you, in approximately 6 weeks' time. If holders of at least 10% of the preference shares the subject of the compulsory acquisition object, Ijack will determine whether to seek to proceed with the compulsory acquisition by seeking Court approval for the acquisition.

Yours sincerely

Duncan Veall
Company Secretary
Ijack Pty Ltd

Australian Securities & Investments Commission

Form 6024
Corporations Act 2001
664C(1)

Notice of compulsory acquisition

Notice

To each holder of:

Description of class of securities	Class of securities ('the class') preference shares
	in
Name of target company	Name ('the Company') Vealls Limited ACN/ARBN/ARSN ACN 004 288 000
Insert name of 90% Holder	**1.** Ijack Pty Ltd ACN 004 287 987 ('the 90% holder')
Tick one box	☐ holds either alone or with a related body corporate, full beneficial interests in at least 90% of the securities (by number) in the class. ☒ has voting power of at least 90% in the Company and holds, either alone or with a related body corporate, full beneficial interests in at least 90% by value of all securities of the Company that are either shares or convertible into shares.
Description of class of securities	**2.** Under subsection 664A(3) of the Corporations Act 2001 ('the Act') the 90% Holder may compulsorily acquire all the preference shares if less than 10% by value of holders in that class have objected to the acquisition by the end of the objection period set out in this notice or the Court approves the acquisition under section 664F of the Act.
Description of class of securities	**3.** The 90% Holder hereby gives notice that it proposes to compulsorily acquire preference shares that you hold for the cash amount of
Cash amount for the securities. This may be expressed as an amount per security.	$0.11 per share A notice sent by post to you is taken to be given to you 3 days after it is posted.
Period during which holders may return the objection form. The period must be at least one month.	**4.** Under section 664E of the Act, you, (or anyone who acquires the securities during the objection period) have the right to object to the acquisition of your securities by completing and returning the objection form that accompanies this notice within one month of receipt of this notice. The objection cannot be withdrawn.
	5. You have the right to obtain the names and addresses of everyone else who holds securities in the class from the Company register.
	6. Under section 664F of the Act, if 10% of holders of securities covered by this compulsory acquisition notice have objected to the acquisition before the end of the objection period, the 90% Holder may, within one month after the end of the objection period, apply to the Court for approval of the acquisition of the securities covered by this notice.
Details of the consideration given for the securities	**7.** During the last 12 months the 90% Holder or an associate has purchased securities of the same class for N/A

Continued... **Notice**

Include any information that is known to the 90% Holder or any related bodies corporate that is material to deciding whether to object to the acquisition and has not been disclosed in an expert's report under section 667A of the Act.

8.

none

Signature

Name of person signing

Duncan Veall

Capacity

Company Secretary

Signature

Date signed

2 6 / 0 2 / 1 8

[D D] [M M] [Y Y]

CORPORATIONS ACT 2001
PART 6A.2
OBJECTION FORM

The Director
Ijack Pty Ltd
Level 1, 484 Toorak Road
Toorak VIC 3142
Attention: Duncan Veall

Dear Director

OBJECTION TO COMPULSORY ACQUISITION OF PREFERENCE SHARES IN VEALLS LIMITED

I/We refer to the notice of compulsory acquisition dated 26 February 2018 relating to the preference shares in Vealls Limited ACN 004 288 000 held by me/us (**Notice**).

Pursuant to section 664E(1) of the Corporations Act 2001, I/we ____________________________,

of ____,

object to the proposed compulsory acquisition of the preference shares held by me/us and acknowledge that this objection:

(i) relates to all securities that are covered by the Notice and are held by me/us as at the date that is one month from the date of receipt of the Notice; and

(ii) cannot be withdrawn.

Yours faithfully

signature of shareholder ►	______________________	*signature of second shareholder (if applicable)* ►	______________________
name of shareholder	______________________	*name of second shareholder (if applicable)*	______________________
capacity of shareholder (if applicable)	______________________		
date	______________________		

Ijack Pty Ltd

Independent expert's report and Financial Services Guide

21 February 2018

Financial Services Guide

What is a Financial Services Guide?

A Financial Services Guide (**FSG**) is designed to provide information about the supply of financial services to you.

Why are we providing this FSG to you?

Deloitte Corporate Finance Pty Limited (AFSL 241457) has been engaged by Ijack Pty Limited (**Ijack**) to prepare an independent expert's report (our **Report**) in connection with the compulsory acquisition of all the shares in Vealls Limited (including preference shares) that are not held or controlled by the Veall family. Ijack will provide our Report to you.

Our Report provides you with general financial product advice. This FSG informs you about the use of general financial product advice, the financial services we offer, our dispute resolution process and our remuneration.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

We are providing general financial product advice

In our Report, we provide general financial product advice as we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. You should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. You are not responsible for our fees.

We will receive a fee of $45,000 exclusive of GST in relation to the preparation of our Report. This fee is not contingent on the outcome of the compulsory acquisition of all the shares in Vealls Limited (including preference shares) that are not held or controlled by the Veall family.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (**Deloitte Touche Tohmatsu**) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you have a concern about our Report, please contact us:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Phone: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Financial Ombudsman Service (FOS).

FOS provides fair and independent financial services dispute resolution free to consumers.

www.fos.org.au
1800 367 287 (free call)
Financial Ombudsman Service
GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

21 February 2018

Deloitte.

Deloitte Corporate Finance Pty Limited
A.B.N. 19 003 833 127
AFSL 241457
Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX: 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0)2 9254 1198
www.deloitte.com.au

The Directors
Ijack Pty Ltd
Level 1, 484 Toorak Rd
Toorak VIC 3142

21 February 2018

Dear Directors

Re: Preparation of independent expert's report in relation to the compulsory acquisition of shares in Vealls Limited

1 Introduction

On 10 November 2017, Vealls Limited (**Vealls** or **Company**) announced its intention to undertake an on-market buyback (**Buy-Back**) of the capital shares and income shares on issue in the Company. The Buy-Back did not extend to preference shares as they could not be bought back without shareholder approval. The Buy-Back was the outcome of the Company's capital management strategic review and provided shareholders the opportunity to realise their investment in the Company. The Veall family (**Family**) indicated that the Family would not participate in the Buy-Back and if, as a result of the Buy-Back, the Family's aggregate holding of shares either met or exceeded the relevant thresholds required under Section 664A(2) of the Corporations Act, the Family would commence the process of compulsorily acquiring all the shares (including preference shares) that are not held or controlled by the Family (**Compulsory Acquisition**).

On 29 November 2017, Vealls announced that the Family had met the Compulsory Acquisition thresholds and would commence the process of compulsorily acquiring all the shares (including preference shares) that are not held or controlled by the Family post the Buy-Back. The Buy-Back was completed on 22 December 2017. Ijack Pty Ltd (**Ijack**), a Family entity, will acquire the remaining securities in the Company on behalf of the Family.

The Directors of Ijack have prepared compulsory acquisition notices for the respective share classes (collectively the **Compulsory Acquisition Notice** or **Notice**) outlining the terms of the Compulsory Acquisition. A summary of these terms is outlined in Section 3 of our report.

2 Basis of evaluation of the Compulsory Acquisition

2.1 Purpose of the report

Following nomination by the Australian Securities and Investments Commission (**ASIC**) under Section 667AA of the Corporations Act 2001 (**Corporations Act**), the Directors of Ijack (**Directors**) have asked Deloitte Corporate Finance Pty Limited (**Deloitte Corporate Finance**) to prepare an independent expert's report (**IER**) in relation to the Compulsory Acquisition, advising whether:

- the terms proposed in the Compulsory Acquisition Notice give a fair value for the securities concerned; and
- Ijack (either alone or together with a related body corporate) has full beneficial ownership in at least 90% by value of all the securities of Vealls that are shares or convertible into shares, in accordance with Section 667A of the Corporations Act for a person giving a compulsory acquisition notice relying on paragraph 664A(2)(c) to give the notice.

The IER is required for the purposes of Sections 664C and 667A of the Corporations Act 2001 (the **Purpose**).

We have prepared this report in accordance with the Purpose and also had regard to ASIC Regulatory Guide (**RG**) 111 (Content of expert reports) and ASIC RG 112 (Independence of experts).

This report is to be included with the Compulsory Acquisition Notice to be sent to the remaining shareholders of Vealls not associated with the Family (**Shareholders**) and has been prepared for the exclusive purpose of assisting the Shareholders in regards to the Compulsory Acquisition. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Shareholders and Ijack, in respect of this report, including any errors or omissions however caused.

2.2 Guidance

In preparing this report, we had regard to ASIC RG 111 in relation to the content of expert's reports and ASIC RG 112 in respect of the independence of experts.

ASIC RG 111.48 prescribes steps the expert is required to undertake in order to determine fair value:

- first assess the value of the entity as a whole;
- then allocate that value among the classes of issued securities in the company (taking into account the relative financial risk and the voting and distribution rights of the classes); and
- then allocate the value of each class pro rata among the securities in that class (without allowing any premium or applying a discount for particular securities or interest in that class).

RG 111.49-50 also states the additional factors that the expert has to consider when determining fair value:

- the prices paid for securities in that class in the previous six months; and
- special value accruing to the acquirer should not be considered when assessing the fair value.

2.3 Role of the technical expert

RG 112 refers to the use of specialists where the expert does not have the necessary specialist expertise on a matter that must be determined for the purposes of the IER. In this regard, at our request, Charter Keck Cramer Pty Ltd (**CKC**), a property advisory firm, was engaged by the Family to prepare a report (**CKC Valuation Report**) providing an independent assessment of the value of the Mount Martha property (**Mount Martha** or **Property**) given that this is not our area of expertise and requires specialised knowledge of the market conditions in a particular area.

CKC prepared the CKC Valuation Report having regard to a definition of market value, being the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This is consistent with the definition of fair value under the Australian accounting standards and the definition of fair value commonly adopted in independent expert's reports. The scope of CKC's work was controlled by Deloitte Corporate Finance. A copy of the CKC Valuation Report is provided in Appendix 3 and we have discussed the manner in which we engaged with CKC and their work in Section 5.3.2 below.

3 Terms of the Compulsory Acquisition

According to the Compulsory Acquisition Notice, Ijack is seeking to acquire the remaining capital, income, and preference shares of Vealls at the following per share prices.

Table 1

Type of shares	Proposed acquisition price ($)
Preference shares	0.11
Income shares	0.57
Capital shares	14.56

Source: Compulsory Acquisition Notice

The proposed acquisition price for the capital shares is the same price offered under the Buy-Back while the income share price is 10% above the price offered under the Buy-Back. The Buy-Back prices were determined by the Company's independent director following the receipt of an independent expert's report prepared by Pricewaterhouse Coopers Securities Ltd (PWC).

Under Section 664E of the Corporations Act, a holder of the respective share classes has the right to object to the acquisition of the relevant shares by completing and returning the objection form within one month of receipt of the Compulsory Acquisition Notice. Additionally, under Section 664F of the Corporations Act, if people who hold at least 10% of the shares covered by one of the three compulsory acquisition notices object to the acquisition before the end of the objection period, Ijack may, within one month after the end of the objection period, apply to the Court for approval of the acquisition of the securities covered by the relevant compulsory acquisition notice.

4 Profile of Vealls

4.1 Overview of Vealls

Vealls is listed on the Australian Securities Exchange (**ASX**) and has historically been engaged in the business of agriculture, forestry, real estate and investments. In recent years, the Company has progressively divested its operational assets and currently holds investments in the form of cash, the Property and listed shares.

