

Wednesday, 12 December 2018

UPDATE ON PROPOSED TRANSACTION – OPT OUT ELECTIONS

Phileo Australia Limited (**Phileo**) is pleased to provide the following update regarding the proposed transaction announced on 5 October 2018 under which Phileo will:

- undertake a selective capital return whereby a maximum of 10.50 million of Phileo's shares will be cancelled in exchange for \$12.66 cash per cancelled share (**Capital Return**); and
- apply to remove Phileo from the official list of ASX following the Capital Return (**Delisting**), (together, the **Proposed Transaction**).

Capitalised terms used in this announcement have the same meaning as in the Explanatory Memorandum and Notices of Meeting sent to Phileo shareholders on 19 November 2018 (respectively, **Explanatory Memorandum** and **Notices of Meeting**).

Opt-Out Elections

As stated in the Explanatory Memorandum, shareholders who wished to opt out of the Capital Return had until 7.00pm on Tuesday, 11 December 2018 to return an Opt-Out Election Form to Phileo's Share Registry.

The Opt-Out Election Forms received by the Opt-Out Election Cut-Off Date have now been reviewed by Phileo's Share Registry. The material details of these Opt-Out Elections received from shareholders other than Mr Koh and the Koh Entities are as follows:¹

	Number of shareholders	Number of Phileo shares subject of Opt Out	Percentage of Phileo shares on issue
Full Opt-Out Election	11	9,073,634	31.4%
Partial Opt-Out Election	1	30,000	0.1%
Total	12	9,103,634	31.5%

The material details of the Opt-Out Elections captured in the table above are indicative as at today's date only, and may be subject to change. This is because Phileo shareholders remain free to continue to trade their shares on ASX until close of trading on 21 January 2019, subject to the Capital Return Resolutions and the Delisting Resolution being approved by the requisite majorities at the Meetings. Any trading in Phileo shares up to close of trading on 21 January 2019 may affect the total number of shares that are cancelled under the Capital Return, as illustrated by the following examples:

- If a Phileo shareholder has submitted an Opt-Out Election Form to **fully opt-out** of the Capital Return in respect of its entire shareholding, **any additional shares** that that shareholder acquires **before 21 January 2019** will automatically form part of that shareholder's Opt-Out Election (and, therefore, those additionally acquired shares **will also not be cancelled** under the Capital Return).
- Alternatively, if a Phileo shareholder has submitted an Opt-Out Election Form to opt-out **either fully or partially**, and that shareholder **sells some or all** of their Phileo shares **prior to 21 January 2019**, those shares will **not** be subject to the election made by the original shareholder in its Opt-Out Election Form (and, therefore, those shares that have been sold **will be cancelled** under the Capital Return in exchange for \$12.66 per Cancelled Share).

Phileo will announce the final results of the Opt-Out Elections shortly after the Capital Return Record Date, which is currently scheduled for 23 January 2019.

¹ Consistent with Phileo's announcement of 5 October 2018, and the Explanatory Memorandum, Mr Koh and the Koh Entities, as the proponents of the Proposed Transaction, are Continuing Shareholders in respect of their 10,348,814 Phileo shares and will also not participate in the Capital Return.

Shareholder intentions

As stated in Phileo's announcement of 5 October 2018 and in the Explanatory Memorandum, three shareholders being, Piuco Enterprises Corporation, Sovielle Holdings Limited, and Belandas Group Limited, holding 8.25 million shares in aggregate, expressed an intention to opt out of the Capital Return and to remain a Shareholder following implementation of the Proposed Transaction (if approved).

Consistent with that intention, each of those three shareholders has lodged an Opt-Out Election Form for all of their shares; that is, a full Opt-Out Election (and their Opt-Out Elections are captured in the above summary table).

Each of these three shareholders has previously stated that they intend to vote in favour of all resolutions required to give effect to the Proposed Transaction that they are eligible to vote on.

Proxy Forms

Shareholders are reminded that they have until **7.00pm on Tuesday, 18 December 2018** to return their Proxy Forms to Phileo's Share Registry. Any shareholders who wish to vote by proxy should return their completed Proxy Forms by the cut-off date using their reply paid envelope, or as follows:

BY FAX	+61 2 9290 9655
BY MAIL	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2000 Australia
IN PERSON	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Australia

Shareholder meetings

As previously announced, the three consecutive shareholder meetings to consider and vote on the Proposed Transaction will be held on **Thursday, 20 December 2018** at **MinterEllison, Rialto Towers, Level 23, 525 Collins Street, Melbourne, Victoria**.

The General Meeting of all Shareholders will commence at **10.00am**, with the Special Meeting of Exiting Shareholders and Partially Exiting Shareholders commencing at **10.30am**, or as soon as practicable following the conclusion of the General Meeting of all Shareholders, whichever is later.

The third meeting, which will also serve as Phileo's Annual General Meeting, will commence at **11.00am** or as soon as practicable following the Special Meeting of Exiting and Partially Exiting Shareholders, whichever is later.

The Explanatory Memorandum explains the voting restrictions that apply at each Meeting, and who is entitled to vote. The Independent Directors encourage shareholders to read the Explanatory Memorandum in full, and to vote either by attending the Meetings or by lodging a Proxy Form with Phileo or its Share Registry. The cut-off time for receipt of proxies is 7.00pm (AEDT) on **Tuesday, 18 December 2018**.

Further information

If you have any questions relating to the Proposed Transaction or the Explanatory Memorandum, please contact Phileo's Company Secretary by email at phileo@palltd.com.au.