

# VEALLS LIMITED

ACN 004 288 000

Registered Office

1<sup>st</sup> Floor 484 Toorak Road  
Toorak Vic 3142

Postal Address

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Toorak Vic 3142

PH : (03) 9827-4110


FAX : (03) 9827-4112

30 November 2018

Company Announcements Office  
Australian Stock Exchange  
E-Lodgements

Pursuant to Listing Rule 3.13.3 we provide a copy of the Chairman's address to be given to the Annual General Meeting of Vealls Limited today.

Yours faithfully,



D R Veall  
Company Secretary

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## **CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING HELD ON FRIDAY 30 NOVEMBER 2018**

On behalf of the Board of Directors I welcome you to the 68<sup>th</sup> Annual General Meeting of the Company.

As previously advised to the ASX and shareholders by letter, the Company undertook an on-market share buy-back of the Company's capital and income shares during the year. The Company, through its independent director, adopted the prices determined by the Independent Expert for the buy-back including setting the buy-back price for capital shares at the top of the range set out in the report. This resulted in the Company buying back 855,002 capital shares and expending \$12.448m. Subsequently, the Veall family commenced a compulsory acquisition process for all of the shares in the Company that it did not already own.

Under the Corporations Act, it was necessary for the Veall family to obtain a separate ASIC appointed Independent Expert Report (IER) prior to the compulsory acquisition process that determined the fair value for all classes of the Company's shares. Among other things, the Compulsory Acquisition IER opined on whether the terms proposed in the Compulsory Acquisition notices gave a fair value for each of the three classes of shares.

There were some objections to the income share acquisition which resulted in having the process referred to the Federal Court for determination. As advised, the Federal Court handed down its decision on 29 August 2018 which confirmed that the terms set out in the Compulsory Acquisition notice issued by the Veall family, through Ijack Pty Ltd to the holders of income shares gave a fair value for the income shares, and Ijack's acquisition of the income shares on the terms of the notice was approved.

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

1. Vealls (Singapore) Pte Ltd continues to operate in both New Zealand and Singapore and has short-term deposits mainly in NZD. The bulk of these deposits were invested through the hub of Singapore in New Zealand. Presently the amount of NZD on deposit is \$51.09m.

Cardrona Ski Resort Ltd also has short-term deposits in NZD amounting to \$2.62m.

Currently the total aggregate amount of NZD on deposit is \$53.71m.

The intention remains for our New Zealand operations to be closed down at an appropriate time.

2. The remaining Company asset that is scheduled for disposal is the freehold property at Mt. Martha, Victoria (held in V.L. Investments Pty Ltd) which has been further progressed. The company is continuing to work through issues raised by council in April 2018. This process may take up to 2 years to be finalised.

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

We note again that China is still experiencing lower growth which is affecting their trading partners and the imposition of tariffs by both China and the US has seen a reduction in the RMB / USD relative exchange rate. There has been a steady increase in US interest rates this year as their economy improves and the effect of tax reforms is still being digested. We expect to see volatility during this period as stock and property prices continue to react.

It is important to note that the Company's results continue to be affected by changes across a range of currency values in relation to the Australian dollar, in particular the NZD / AUD exchange rate.

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



D R Veall  
Chairman  
30 November 2018