4.2 Capital structure

The issued share capital of Vealls comprises three classes, namely preference, income and capital shares. The current number of shares outstanding per class, post the Buy-Back, are outlined in the table below.

Table 2

Type of shares	Shares outstanding
Preference shares	40,474
Income shares	2,775,108
Capital shares	8,018,858[1]

Notes:
1. Prior to the Buy-Back, Vealls had 8.87 million capital shares. 855,002 capital shares were purchased during the Buy-Back and were subsequently cancelled (ASX announcements - 21 and 22 December 2017)

Source: Vealls Limited

All shares within the respective share classes are fully paid up.

4.2.1 Dividend entitlements

Each share class has a different right to dividends as follows.

- Preference shares – A fixed cumulative preferential dividend of 7% per annum on paid up capital
- Income shares – Dividends from the profits of the Company as declared in priority to any dividend being paid on Capital shares
- Capital shares – Dividend as declared.

4.2.2 Voting rights

Unless a poll is called by the chairman or shareholders subject to certain conditions, resolutions put to the vote at any general meeting are generally decided by a show of hands. A shareholder, present in person or represented by proxy or representative, is entitled to one vote on a show of hands.

In a poll, different classes of shares provide different voting powers as follows.

- Preference shares – four votes per preference share (in such cases as the holders of preference shares are entitled to vote, as described below)
- Income shares – one vote for every five income shares
- Capital shares – two votes per capital share.

Preference shareholders have the right to vote when any of the following occurs:

- the meeting is convened for the purposes of reducing the capital, winding up or sanctioning a sale of the undertaking
- the proposition to be submitted to the meeting directly affects the rights and privileges of a preference shareholder
- the dividend on the preference shares is in arrears for more than six months.

4.2.3 Wind up entitlements

In the event the Company is to be wound up, the entitlements associated with the different share classes are paid out in the following order.

1) Preference shares
    - all accumulated preferential dividends, whether earned or declared or not, to the date of commencement of the winding up
    - repayment of the capital paid up on the preference shares, in priority to all other shares in the Company
2) Income shares
    - repayment of the capital paid up on the income shares and an additional amount of 40 cents per income share in priority to any repayment of capital on capital shares
3) Capital shares
    - repayment of the capital paid up on the capital shares
    - all surplus assets in the Company, which shall be attributed to the capital shares in proportion to the amount that was paid up on such shares at the commencement of the winding up.

4.3 Veall Family

Post Buy-Back, the Family holds 91% of the aggregate shares in the Company. The following table outlines the detailed breakdown of the Family's position by number of shares.

Table 3

Type of shares	Total shares issued	Shares held by the Family	Percentage held by the Family
Preference shares	40,474	30,058	74%
Income shares	2,775,108	1,954,699	70%
Capital shares	8,018,858	7,906,019	99%
Total	**10,834,440**	**9,890,776**	**91%**

Notes: The table is subject to rounding
Source: Vealls Limited

Under the Constitution, the voting rights held by the Family in circumstances where preference shareholders are entitled to vote is as follows.

Table 4

Type of shares	Family shares	Votes per share	Total Family votes	Total votes by class	Total voting percentage of the Family (%)
Preference shares	30,058	4.00	120,232	161,896	74%
Income shares	1,954,699	0.20	390,940	555,022	70%
Capital shares	7,906,019	2.00	15,812,038	16,037,716	99%
Total	**9,890,776**		**16,323,210**	**16,754,634**	**97%**

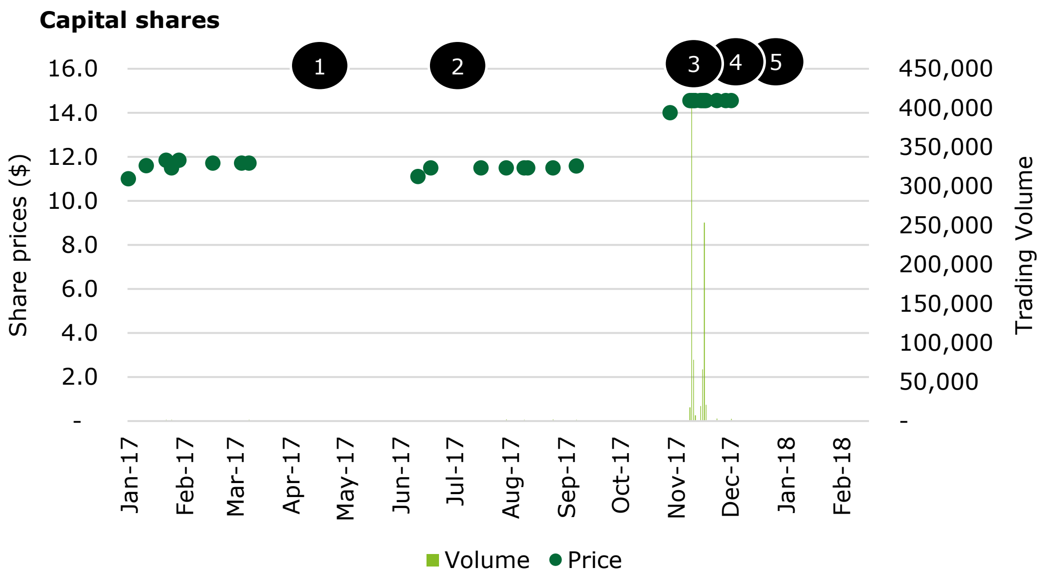
Notes: The table is subject to rounding
Source: Vealls Limited

For resolutions where preference shares are not entitled to vote under the Constitution, the Family would hold 98% of the voting power.

4.4 Recent share trading

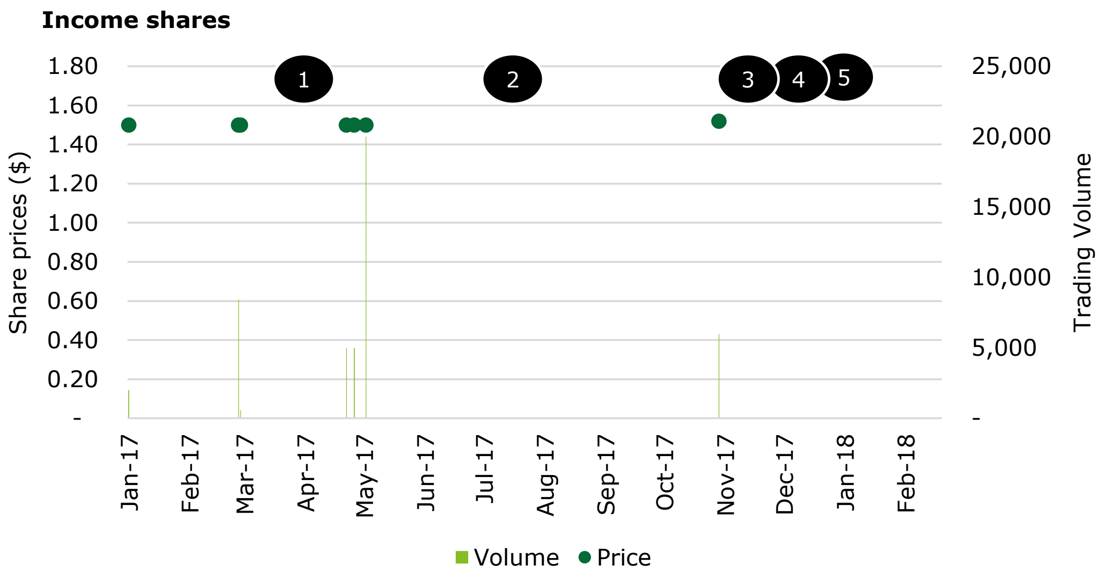
The following figures illustrate the share trading of capital and income shares since 1 January 2017. We did not include the trading of preference shares as 15 July 2014 was the last date upon which a trade in those shares occurred.

Figure 1



Notes: Apart from indicating the last traded price, the green dots also represent the trading dates
Source: CapitalIQ and ASX announcements

Figure 2



Notes:
1. Apart from indicating the last traded price, the green dots also represent the trading dates
2. Last trade date for income shares was prior to the announcement of the Buy-Back on 7 November 2017

Source: CapitalIQ and ASX announcements

Trading of all classes of shares of Vealls is illiquid, with minimal trading and share price movements over the past year, except for when the announcement of the Buy-Back on 10 November 2017 drove an increase in the share price of the Capital shares (to align with the price offered under the Buy-Back) and a subsequent spike in trading volumes in late November 2017 reflecting acceptances under the Buy-Back. There were no trades in income shares post announcement of the Buy-Back. Other notable announcements are set out in the following table, though these did not have a material impact on price or trading volumes.

Table 5

Ref	Date	Commentary
1	13 Apr 17	Sale of the Foret de Leyde forestry assets to France Valley Groupements Forestiers for €4.6 million
2	14 Jul 17	Announced that the Company tax rate would change from 30% to 27.5%
3	10 Nov 17	Announcement on the income and capital share Buy-Back
4	29 Nov 17	Announcement that the compulsory acquisition thresholds have been met and that the Family would commence the process of compulsorily acquiring all the shares (including preference shares) that are not controlled by the Family
5	22 Dec 17	Closure of the Buy-Back period. 855,002 capital shares were purchased during the Buy-Back and were subsequently cancelled

Source: Capital IQ and ASX announcements

4.5 Financial performance

Table 6

$'000	Audited 12 months to 30 June 2017	Reviewed 6 months to 31 Dec 2017
Income	2,613	1,538
Fair value gain (loss)	599	(1,750)
Total investment income (loss)	**3,212**	**(212)**
Total expenses	(1,420)	(737)
Net profit (loss) before tax	**1,792**	**(949)**
Income tax expenses	(826)	(280)
Net profit (loss) after tax	**966**	**(1,229)**
Other comprehensive income (loss)	(65)	(2,152)
Total comprehensive income (loss)	**901**	**(3,381)**

Notes: The table is subject to rounding
Source: Vealls Limited annual accounts for the 12 months ending 30 June 2017 and reviewed but not audited accounts for the six months ending 31 December 2017

Vealls financial performance is largely dependent on the performance of its asset base, specifically:

- income predominantly comprises interest derived from cash deposits held in a number of currencies
- fair value gains or losses relates to investment assets and foreign currency translation gains. The fair value loss for the six months ending 31 December 2017 relates to the revaluation of the Mount Martha property from $20.2 million as at 30 June 2017 to $18.5 million as at 31 December 2017
- expenses generally relate to operational expenses, including employee expenses
- expenses in the 12 months to 30 June 2017 include $0.4 million related to the sale of the Foret de Leyde forestry assets to France Valley Groupements Forestiers
- for the six months ended 31 December 2017, brokerage costs of $0.1 million were incurred in respect of the Buy-Back
- other comprehensive income relates to fair value gains on available for sale financial assets and foreign currency translations.

4.6 Financial position

Table 7

$'000	Reviewed 31 Dec 2017
Cash and cash equivalents	97,189
Mount Martha property	18,500
Listed securities	248
Investment assets	**115,937**
Trade and other receivables	92
Receivables	296
Net deferred tax assets (liabilities)	(202)
Trade and other payables	(109)
Income tax payable	(98)
Provisions	(91)
Other net assets (liabilities)	**(112)**
Net assets	**115,825**

Notes: The table is subject to rounding
Source: Vealls Limited reviewed but not audited accounts for the six months ending 31 December 2017

We note the following in relation to the financial position of Vealls as at 31 December 2017:

- cash and cash equivalents predominantly relates to amounts held in AUD and NZD, with small balances in Singapore dollars (**SGD**), United States dollars (**USD**) and Euros (**EUR** or **€**). Some balances are held in foreign subsidiaries. Additionally, Management have advised that there are no restrictions associated with these cash balances
- the Mount Martha property is undeveloped low density residential land of approximately 28 hectares in the state of Victoria
- listed securities comprises 2,404 shares in Barrick Gold Corporation (**Barrick**) and 20,000 shares in Iluka Resources Limited (**Iluka**)
- in expectation that the proposed tax legislation regarding the taxation rate for passive investment companies to remain at 30% will be passed, Management has recognised tax balances at a rate of 30% (up from 27.5%)
- other net assets are predominantly working capital in nature:
  - deferred tax liabilities predominantly relates to temporary differences on accrued interest and unrealised foreign exchange (**FX**) gains
  - deferred tax assets predominantly relates to annual and long service leave
  - provisions relate to employee leave entitlements
- Management has proposed an unfranked dividend of 0.35 cents per preference share for the six months ending 31 December 2017. As the dividend has only been proposed, and not declared, as at 31 December 2017, the liabilities associated with the dividend have not been recognised
- the net asset position is sensitive to movements in the AUD/NZD exchange rate due to the significant amount of cash denominated in NZD.

The Company also holds $4.1 million in franking credits as at 31 December 2017. There are no tax losses available.

5 Valuation of Vealls

5.1 Basis of value

In determining our opinion, we have referred to the concept of fair value. Fair value is defined as the amount at which the shares in the entities valued would be expected to change hands in a hypothetical transaction between a knowledgeable willing, but not anxious, buyer and a knowledgeable willing, but not anxious, seller acting at arm's length.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation has not been premised on the existence of a special purchaser and therefore is consistent with the guidance noted under RG 111.50.

5.2 Valuation methodology

Refer to Appendix 2 for a detailed description of the various valuation methodologies which can be adopted in valuing corporate entities and businesses.

In determining the most appropriate valuation methodology, we considered the asset based nature of the Vealls business. The Company has progressively divested its operational assets to the extent that it currently holds unrelated passive investments in the form of cash, vacant land and listed shares which are separately realisable. We consider an asset based approach assuming orderly realisation to be the most appropriate methodology in valuing Vealls for the following reasons:

- this approach achieves the highest value for the Company's net assets as it assumes an orderly realisation of assets rather than realisation via a liquidation or forced sale approach which typically results in lower prices being realised
- net assets on a 'going concern' basis would require the recognition of ongoing operating costs without any offsetting income due to the unrelated nature of the assets and the passive nature of their holding. Accordingly, this would result in a lower value
- the assets are unrelated and do not present an opportunity for value improvement through active management or integration into a business formation.

This method estimates fair value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

5.3 Assessment of net assets (orderly realisation)

The value of Vealls under the orderly realisation of assets method is determined by first estimating the fair value of the assets and liabilities and then deducting costs associated with the sale of assets and the closure of the operations.

We have assessed the value of 100% of the equity in Vealls to be in the order of $116.1 million to $118.9 million, as outlined in the table below.

Table 8

$'000	Ref	Book value 31 Dec-17	Adjustments Low	Adjustments High	Net realisable value Low	Net realisable value High
Cash and cash equivalents	5.3.1	97,189	(283)	(283)	96,906	96,906
Mount Martha property	5.3.2	18,500	(278)	(278)	18,223	18,223
Listed securities	5.3.3	248	(14)	(5)	234	243
Investment assets		**115,937**	**(574)**	**(565)**	**115,363**	**115,372**
Trade and other receivables		92	-	-	92	92
Receivables	5.3.4.1	296	(296)	-	-	296
Net deferred tax assets (liabilities)	5.3.4.3	(202)	(373)	(376)	(575)	(578)
Trade and other payables	5.3.4.2	(109)	(155)	(155)	(264)	(264)
Income tax payable		(98)	-	-	(98)	(98)
Provisions		(91)	-	-	(91)	(91)
Other net assets		**(112)**	**(824)**	**(531)**	**(936)**	**(643)**
Net assets		115,825	(1,398)	(1,096)	114,427	114,729
Others	5.3.4.4		1,666	4,164	1,666	4,164
100% equity					**116,092**	**118,893**

Notes: The table is subject to rounding
Source: Vealls Limited reviewed but not audited accounts for the six months ending 31 December 2017, discussions with Directors and Deloitte Corporate Finance analysis

Our assessment of the fair value of Vealls has been based on the book value of the underlying assets and liabilities of Vealls as at 31 December 2017, along with adjustments. These adjustments are discussed in further detail in the remainder of Section 5.

5.3.1 Cash and cash equivalent assets

Cash and cash equivalent amounts consist of bank deposits in various currencies (AUD, NZD, USD, SGD and EUR) with interest generated predominantly from the AUD and NZD deposits. Our adjustments to the 31 December 2017 balance incorporate:

- the accrued interest for January and February 2018, assuming a transaction date of 28 February 2018
- the current buy price of AUD currency to convert balances in foreign currency back to AUD.

We have also:

- considered the possibility of withholding and other similar taxes arising from the repatriation of cash balances outside Australia into Australia. Any withholding amounts, if required, are likely to be immaterial
- not considered an adjustment to cash for the proposed dividends to preference shareholders for the period ending 31 December 2017 as this has been factored into our valuation allocation in Section 5.4.

The table below shows the adjustments made to the 31 December 2017 cash balances.

Table 9

'000	Balance as at 31-Dec-17 By currency	Accrued Interest[1]	Balance as at 28-Feb-18 By currency	FX rate (Buy)[2]	Balance as at 28-Feb-18 In AUD
AUD	46,710	192	46,902	1.00	46,902
NZD	52,516	286	52,802	0.90	47,422
SGD	713	-	713	0.92	659
USD	1,511	-	1,511	1.22	1,849
EUR	50	-	50	1.51	75
Total					**96,906**
Book value					97,189
Adjustment					**(283)**

Notes:
1. Interest is only predominantly earned on AUD and NZD deposits. Calculated up to an assumed transaction date of 28 February 2018
2. FX rate reflects the current bid price to convert foreign currency into AUD
3. The table is subject to rounding

Source: Vealls Limited reviewed but not audited accounts for the six months ending 31 December 2017 and Deloitte Corporate Finance analysis

5.3.2 Property valuation

At our request, Ijack engaged CKC, a specialist property valuer, as a technical expert to assist us in our assessment of the value of the Mount Martha property by updating its valuation previously prepared for the Buy-Back. CKC's work included:

- an overview of the Mount Martha property, including its key features
- an analysis of the current property market for low density residential land
- recent evidence of the sales rates achieved for low density residential land in the same vicinity.

CKC prepared its report having regard to the Australian and New Zealand valuation and property standards. The scope of CKC's work was controlled by Deloitte Corporate Finance and a copy of the CKC Valuation Report is provided in Appendix 3. We have relied on CKC's assessment for the purposes of our report. We have reviewed the CKC Valuation Report and consider it appropriate for our purposes for the following reasons:

- CKC is independent of Ijack, in accordance with the requirements of RG 112
- whilst CKC was engaged by Ijack, CKC has undertaken their work under our instructions
- there was no restriction placed on the scope of CKC's work
- the assessment undertaken by CKC was completed explicitly for the purposes of this IER
- the assessment was undertaken by a person who holds the appropriate qualifications and has experience in valuing development land in Victoria
- the methodology (direct comparison approach) used in undertaking the valuation of the Mount Martha property is consistent with methodologies generally applied in the industry. The assumptions and valuation metrics used by CKC are not unreasonable and not inappropriate for the purposes of estimating the fair value of the Mount Martha property.

Based on CKC's assessment, the valuation of Mount Martha is consistent with the book value of Mount Martha as at 31 December 2017 and the value determined by CKC for the purposes of the Buy-Back. We have adjusted this for the estimated cost to realise the Mount Martha property, based on a rate of 1.5% of the value of the Property. The following table outlines the adjustment to the fair value of the Property.

Table 10

	Units	Value
Fair value of Mount Martha	$'000	18,500
Less: Realisation cost	%	1.50%
Net realisable value	**$'000**	**18,223**
Book value	$'000	18,500
Adjustment	**$'000**	**(278)**

Notes: The table is subject to rounding
Source: Vealls Limited reviewed but not audited accounts for the six months ending 31 December 2017, CKC Valuation Report and Deloitte Corporate Finance analysis

We note Mount Martha is a pre-capital gains tax (**CGT**) asset of Vealls and thus no tax will be payable on any gain if the Property is sold by the Company.

5.3.3 Listed shares

In determining the realisable value of the share prices of Barrick and Iluka, we considered the following:

- share price movements between 31 December 2017 and 8 February 2018
- the volume weighted average price (**VWAP**) since 1 January 2018
- the liquidity of the respective shares.

Based on our analysis of recent trading and liquidity, we have applied the following price ranges. We did not make any adjustment for illiquidity given the shares are highly traded.

Table 11

Company	Currency	Low	High
Barrick	CAD	16.83	18.00
Iluka	AUD	9.69	10.00

Source: CapitalIQ and Deloitte Corporate Finance analysis

To account for the cost to sell the shares, we referred to brokerage rates in the market and adopted a rate of 0.5% of the value of the shares.

The table below shows the aforementioned adjustments.

Table 12

		No. of	Currency ('000)		FX rate	$'000	
Company	Currency	shares	Low	High	(Buy)	Low	High
Barrick	CAD	2,404	40	43	1.016	41	44
Iluka	AUD	20,000	194	200	1.000	194	200
Fair value						**235**	**244**
Less: Realisation cost						0.5%	
Net realisable value						**234**	**243**

Notes: The table is subject to rounding
Source: CapitalIQ and Deloitte Corporate Finance analysis

5.3.4 Other net assets

5.3.4.1 Non-current receivable

The non-current receivable relates to funds withheld by a French notary at the time of sale of the Foret de Leyde forestry assets. The funds were withheld in lieu of any further tax assessed in France. Although the Company is seeking to recover the funds as soon as possible, the French notary can withhold cash for up to three years. Given the uncertainty of the tax ruling and its timing, we adopted a range of between nil up to the full amount of the funds ($0.3 million) for the purposes of the valuation.

5.3.4.2 Accrued expenses

To account for Vealls' operating costs prior to an assumed transaction date of 28 February 2018, we referred to Vealls' monthly operating costs during the six months ending 31 December 2017 and adjusted this for one-off impacts relating to brokerage and advisor fees associated with the Buy-back and asset sale in France.

In addition, we included certain costs which were incurred in relation to the Buy-Back that have not been reflected in the 31 December 2017 balance sheet.

These additional costs have been summarised in the table below.

Table 13

	$'000
Accrued January and February 2018 expenses	110
Provision for Buy-Back cost that have been incurred, but not captured	45
Total accrued expenses	**155**

Source: Discussion with Directors and Deloitte Corporate Finance analysis

5.3.4.3 Deferred tax

In determining the realisable value of the deferred tax balances as at 31 December 2017, we considered the nature of each sub-account and the likelihood of these balances crystallising into actual taxation obligations in the event of an orderly wind up.

The deferred balances as at 31 December 2017 are expected to crystallise in an orderly wind down scenario with any adjustments likely to be immaterial. Given the materiality of these balances, we adopted the deferred tax balances amounts as at 31 December 2017 and only adjusted these for events occurring post-31 December 2017 that would give rise to a tax asset or liability, such as the change in fair value of the listed shares and accrued interest and expenses.

The following table outlines a calculation of the adjustment.

Table 14

Event	$'000 Low	High
Decrease in the fair value of the listed shares	10	1
Accrued interest and FX movements[1]	(1,409)	(1,409)
Accrued expenses	155	155
Total movement	**(1,243)**	**(1,252)**
Adjustment at the tax rate of 30%[2]	**(373)**	**(376)**

Notes:
1. NZD balance is converted to AUD at a spot NZD:AUD rate of 0.90
2. Taxation has been conducted at the rate of 30% in line with Vealls' expectation that passive investment companies will not be eligible for the reduced tax rate of 27.5%

Source: Deloitte Corporate Finance analysis

5.3.4.4 Franking credits

Dividends paid by Australian corporations may be franked, unfranked or partly franked. A franked dividend is one where franking credits are attached in recognition of the company tax paid by the business.

Where the shareholder is an Australian resident individual, a company or complying superannuation fund, it will generally be entitled to a tax credit (called an imputation credit) in respect of the tax paid by the company on the profits out of which the dividend was paid. Non-Australian resident shareholders (who do not pay tax in Australia) cannot obtain benefit from Australian franking credits, as franking credits can only be claimed against Australian taxable income.

Imputation credits represent the prepayment of company tax and when utilised result in the shareholder receiving dividends that are effectively "untaxed" at the company level. Imputation credits result in the shareholder receiving a higher after tax cash flow than would otherwise be the case under the classical taxation system.

As at 31 December 2017, the Company had $4.1 million in franking credits. We note, however, that Vealls paid provisional taxes of $0.07 million in January 2018 to bring the total franking credit balance to $4.2 million. In determining a value to these franking credits in an orderly wind up scenario, we considered the following:

- the net present value of the franking credits assuming that the amount and timing of the dividends remain consistent with recent history
- the value that a market participant would place on the franking credits
- the ability of the Company to declare a special dividend of sufficient size to utilise the franking credits in full
- the ability to utilise the franking credits under an orderly wind up scenario.

Whilst it is possible that the Company could declare a special dividend of sufficient size to utilise the franking credits in full, it is uncertain whether a market participant would undertake a similar dividend policy or would be prepared to pay for the assumption that they will be able to derive a similar benefit. Further, the gradual shift in Vealls' asset base to more low yielding investments (i.e. cash) will impact the ability of Vealls to maintain its historical dividend and hence, its ability to utilise franking credits. On this basis, we have adopted a range between $1.7 million and $4.2 million to reflect the uncertainty with respect to whether these franking credits are realised. More specifically:

- the low end of the range assumes the utilisation of the franking credits based on the current rate of dividends. Whilst it is difficult to forecast future dividends over a long period of time with any certainty, particularly in light of the shift in Vealls' asset base to lower yielding investments, this notional approach at least recognises that the value of franking credits is not nil
- the high end of the range assumes that the franking credit balance can be fully utilised by shareholders across all share classes, and on an immediate basis.

5.4 Value allocation

Consistent with our valuation methodology (orderly realisation), we determined the value of each share class by allocating our assessed value of 100% of the equity of Vealls across each share class in accordance with their wind-up entitlement under the Constitution.

Based on the wind up entitlements as outlined in Section 4.2.3, the fair value of each share class is as follows.

Table 15

	AUD'000		No. of	Share price ($)	
	Low	High	shares	Low	High
Net realisable value	116,092	118,893			
Preference shares					
Accumulated preferential dividends[1]	0.2	0.2			
Paid up capital	4.0	4.0			
Amount to preference shareholders	4.2	4.2	**40,474**	**0.10**	**0.10**
Amount remaining after payment to preference shareholders	116,088	118,889			
Income shares					
Paid up capital	344.0	344.0			
Additional 40 cents per share	1,110.0	1,110.0			
Amount to income shareholders	1,454.0	1,454.0	**2,775,108**	**0.52**	**0.52**
Amount remaining after payment to preference and income shareholders	114,634	117,435			
Capital shares					
Paid up capital	801.9	801.9			
Surplus assets	113,832.3	116,633.2			
Amount to capital shareholders	114,634.2	117,435.1	**8,018,858**	**14.30**	**14.64**

Notes:
1. Accumulated preferential dividends are calculated as 7% of total paid up capital since 1 July 2017 (i.e. includes the dividend amount proposed by Management to preference holders on 8 February 2018)
2. The table is subject to rounding

Source: Deloitte Corporate Finance analysis

5.5 Cross check

Whilst an expert would ordinarily undertake a cross-check to confirm the reasonableness of the valuation derived under the primary methodology, we note the following limitations:

- trading in Vealls shares is highly illiquid and therefore the share price is not reflective of the fair value of the shares. More specifically:
    - though the preference shares are listed, the last transaction occurred in July 2014 and therefore the price paid at that time is not a reliable basis for value. Despite this, we note the offer price equates to the maximum amount they would receive under a liquidity event such as an orderly wind up
    - capital shares are illiquid with only 0.1% of capital shares traded in the 6 months leading up to the announcement of the Buy-back and therefore the prices paid for capital shares are also not a reliable basis for value. Further, the prevailing capital share price equals the offer price under the Compulsory Acquisition Notice, potentially indicating that the market considers the Compulsory Acquisition is likely to occur
    - income shares are also illiquid with only 0.9% of income shares traded in the last 6 months leading up to the Buy-back), restricting the ability of the shareholder to realise value at the prevailing price. In addition, whilst the income shares appear to currently be priced on the basis of yield (circa. 7%), the recent shift in Vealls' asset base towards low yielding investments (i.e. cash) calls into question the sustainability of the historical dividend levels and therefore the share price

      Further, income shareholders are unable to veto a special resolution to wind-up Vealls, which provides a liquidity event which is favourable for capital shareholders and is on par for preference shareholders. On this basis, income shareholders are not in a position to realise value in excess of the $0.52 per income share which we estimate they would be entitled to under an orderly wind-up
- Vealls comprises assets that are unrelated and do not present an opportunity for value improvement through active management or integration into a business formation and, accordingly, an income based approach or comparable multiples are not appropriate methodologies for the purposes of a cross check.

5.6 Assessment of the value of interest

As Ijack is relying on Section 664A(2)(c) to effect the Compulsory Acquisition, we have assessed whether the interest held by Ijack (either alone or together with a related body corporate) has full beneficial ownership in at least 90% by value of all the securities of Vealls that are shares or convertible into shares. Our assessment is based on our estimated fair value for the respective share classes. The result of our analysis is presented in the table below.

Table 16

Type of shares	Value per share	Total shares issued	Total share value ($'000)	Ijack shares	Total Ijack value ($'000)
Preference shares	0.10	40,474	4	-	-
Income shares	0.52	2,775,108	1,443	1,954,699	1,016
Capital shares[1]	14.47	8,018,858	116,033	7,903,890	114,369
Total		**10,834,440**	117,480	**9,858,589**	115,386
Total value held by Ijack (%)					**98%**

Notes:
1. Based on the mid-point of the capital share valuation range
2. The table is subject to rounding

Source: Deloitte Corporate Finance analysis

Ijack holds 98% of the value of the securities of Vealls. Given the small holdings of Vealls shares outside of Ijack, we note the Family also holds 98% of the value of the securities of Vealls.

Based on the above, Ijack (together with its related bodies corporate) has full beneficial ownership in at least 90% by value of all the securities of Vealls that are shares or convertible into shares.

6 Opinion

In our opinion:

1) **the terms proposed in the Compulsory Acquisition Notice give a fair value for each share class**. More specifically, the offer price is either in excess or within our assessed fair value per share range, as outlined in the table below.

Table 17

Type of shares	Preference	Income	Capital	
			Low	High
Deloitte Valuation	0.10	0.52	14.30	14.64
Offer price	0.11	0.57	14.56	

Source: Deloitte Corporate Finance analysis

Section 5 sets out our analysis of the fair value of each share class.

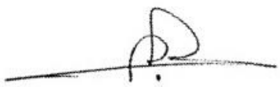
2) Ijack (either alone or together with a related body corporate) has full beneficial ownership in at least 90% by value of all the securities of Vealls that are shares or convertible into shares.

We have determined that Ijack (together with its related bodies corporate) has beneficial ownership of approximately 98% by value of all the securities of Vealls. Refer to Section 5.6 for more detail.

If in doubt, Shareholders should consult an independent adviser, who should have regard to their individual circumstances. This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully

Tapan Parekh
Authorised Representative Number: 461000



Robin Polson
Authorised Representative Number: 461010

Appendix 1: Context to the report

Individual circumstances

We have evaluated the Compulsory Acquisition Notice presented to the Shareholders based on an assessment of the Company and the different classes of shares in its entirety and have not considered the effect of the Compulsory Acquisition on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Compulsory Acquisition from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Compulsory Acquisition is conducted at fair value. If in doubt, investors should consult an independent adviser, who should have regard to their individual circumstances.

Limitations, qualifications, declarations and consents

The report has been prepared at the request of the Directors of Ijack and is to be included in the Compulsory Acquisition Notice to be given to the Shareholders of Vealls in accordance with Section 664C.

Accordingly, it has been prepared only for the benefit of the Directors and Shareholders in their assessment of the Compulsory Acquisition Notice outlined in the report and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than Ijack and the Shareholders, in respect of this report, including any errors or omissions however caused. Further, recipients of this report should be aware that it has been prepared without taking account of their individual objectives, financial situation or needs. Accordingly, each recipient should consider these factors before acting on the Compulsory Acquisition Notice. This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the terms proposed in the Compulsory Acquisition Notice constitute fair value for each class of share and whether Ijack (either alone or together with a related body corporate) has full beneficial ownership in at least 90% by value of all the securities of Vealls that are shares or convertible into shares. Deloitte Corporate Finance consents to this report being included in the Compulsory Acquisition Notice in the form and context in which it is to be included in the Compulsory Acquisition Notice.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by Ijack and its officers, employees, agents or advisors (as set out below in 'Sources of Information'). Deloitte does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to Ijack management for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by Ijack and its officers, employees, agents or advisors, Ijack has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which Ijack may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by Ijack and its officers, employees, agents or advisors or the failure by Ijack and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Compulsory Acquisition.

Deloitte also relied on the valuation report prepared by CKC in relation to the assessment of the value of the Mount Martha property. Deloitte assessed the professional competence and objectivity of CKC and believe the work performed is appropriate and reasonable. Deloitte has received consent from CKC for our reliance on and inclusion of their opinion in the preparation of this report.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte's consideration of this information consisted of enquiries of Ijack's personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the AUASB or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte Corporate Finance considers that there are reasonable grounds to believe that the prospective financial information for Vealls included in this report has been prepared on a reasonable basis in accordance with ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of Vealls referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employees of Deloitte Corporate Finance principally involved in the preparation of this report were Tapan Parekh, B.Bus, M.Com, CA, F.Fin and Robin Polson, B.Com, G. Dip. App Fin, FINSIA. Each have many years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 225 George Street, Sydney, NSW, 2000 acknowledges that:

- Ijack proposes to issue the Compulsory Acquisition Notice
- the Compulsory Acquisition Notice will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Compulsory Acquisition Notice (draft Compulsory Acquisition Notice) for review
- it is named in the Compulsory Acquisition Notice as the 'independent expert' and the Compulsory Acquisition Notice includes its independent expert's report.

On the basis that the Compulsory Acquisition Notice is consistent in all material respects with the draft Compulsory Acquisition Notice received, Deloitte Corporate Finance Pty Limited consents to it being named in the Compulsory Acquisition Notice in the form and context in which it is so named, to the inclusion of its independent expert's report in the Compulsory Acquisition Notice and to all references to its independent expert's report in the form and context in which they are included, whether the Compulsory Acquisition Notice is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Compulsory Acquisition Notice and takes no responsibility for any part of the Compulsory Acquisition Notice, other than any references to its name and the independent expert's report.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- annual report for Vealls for the year ending 30 June 2017
- Vealls Limited half-year financial report for the period ending 31 December 2017
- Company constitution
- list of shareholders and their associated shareholdings
- CKC Valuation Report
- draft Compulsory Acquisition Notice
- publicly available information on comparable companies and market transactions published by ASIC, Thomson Research and Mergermarket
- IBIS World company and industry reports
- other publicly available information, media releases and brokers reports on Vealls Limited.

In addition, we have had discussions and correspondence with certain directors and executives, including Duncan Veall, Company Secretary; in relation to the above information and to current operations and prospects.

Appendix 2: Valuation methodologies

Common market practice and the valuation methodologies which are applicable to corporate entities and businesses are discussed below.

Market based methods

Market based methods estimate an entity's fair market value by considering the market price of transactions in its shares or the fair market value of comparable companies. Market based methods include:

- market multiples
- analysis of an entity's recent share trading history
- industry specific methods.

The market multiples approach estimates fair market value based on an entity's financial measure (such as revenue, EBITDA, NPAT, dividends or net tangible assets) and an appropriate multiple (or capitalisation rate/yield). An appropriate multiple is derived from market transactions involving comparable companies.

The most recent share trading history provides evidence of the fair market value of the shares in an entity where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally rules of thumb provide less persuasive evidence of the market value of an entity than other valuation methods because they may not account for entity specific factors.

Income based methods

Income based methods such as the discounted cash flow approach estimate market value by discounting an entity's future cash flows to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value businesses experiencing or expected to experience substantial growth in cash flows such as early stage companies or projects with a finite life.

Cost based methods

Cost based methods estimate the market value of an entity's shares based on the cost of recreation or replication of the assets. Such methods include:

- orderly realisation of assets
- liquidation of assets
- historical cost (going concern).

The orderly realisation of assets approach estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation approach is similar to the orderly realisation of assets approach except the liquidation approach assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not necessarily be appropriate.

Historical cost based approach consider the cost of recreating or replicating the individual assets of the business enterprise on a going concern basis. Such approaches work on the principle that a buyer of the business enterprise in question would consider what it would cost to build the enterprise as opposed to buying the enterprise. Such approaches, whilst considered reasonable for businesses with substantial tangible assets, are usually not considered appropriate for businesses with substantial intangible assets as quantification of the value associated with recreating or replicating intangible assets can be fraught with issues. In addition, consideration should be given to cost associated with operating the assets on a going concern basis.

Appendix 3: CKC Valuation Report

Valuation Report

Corner Hearn Road and Forest Drive Mount Martha Vic 3934

VALID UNTIL 8 APRIL 2018

Bradley Papworth
National Executive Director
bradley.papworth@charterkc.com.au

charterkc.com.au

Leaders in Property Intelligence.

ADVISORY.
RESEARCH.
VALUATIONS.
PROJECTS.

CHARTER.
KECK CRAMER

Valuation Report
Corner Hearn Road and Forest Drive, Mount Martha

Contents.

Instructions.

Instructing Party	IJACK Pty Ltd Level 1 484 Toorak Road TOORAK VIC 3142 (Mr Duncan Veall - Company Secretary) Email drveall@bigpond.com This report has been specifically undertaken by Charter Keck Cramer (Valuer) at the instruction of IJACK Pty Ltd (instructing Party). This valuation is valid for 90 days from the date of inspection, no responsibility being accepted for reliance upon reports beyond that period. Accordingly, any parties authorised to rely upon our opinion should be aware of the need for a review as necessary. Refer to Assumptions / Qualifications - Instructing Party / Terms of Reference Refer to Assumptions / Qualifications - Definition of Market Value
Purpose	This report has been prepared for the use of the Instructing Party for the stated purpose and should not be reproduced in whole or part, or relied upon by any other party for any other use, without the express written authority of Charter Keck Cramer. Specifically, no party may rely upon financial projections contained within this report. Any projections within our report are made as a valuation for the assessment of value at a static point in time and should not be represented in any way as providing an indication as to the likely future profits, cashflow or value. Charter Keck Cramer has consented to the inclusion of this report as an appendix to the Independent Expert Report (IER) prepared by Deloitte Corporate Finance Pty Ltd (Deloitte Corporate Finance) for the acquisition of capital, income and preference shares in Vealls Ltd Charter Keck Cramer is not providing advice about the financial performance or suitability of Vealls Ltd as an investment. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence. Charter Keck Cramer does not hold such a licence and is not operating under any such licence in providing this report. We have been retained by IJACK Pty Ltd. Other than IJACK Pty Ltd and Vealls Ltd, their respective Directors and Shareholders, and Deloitte Corporate Finance, no party may rely on this report. We do not have a financial interest in IJACK Pty Ltd or Vealls Ltd and have provided this report solely in our capacity as independent professional advisers. We have received a fee of $3,850 (inclusive of GST) for our professional service in providing this report. We have been provided, considered and followed the ASIC regulatory guidelines listed below in preparing the valuation report: - Regulatory Guide 111 - Content of Expert Reports. - Regulatory Guide 112 - Independence of Experts.

The valuation is current as at the date of valuation only. The values assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or other factors specific to the particular property). We do not accept liability for losses resulting from such subsequent changes in value. Without limiting the generality of the above, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of valuation or such earlier date if you become aware of any factors that have any effect on the valuation.

Charter Keck Cramer, its Directors, Executive Officers and employees therefore cannot and do not make any warranty or representation as to the accuracy or completeness of any information or statement contained in any part of this report other than in respect of the material prepared by Charter Keck Cramer.

We draw your attention to the provisions of our Professional Indemnity insurance policies that all valuations are only valid for three months from the date of valuation and no responsibility being accepted for any party relying upon reports beyond that period. Accordingly, any parties authorised to rely upon our opinion should be aware for the need to review as necessary.

It is assumed no significant event has occurred between the date of inspection and the date of valuation and that would impact upon the value of the subject property.

Statement of Experience

Expert Details.

I, Bradley William Papworth, am Shareholding Director of Charter Keck Cramer Pty Ltd. I have a Bachelor of Business (Property) from the Royal Melbourne Institute of Technology which was completed on 12 October 1989. I am a member of the Australian Property Institute (API) being an Associate Valuer from 22 February 1990 and have satisfied and fulfilled the requirements be elected as a Fellow of the Institute on 11 September 2008. Furthermore, I have completed the API's Certificate of Compliance for Continuing Professional Development in 2017. Furthermore, I have a Land Valuers Licence issued from the Department of Commerce of the Governor of Western Australia and I have Registration No. 3461 from the Valuers Registration Board of Queensland.

I have specialised in the valuation of subdivisional and golf course properties from 1996 and have extensive valuation experience in Victoria.

Date of Inspection and Valuation

8 January 2018. This report has been prepared to assess the current market value of the freehold.

Date of Expiry

8 April 2018.

Previous Valuations

Charter Keck Cramer has provided valuations for the subject property as an independent expert and has not represented the interests of IJACK Pty Ltd or Vealls Pty Ltd.

Our Reference

J102403:BWP:NM

H:\SUBDIVISIONS PG\MOUNT MARTHA - CORNER HEARN ROAD AND FOREST DRIVE\J102403\J102403 VALUATION REPORT - CORNER HEARN ROAD AND FOREST DRIVE, MOUNT MARTHA.DOCX

Liability limited by a scheme approved under Professional Standards Legislation.

Assumptions / Qualifications.

This valuation is completed on the following basis:

Critical Matters.

- The developable area encompasses 28.044 hectares.
- The property is unaffected by unsupervised fill, soil or groundwater contamination.
- The property is unaffected by Aboriginal or archaeological artefacts of significance.
- The property is unaffected by flora and fauna issues, other than as follows. The cost for rehabilitation of the site does not exceed allowance of $50,000 and area of rehabilitation land encompasses 0.76 hectares. The cost of vegetation offset and trading fees to facilitate development of the site does not exceed $1,750,000 (exclusive of GST).
- The property does not utilise the Margin Scheme.

The *Critical Matters* upon which our assessment is based must be read in conjunction with the balance of the formal report.

Legend

square metres	**sq.m.**
hectares	**ha.**
per annum	**p.a.**
per hectare	**p.ha.**
gross area	**(G)**
net area	**(N)**
cash equivalent	**(CE)**
terms contract	**(T)**

Date of Valuation

Due to possible changes in market forces and circumstances in relation to the subject property, this report can only be regarded as relevant as at the date of valuation.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value.

We draw attention to the provisions of our Professional Indemnity insurance that all valuations are only valid for 90 days from the date of valuation, no responsibility being accepted for any parties' reliance upon reports beyond that period. Accordingly, any parties authorised to rely upon our opinion are advised since the date of valuation, the subject property has not been re-inspected and no further investigation or analysis has been undertaken as to any changes since that date.

Our assessment is subject to there being no significant event that has occurred between the date of valuation and the date of issue of the valuation report which would impact on the value of the subject property.

Our report is concluded in the context of current Federal and State Legislation, Regulations and Policies as at the date of this report and does not anticipate or reflect possible changes in these matters that may impact upon the fundamentals of the project or property, its target market, cost structure, profitability or value. Adverse changes in such Legislation, Regulations and Policies (such as fiscal, taxation, FIRB, migration, international affairs and security), among others, are outside the control of the Valuer, and may result in material adverse impact on the valuation advice provided. Charter Keck Cramer and its affiliates do not accept any liability arising with respect to these matters.

Definition of Value

This valuation has been prepared in accordance with the following API definition of market value:

> *"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

Encumbrances

Our valuation is subject to there being no undisclosed or unregistered easements or encumbrances which would have an adverse effect on our valuation other than those previously described and noted on the Certificate of Title attached as an annexure at the rear of this report. Should it be discovered that further easements or encumbrances exist, this report should be referred back to Charter Keck Cramer for consideration, comment and amendment (if necessary).

Native Title

Pursuant to the *Native Title Act (Clth)* 1993, and as amended 30 September 1998, land with the exception of an "Exclusive Possession Grant", may be claimed as the property of Indigenous Australians leading to the co-existence or likely co-existence of Native Title in relation to a particular piece of land, subject to the verification of a prior or continuing connection to the land.

We are not experts in Native Title or the property rights derived therefrom and have not been supplied with appropriate anthropological, ethnoecological and/or ethnographic advice. Therefore, the property valuation or assessment is made subject to there being no actual or potential Native Title affecting:

- The value or marketability of the property.
- The land.

The National Native Title Register (NNTR) was established under Section 192 of the *Native Title Act (Clth)* 1993. The NNTR contains determinations of Native Title made by the High Court of Australia, the Federal Court of Australia, or such similarly recognised bodies. Formal verification the property is not subject to co-existing Native Title interests and/or subject to determination should be obtained by searching the Registry of Native Titles Claims, which is administered by the National Native Titles Tribunal. We have viewed maps prepared by the National Native Title Tribunal detailing Native Title Applications, determination areas and indigenous land use agreements. The map does not identify the subject property is affected by applications and determinations as per the Federal Court on 31 March 2010.

This assessment is completed on the basis the property is not affected by co-existing Native Title interests. Should subsequent investigation show the land is subject to existing or potential co-existing Native Title interests, this property valuation or assessment will require revision and should be referred back to Charter Keck Cramer for consideration, comment and amendment.

Land Description & Site Identification

A current survey has not been sighted. This valuation is subject to there being no encroachments by or upon the property and this should be confirmed by a current survey and/or advice from a Registered Surveyor. If any encroachments are noted by the survey report, the Valuer should be consulted to reassess any effect on the value stated herein.

Zoning & Overlays

Although a Planning Certificate has not been sighted, the zoning particulars have been confirmed by the online Planning Scheme, which is an internet based copy of the Planning Scheme provided by the Department of Environment, Land, Water and Planning (DELWP). Our assessment is completed subject to the planning information obtained being current and correct.

Please note a Planning Certificate has not been provided or obtained. In the event that a Planning Certificate is obtained and the information thereon is materially different to that provided to Charter Keck Cramer via the approved internet based version, then we reserve the right to review our assessment and amend this report (as necessary).

Third Party Disclaimer

This valuation is for the use only of the Instructing Party and for no other purpose. Charter Keck Cramer acknowledges that the report will be disclosed in an independent expert report annexed to a compulsory acquisition notice to be sent to Vealls Ltd Shareholders and lodged with the ASX in connection with a propose compulsory acquisition of capital, income and preference shares in Vealls Ltd but (other than as provided in the 'Purpose' section of this report) no responsibility is accepted for any third party who may use or rely on the whole or any part of the content of this valuation. Any third parties (other than as provided in the 'Purpose' section of this report) who seek to rely on the report do so entirely at their own risk. No responsibility will be accepted for photocopied signatures. It should be noted that any subsequent amendments or changes in any form to the valuation and report would only be notified to and known by the Instructing Party. This report is a valuation report and is not intended as a structural survey. Charter Keck Cramer prohibit publication of this report in whole or in part, or any reference thereto, or to the valuation assessment contained herein, or to the names and professional affiliation of the Valuers, without the written approval of the Valuer.

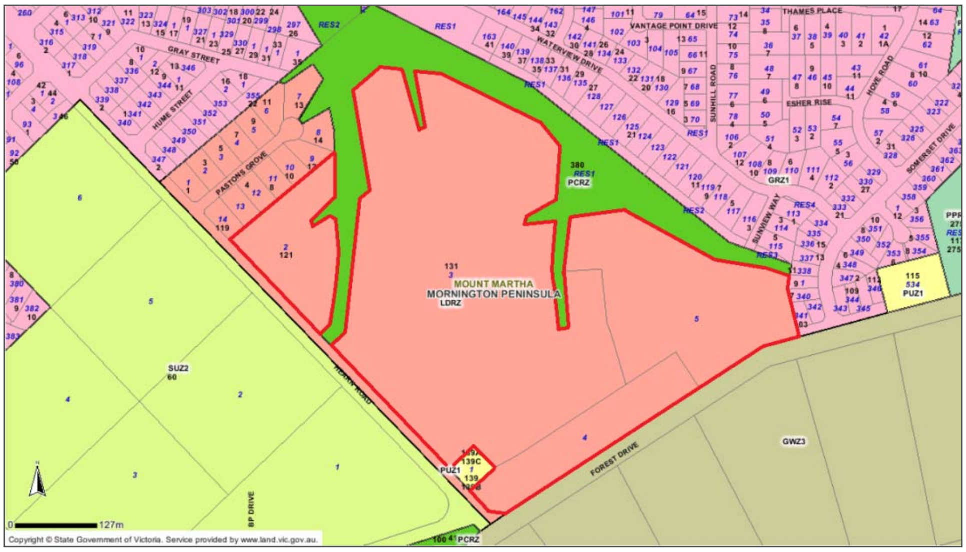
Title & Land Description.

Title Particulars	The land is presently contained within four Certificates of Title, summarised as follows: - Lot 2 on Lodged Plan No. LP214579K, Certificate of Title Volume 9900 Folio 651. - Lot 3 on Lodged Plan No. LP214579K, Certificate of Title Volume 9900 Folio 652. - Lot 4 on Lodged Plan No. LP214579K, Certificate of Title Volume 9900 Folio 653. - Lot 5 on Lodged Plan No. LP214579K, Certificate of Title Volume 9900 Folio 654. Copies of the relevant extracts are attached as an annexure to this report.
Registered Proprietor	In each instance, the registered proprietor is shown as V.L. Investments Pty Ltd
Encumbrances	The Title for Lot 2 refers to Instrument No. AN125626Y registered on 23 September 2016 which is a Section 173 Agreement made pursuant to the *Planning and Environment Act* 1987. The Agreement was made between the registered proprietor and the Mornington Peninsula Shire Council with specific obligations of the owner requiring the rehabilitation of Lot 2 in accordance with the Vegetation Management Plan prepared to satisfy a Victorian Civil and Administrative Tribunal (VCAT) Order dated 20 November 2012, with *"... all requirements of this document must be adhered to, unless a variation is consented to by Council. All works must be undertaken to the satisfaction of Council"*. The Vegetation Management Plan is further detailed within the *Flora and Fauna Considerations* section of this report. Refer to Assumptions / Qualifications - Encumbrances
Native Title	There are no attributes observed that would identify the property as having co-existing or likely co-existing Native Title interests. Refer to Assumptions / Qualifications - Native Title

Planning Details.

Local Authority	Mornington Peninsula Shire.
Zoning & Overlays	Planning Certificate Sighted - No. Pursuant to the provisions of the Mornington Planning Scheme, the land is included within a *Low Density Residential Zone (LDRZ).* The objectives of this zone are as follows: - To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies. - To provide for low-density residential development on lots which, in the absence of reticulated sewerage, can treat and retain all wastewater.

An extract of the zoning map (not to scale) is shown as follows:



SOURCE - Department of Environment, Land, Water and Planning (DELWP)

The zoning provisions indicate a permit is required to subdivide the land and each lot must be at least the area specified for the land in a schedule to this zone. Any area specified must be at least:

- 0.4 hectares for each lot where reticulated sewerage is not connected. If no area is specified, each lot must be at least 0.4 hectares.
- 0.2 hectares for each lot with connected reticulated sewerage. If no area is specified, each lot must be at least 0.2 hectares.

The property is also subject to the following overlays:

- *Design and Development Overlay* pursuant to Schedules 3 and 4. The objective of this overlay is to identify areas which are affected by specific requirements relating to the design and built form of new development. Schedule 3 of the overlay relates to Coast and Landscape Design, whilst Schedule 4 relates to Environmental Design.
- *Significant Landscape Overlay* pursuant to Schedule 5. The objective of this overlay is to identify significant landscapes and to conserve and enhance the character of significant landscapes. Schedule 5 refers to landscape character objectives for scenic vantage points.
- *Vegetation Protection Overlay* pursuant to Schedule 1. The objectives of this overlay are to protect areas of significant vegetation; to ensure development minimises loss of vegetation; to preserve existing trees and other vegetation; to recognise vegetation protection areas as locations of special significance, natural beauty, interest and importance; to maintain and enhance habitat and habitat corridors for Indigenous fauna; and to encourage the regeneration of native vegetation. Schedule 1 refers to township vegetation protection objectives.
- *Bushfire Management Overlay.* The objectives of this overlay are to ensure the development of land prioritises the protection of human life and strengthens community resilience to bushfire; to identify areas where the bushfire hazard warrants bushfire protection measures to be implemented; and to ensure development is only permitted where the risk to life and property from bushfire can be reduced to an acceptable level.

Refer to Assumptions / Qualifications - Zoning / Overlays

Planning Approvals

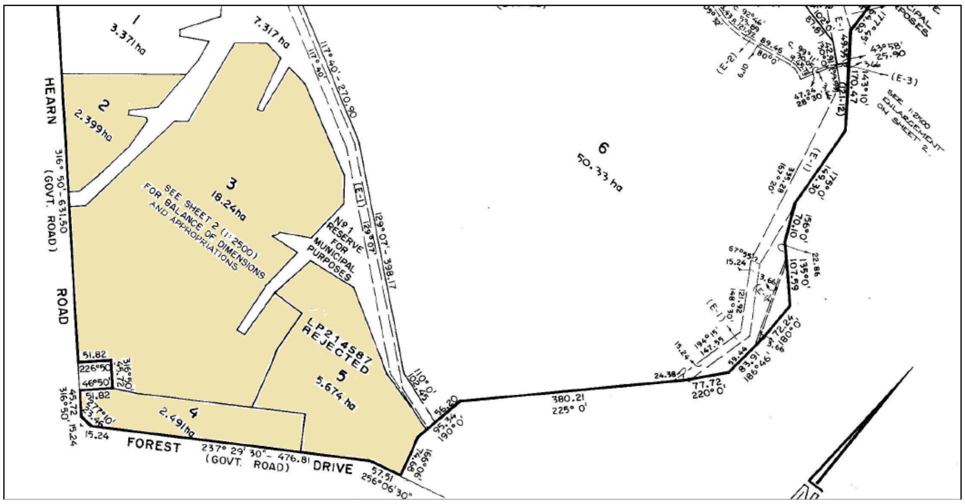
Discussions with Council indicate there are no active planning permits or planning permit applications relating to the subject property. Our discussions with the Planning Consultant for Vealls Ltd indicate discussions are occurring with Council in relation to rezoning the land for conventional residential development.

Current Use	As at the date of our inspection, the property comprised a vacant, low density residential development site.
Potential / Future Use	Pursuant to the Planning Scheme, the potential uses for the subject property may be summarised as those where a planning permit is not required (Section 1 of the Planning Scheme) and those where a planning permit is required (Section 2 of the Planning Scheme). Those uses noted under Section 3 (prohibited) are not considered to place any undue restriction upon the future use or development of the site. We refer you to the ordinances provided as an annexure to this report with respect to the allowable and prohibited uses. In our opinion, given the current zoning, the development of the site as a low density residential subdivision is considered the highest and best use. The property has potential for a higher use upon rezoning.

Land & Locality Description.

Land Area & Dimensions

The subject of this report refers to Lots 2, 3, 4, and 5 on Lodged Plan No. 214579K. A copy of the title plan (not to scale) is as follows:



SOURCE - Equifax

The subject holding encompasses a total of 28.804 hectares. A summary of each lot area is as follows:

Lot No.	Area (Hectares)
2 LP214579K	2.399
3 LP214579K	18.240
4 LP214579K	2.491
5 LP214579K	5.674
Total	**28.804**

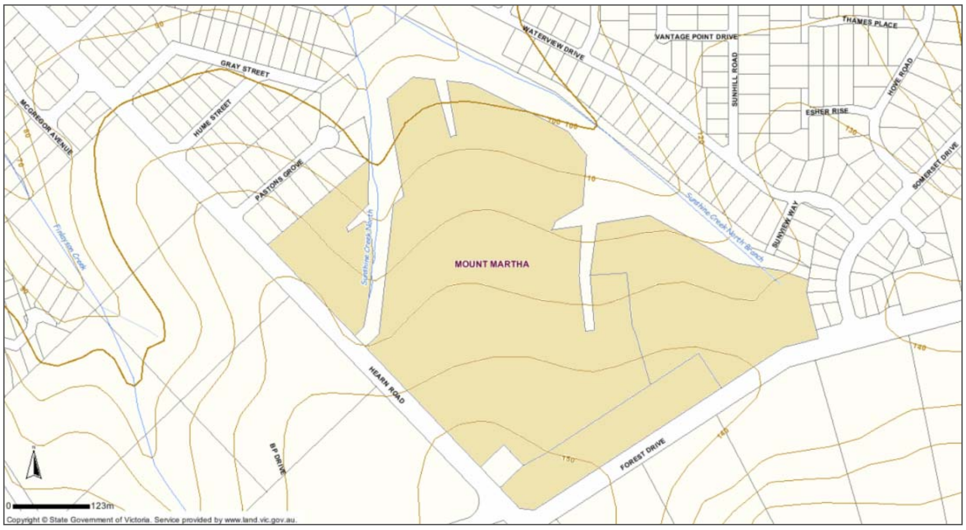
As detailed within *Flora and Fauna* section of this report, part of the subject land has been identified as Rehabilitation Land. Utilising a GIS Mapping program (MapInfo), we have calculated the area of the land identified for rehabilitation at 0.76 hectares. As the land is to be rehabilitated, our discussions with Ecology Australia and Council indicate the land may be precluded from development due to the conservation values, thereby reducing the developable area. In assessing value, we have adopted the total developable area at 28.044 hectares. A breakdown of the area is as follows:

Description	Area (Hectares)
Parent Area	28.804
Less land identified for rehabilitation	0.760
Developable Area	**28.044**

Should the developable area differ from that adopted, this would impact the value assessed and this valuation should be referred back to us for further comment.

Land Description & Site Identification

The land is situated on the north-eastern corner of Hearn Road and Forest Drive and is moderately sloping in surface contour, falling from the southern boundary to the northern boundary, as shown in the plan below:



SOURCE - Department of Environment, Land, Water and Planning (DELWP)

Due to the distances involved and topography of the land, occupational measurements could not be checked in the usual manner, however we have identified the property boundaries, with the property being suitably identified for valuation purposes.

Refer to Assumptions / Qualifications - Land Description & Site Identification

Locality & Surrounding Development

Within the Shire of Mornington Peninsula, in the area known as Mount Martha, Postcode 3934, the subject property is located approximately 55 kilometres south-east of the Melbourne Central Business District (CBD). More specifically, the subject property is situated on the north-eastern corner of Hearn Road and Forest Drive, as shown on the attached locality plan.

Mount Martha is a coastal suburb with beach frontage to Port Phillip Bay. Surrounding development includes recently established residential housing to the north and east, farming land within a *Green Wedge Zone* to the south and Joseph Harris Scout Park and Mount Martha Park to the west. Furthermore, the Mount Martha Public Golf Course is located approximately 500 metres east.

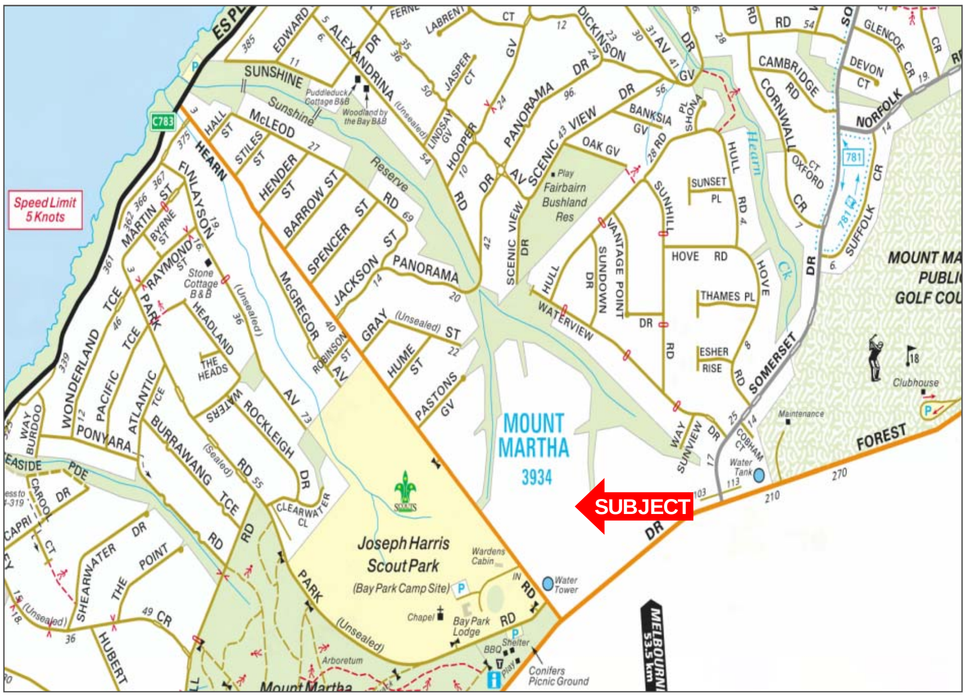
Educational facilities in close proximity to the subject property include Mount Martha Primary School, 2 kilometres north; Dromana Secondary College, 4 kilometres south-east; Dromana Primary School, 5 kilometres south-west and Osborne Primary School, 3 kilometres north-east.

Shopping facilities in close proximity to the subject property include Benton Square Shopping Centre, approximately 4 kilometres north-east providing a Safeway supermarket, Dan Murphy's, Post Office and other retail facilities; the Dromana Hub Shopping Centre, approximately 4 kilometres south-west, whilst further retail facilities are located along the main street of Mornington, approximately 5 kilometres north.

There are a number of residential estates within the locality, some of which include the Privilege estate, approximately 1.5 kilometres west and the Waterview Ridge estate, approximately 1 kilometre north. Both of these estates offer more conventional sized residential allotments, some of which have views towards Port Phillip Bay.

CHARTER. KECK CRAMER

The locality map is shown as follows:



SOURCE - Melway Online

Road System & Access

Hearn Road extends in a south-westerly direction from The Esplanade in Mount Martha before terminating at Forest Drive. Forest Drive extends in a south-westerly direction from the Nepean Highway. Both roads are bitumen sealed and constructed to a rural standard with appropriate kerbing and channelling.

Services & Amenities

All usual utilities including electricity, gas, telephone, water and mains sewer are reticulated within the locality and can be augmented to service the subject property.

Urban amenities located within reasonable proximity to the subject property are as follows:

- Mount Martha Primary School - approximately 2 kilometres north.
- Dromana Secondary College - approximately 4 kilometres south-east.
- Benton Square Shopping Centre - approximately 4 kilometres north-east.
- Dromana Hub Shopping Centre - approximately 4 kilometres south-west.
- Melbourne CBD - approximately 55 kilometres north-west.

Environmental Statement

We have no reason to suspect the property is adversely affected by any environmental issues.

We have perused the Environment Protection Authority's (EPA's) current Priority Sites Register, and we can confirm the subject site is not listed.

Perusal of the current list of Issued Certificates and Statements of Environmental Audit discloses the subject site is not listed.

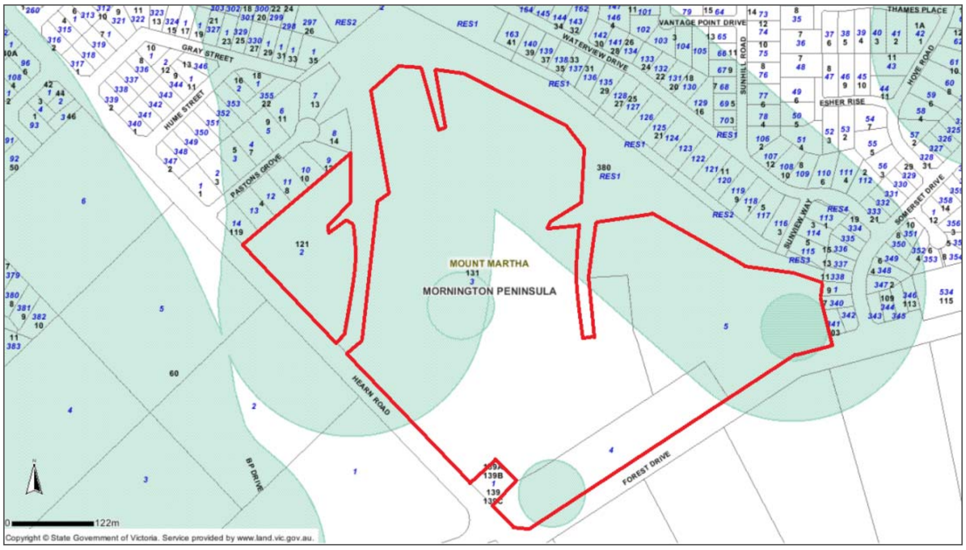
In summary, a visual site inspection has not revealed any obvious signs of pollution or contamination. Nevertheless, we are not experts in the detection or quantification of environmental problems and accordingly, have not carried out a detailed environmental investigation. Therefore, this valuation and our report is made subject to there being no actual or potential contamination issues or environmental hazards, including surface or sub-surface soil problems including instability, toxic or hazardous wastes or building material hazard issues affecting:

- the existing or potential use of the property;
- the value or marketability of the property; or
- the site.

Verification the property is free from contamination or environmental hazards and has not been affected by pollutants of any kind may be obtained from a suitably qualified environmental expert. Should subsequent investigation show the site is contaminated or has environmental hazards, this valuation and report may require revision. The right is reserved to review and, if necessary, vary the valuation figure if any contamination or other environmental hazard is found to exist.

Archaeological Considerations

We have viewed the maps prepared by the Department of Environment, Land, Water and Planning (DELWP) which indicate the property possibly contains areas of cultural heritage sensitivity, as shown on the map below:



SOURCE - Department of Environment, Land, Water and Planning (DELWP)

These areas are highlighted in green. Cultural Heritage Management Plan (CHMP) No. 14644 was detailed in a draft report dated 27 September 2017. The report identified two low density artefact distributions. The place was considered of extremely low significance and no specific management conditions applied. The plan provided this place was permitted to be harmed. The plan further incorporated recommendations for Aboriginal heritage induction, contingency plan, together with custody and management of Aboriginal cultural heritage.

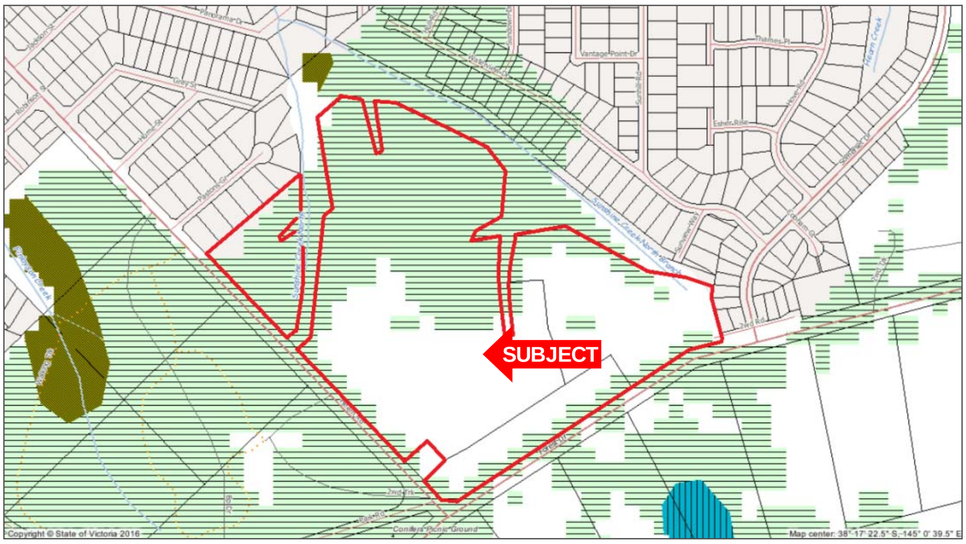
Should any matter be known or arise, it should be referred back to us for further comment.

Flora & Fauna Considerations

A flora and fauna study has not been provided in relation to the subject property. In accordance with the State Section of the Planning Scheme, Section 52.17 provides land in excess of 0.4 hectares (one acre) requires Town Planning approval for the destruction or removal of remnant vegetation.

We have viewed the biodiversity maps produced by the Department of Environment and Primary Industries (DEPI) which indicate the subject property is within the Gippsland Plain Bioregion.

In accordance with the Department of Environment, Land, Water and Planning, the subject holding has been identified to consist of Ecological Vegetation Classes (EVC's), more specifically the Grassy Woodland, as shown on the biodiversity map below:



SOURCE - Department of Environment, Land, Water and Planning (DELWP)

An Ecological Assessment of a Proposed Residential Development was prepared in August 2017. The report details the property contains Grassy Woodland remnant vegetation of varying quality. Furthermore, the property provides mature trees and flowering Eucalypt canopy providing moderate to high quality habitat for native fauna. The report details no significant flora or fauna species were recorded during the site visit. The vegetation did not meet the condition thresholds requirement for a defined significant vegetation community. However, the removal of the vegetation will require a Vegetation Offset.

The report identifies a study area of 25.586 hectares of native vegetation is proposed to be removed. The offset requirement of native vegetation removal is 0.034 General Biodiversity Equivalence Units (BEU's), together with specific units for Southern Bluegum (14.656 specific BEU's).

Correspondence from the Consultant Botanist indicates the offset compensation is difficult to estimate with a cost being between $726,100 - $1,495,000 (exclusive of GST) and trading fees. In concluding value, we have adopted an allowance of $1,750,000, reflecting a worst case scenario and contingency allowance.

Additionally, as detailed within the *Title and Land Description - Encumbrances* section of this report, the Certificate of Title for Parent Lot 2 refers to a Section 173 Agreement dated 17 August 2016. The Section 173 Agreement identifies specific obligations of the owner to include the compliance of all requirements in accordance with the Vegetation Management Plan that has been undertaken pursuant to an enforcement order from the Victorian Civil and Administrative Tribunal (VCAT).

121 Hearn Road, Mount Martha: Rehabilitation Management Plan 2014 - 2024, relates to the VCAT Enforcement Order No. P2648/2011 to rehabilitate the site after partial clearing without a permit in 2011. The Rehabilitation Management Plan report relates to the rehabilitation of land abutting the *Public Conservation and Recreation Zone*, as shown on the extract below:

SOURCE - Ecology Australia

The report identifies management actions, documentation and reporting requirements for a 10 year period. Management requirements relate to the retention of re-shooting tree stems, vegetation, weed management, pest animal management, fencing and signage, reporting and engagement of suitably qualified contractors. The report notes *"... it is a requirement of the VCAT Enforcement Order that works... are to commence within 90 dates of approval of this documents by Mornington Peninsula Shire Council."*

We have been provided with a quote dated 15 May 2017 for the provision of works to deliver the implementation of the 121 Hearn Road Rehabilitation Plan. The quotation identifies a cost of $40,868.99. In assessing value, we have adopted an allowance of $50,000.

Utilising a mapping program (MapInfo), we have calculated an area of the land identified for rehabilitation at 0.76 hectares. As the land is to be rehabilitated, our discussions with the Flora and Fauna Consultant and Council indicate the land may be precluded from development due to the conservation values, thereby reducing the developable area.

Our valuation is subject to there being no remnant vegetation or flora, other than that detailed, which would impact the development potential of the land or incorporate or warrant costs associated with assessment or compensation for habitat destruction. Should any problem be known or arise, the matter should be referred back to us for further comment.

Valuation Rationale.

Valuer's Market Considerations

Having considered the evidence in detail and all valuation parameters generally, we summarise the following positive and negative attributes with respect to the specific subject property:

Strengths S

- Mornington Peninsula location, with enhanced access due to East Link and Peninsula Link.
- As the property slopes downwards from the southern boundary to the northern boundary, the property has extensive views towards Port Phillip Bay.
- There is a limited supply of residential development land within the Mount Martha locality.
- The property has potential to be rezoned for conventional residential development.

Weaknesses W

- The property is zoned *Low Density Residential* as opposed to *Residential 1* where higher densities can be achieved within the development.
- Lot 2 of the parent holding requires rehabilitation in accordance with a Vegetation Management Plan, included within a Section 173 Agreement registered on Title.
- The property is irregular in shape which may limit future design and yield.

Opportunities O

- The property represents a significant infill development opportunity.
- The Melbourne growth area residential allotment market has witnessed strong demand.
- Potential growth in allotment prices and demand.
- The property has potential to be rezoned for conventional residential development.

Threats T

- Coastal residential developments can be more vulnerable to changes in economic conditions as a number of properties within the Mornington Peninsula locality are holiday homes which are often the first to be realised in an economic downturn.
- Changes in flora and fauna, archaeological and environmental contamination issues and regulations.
- Changes in economic and business conditions or Government policies in Australia or internationally may impact upon the fundamentals of the project, its target markets, cost structure and profitability.

Valuation Methodology - Direct Comparison Approach

In assessing value, we have adopted the direct comparison approach after the analysis of sales in varying degrees comparable. The individual sales are analysed to indicate value rates per hectare. The analysis reflects constraints including extraneous site works and vegetation obligations to indicate the gross value rate. The evidence of sales analysed indicates value rates ranging between $325,000 - $1,100,000 per hectare. Sales at the lower end of the range requiring a holding period before development can occur, while sales at the higher end of the range are suitable for immediate development and occupy a superior location.

Due to confidentiality, the details of sales information are not published within this report, however are retained on file.

After consideration of the evidence of sales and in particular with the property, being suitable for immediate development, the zoning, identified use, land area and location. Having regard to the above sales evidence and particular attributes of the subject property, we believe the property would command a value rate of $725,000 per hectare. From the value assessed, we have deducted the identified cost allowance associated with compliance with the Rehabilitation Management Plan of $50,000 and the cost for removal of vegetation by an offset allowance at $1,750,000. A summary of our assessment is shown as follows:

28.044 Hectares @ $725,000 Per Hectare	$20,331,900
Less Cost Allowance for Rehabilitation Management Plan	$ 50,000
Less Habitat Compensation	$ 1,750,000
Indicated Value	**$18,531,900**
For Practical Valuation Purposes, Say $18,500,000 (Exclusive of GST)	

Please note, whilst the value assessed represents current market value, the coastal residential markets can be more vulnerable to changes in economic conditions, purchaser profile and confidence / outlook. Upon a notional future sale of the subject land, the property may achieve a price which may be substantially varied due to market conditions and purchaser requirements. Furthermore, whilst the sum assessed has been based on the evidence of comparable sales evidence, the vast majority of sales of inglobo parcels are negotiated on vendor terms, generally comprising a 10% or 20% deposit, with the balance of funds in say 3 - 5 years. In the notional circumstances of the security being offered for sale, there would be the requirement for similar vendor terms, but with an asking price reflective of vendor terms.

GST Implications

The GST impacts upon a development in three ways:

1. At the realisation of individual allotments.
2. Increased construction and professional fees.
3. At the acquisition of an inglobo parcel.

Our valuation is completed on the basis the property was not acquired under the Margin Scheme.

We recommend you confirm the GST tax status of the holding in relying upon this assessment of value. Should the circumstances vary from this assumption, the matter should be referred back to us for further consideration and, if necessary, re-assessment.

Valuation & Valuation Compliance Statement.

Valuation

Subject to the assumptions and qualifications contained within this report, we have assessed the current market value of the subject property (exclusive of GST) at:

$18,500,000

Eighteen Million, Five Hundred Thousand Dollars

Prepared by
Charter Keck Cramer Pty Ltd

Date of Issue of the Valuation Report - 19 January 2018

Liability limited by a scheme approved under Professional Standards Legislation.

Notes To The Reader

Charter Keck Cramer advise there are factors which may affect the valuation for this property. These include the following:

- Changes in economic and business conditions or Government policies in Australia or internationally may impact upon the fundamentals of the project, its target markets, cost structure and profitability. Adverse changes in such things as the level of inflation, interest rates, exchange rates, Government policy (including fiscal, monetary, migration, international affairs, security and regulatory policies), consumer spending, employment rates, among others, are outside the control of the Directors and may result in material adverse impacts on the valuation advice.
- Changes in Federal, State or Local Government legislation or policies or the policies of servicing authorities and utilities may affect the valuation advice.
- Development approval for residential lots, or any other applicable approval or consent, is withheld or declined by the Responsible Municipal Authority or any other Government or Semi-Government Department or Authority, and development is not able to proceed. Should this materialise it will affect the value assessed.
- The requirements of the Responsible Municipal Authority or any other Government or Semi-Government Department or Authority for the property for any reason, including archaeological, ethnographic claims, environmental, heritage, unidentified threatened flora and fauna species, native vegetation, areas of public open space and planting buffers to arterial roads may reduce the development potential of the property and hence impacting upon the value assessed.

Valuation Compliance Statement

Charter Keck Cramer confirms:

- The statements of fact presented in the report are correct to the best of the Valuer's knowledge.
- The analyses and conclusions are limited only by the reported assumptions and conditions.
- The Valuer has no interest in the subject property, Vealls Limited or IJACK Pty Ltd.
- The Valuer's fee is not contingent upon any aspect of the report.
- The valuation was performed in accordance with an ethical code and performance standards.
- The Valuer has satisfied professional education requirements.
- The Valuer has experience in the location and category of the property being valued.
- The Valuer has made a personal inspection of the property.
- No-one, except those specified in this report, has provided professional assistance in preparing the report.
- The Valuer is independent of the following parties - Vealls Limited, IJACK Pty Ltd and Deloitte Corporate Finance Pty Limited.

We confirm neither Charter Keck Cramer nor any of its Directors or employees has any pecuniary interest that could conflict with the proper valuation of this property.

Refer to Assumptions / Qualifications - Third Party Disclaimer

Advisory
Corporate Property Strategy
Project Feasibility
Transaction Structuring & Divestment Management
Acquisition Advisory
Strategic Asset Management
Accommodation Solutions

Research
Market Analysis
Project Benchmarking Analysis
National Apartment Database
National Land Survey Program
Urban Economics & Policy
Briefings & Workshops

Valuations
Mortgage Valuation
Construction Valuation
Pre-Purchase & Pre-Sale Advice
Financial Reporting Valuation
Compensation Valuation
Legal & Litigation Valuation
Business Valuation
Rental Assessment
Statutory Valuation

Projects
Development Strategy
Project Management
Quantity Surveying
Land Surveying
Civil Engineering

Melbourne
Level 19/8 Exhibition Street
Melbourne VIC 3000
T +61 (0) 3 8102 8888

Sydney
Level 25/52 Martin Place
Sydney NSW 2000
T +61 (0) 2 8228 7888

admin@charterkc.com.au
charterkc.com.au

CHARTER. KECK CRAMER

Deloitte.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 225,000 professionals, all committed to becoming the standard of excellence.

About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6,000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit Deloitte's web site at www.deloitte.com.au.