

Thursday, 20 December 2018

SHAREHOLDER MEETINGS - CHAIRMAN'S ADDRESS

In accordance with ASX Listing Rule 3.13.3, set out as an annexure to this announcement is a copy of the address (excluding procedural content) to be given by the Chairman of Phileo Australia Limited (**Phileo**) (**ASX: PHI**), Mr Graham Homes, to the attendees of the three consecutive shareholder meetings to be held today at the offices of MinterEllison, Level 23, 525 Collins Street, Melbourne, Victoria commencing at 10.00am.

PHILEO AUSTRALIA LIMITED
GENERAL MEETING OF ALL SHAREHOLDERS
20 DECEMBER 2018
CHAIRMAN'S ADDRESS – ASX RELEASE VERSION

INTRODUCTION

Good morning ladies and gentlemen and welcome to the first of today's three important meetings of Phileo shareholders.

My name is Graham Homes, the Chairman of your Company. I will be chairing each of today's meetings.

Before I declare the first meeting open, I would like to make some introductory comments. First can I ask you please to turn off all mobile phones.

I would now like to introduce Phileo's other directors who are present today and are sitting next to me:

- Mr Rudy Koh (your Managing Director and the proponent of the Proposed Transaction);
- Mr Alfred Sung (Executive Director);
- Mr Michael Loke (Non-Executive Director); and
- Mr Andrew Hang (Non-Executive Director).

Also seated alongside your directors is Mr Tejas Gandhi (Group Financial Controller & Company Secretary) and Mr Michael Schoenfeld. Mr Schoenfeld is a longstanding independent consultant to the Board and the Chairman of the Independent Committee that was formed to oversee and evaluate the Proposed Transaction that you as shareholders will be voting on today.

I would like to take this opportunity to thank my fellow Directors and the Phileo management team for their commitment and engagement during the extensive process leading up to today's meetings; a process that has involved many months of sustained work. I would also like to thank you, the Phileo shareholders, for your support of Phileo over the last two decades. We have many longstanding shareholders who have seen Phileo's long term vision evolve and be implemented and who continue to support Phileo on its journey.

Representatives of our share registry, Boardroom Pty Limited, are also present today to assist in conducting the poll for each of today's three meetings. I appoint Colin Fawns of Boardroom Pty Limited to act as Returning Officer. He/she will be assisted by Bridgette Rogers. All of the aforementioned individuals have agreed to act in their respective capacities.

Also in attendance are representatives from MinterEllison, the legal advisers to Phileo in relation to the Proposed Transaction. I would like to thank them for kindly hosting today's meetings.

For convenience, the use of any defined terms at today's meetings are, unless the context otherwise requires, references to the corresponding terms as defined in the Explanatory Memorandum and Notices of Meeting that were mailed to Phileo shareholders on 19 November 2018.

GENERAL MEETING OF ALL SHAREHOLDERS - CHAIRMAN'S ADDRESS

It is now just past 10:00am, being the scheduled commencement time for the General Meeting of all Shareholders, and therefore time to commence this meeting.

A quorum is present¹ and, therefore, I declare the first of today's meetings, the General Meeting of all Shareholders open.

This meeting has been convened in accordance with the relevant provisions of the Corporations Act and Phileo's Constitution. The purpose of the meeting is to consider and, if thought fit, to approve a proposed capital return as a selective reduction of the share capital of Phileo, defined as the Capital Return in the Explanatory Memorandum, provided that all conditions to the Capital Return are satisfied or waived.

I refer to the Notice of General Meeting of all Shareholders contained in Appendix 2 to the Explanatory Memorandum that sets out the resolution proposed for today's first meeting. As the Explanatory Memorandum was mailed to shareholders on 19 November 2018, I will take the Explanatory Memorandum and Notice of General Meeting of all Shareholders as read.

¹ The quorum requirement for the General Meeting of all Shareholders is 3 members as set out in Rule 40 of Phileo's Constitution.

The Explanatory Memorandum provides a comprehensive statement of the reasons to vote in favour of the Capital Return, the reasons to vote against the Capital Return and the risks associated with the Capital Return. The reasons to vote in favour of or against the Capital Return are presented from the separate perspectives of Exiting Shareholders, Continuing Shareholders and from their collective perspectives. To the extent that anyone is a Partially Exiting Shareholder, all of these considerations are relevant to that person in relative proportion to the number of their shares that will be cancelled, and the number of shares that they will retain following implementation of the Capital Return. I will not attempt to restate the substantive information disclosed in the Explanatory Memorandum.

CAPITAL RETURN

I would now like to say a few words about the proposed Capital Return.

The background to the Capital Return, including how the proposal evolved and was negotiated, is set out in full in Phileo's ASX announcement of 5 October 2018 and in the Explanatory Memorandum.

Under the Capital Return a maximum of 10.50 million Phileo shares will be cancelled in exchange for \$12.66 per share.

For the reasons set out in the Explanatory Memorandum, your Independent Directors unanimously recommend that Phileo shareholders vote in favour of the Capital Return, in the absence of a superior proposal. I can confirm that no superior proposal has been received.

STATUS OF ATO CLASS RULING

Phileo has applied to the Commissioner of Taxation for a Class Ruling to confirm the Australian taxation implications for shareholders of certain aspects of the Capital Return. An update on relation to the status of that Class Ruling was provided to ASX yesterday. As stated in that ASX announcement, although the formal Class Ruling has not yet been issued by the ATO, the Board is pleased to confirm that Phileo has been in constructive and positive dialogue with the ATO in relation to the progression of the Class Ruling application. Based on that dialogue, the Board considers that there should be no material issues associated with the progression of the Class Ruling.

DELISTING OF PHILEO

The Proposed Transaction also involves a Delisting of Phileo. This Delisting is conditional on approval of the Capital Return. As the proposed Delisting will be voted on at the AGM later today, I will defer my comments on that step until the AGM.

STATUS OF CONDITIONS

I will now briefly speak about the current status of the conditions to the Proposed Transaction.

1. Independent Expert's conclusion

Ernst & Young Transaction Advisory Services has concluded that the Capital Return is fair and reasonable to Phileo shareholders as a whole. This conclusion is set out in Ernst & Young's Independent Experts Report which is contained in Appendix 1 to the Explanatory Memorandum. This conclusion has not changed prior to today's meetings, which means that the condition regarding the Independent Expert's conclusion is satisfied.

2. Independent Directors' recommendation

As previously stated, the Independent Directors continue to unanimously recommend that shareholders vote in favour of the resolutions on which they are entitled to vote. This means that the condition relating to the Independent Directors' recommendations is satisfied.

3. Maximum cancellations & minimum Opt-Outs

Boardroom has reviewed the Opt Out Election Forms validly returned by Phileo shareholders prior to 7.00pm on 11 December 2018. As announced to ASX on 12 December 2018, 12 Phileo shareholders (excluding Mr Koh & the Koh Entities) who collectively account for approximately 9.1 million Phileo shares have elected to opt out of the Capital Return. These include Opt-Out Elections received from Piuco Enterprises Corporation, Sovielle Holdings Limited, and Belandas Group Limited.

These three shareholders have also recently confirmed in writing to Phileo that they will not dispose of any or all of their shares, and will otherwise continue to act consistently with their Opt-Out Elections until to the Capital Return Record Date.

Accordingly, this provides Phileo with a high degree of certainty that the following two key conditions to the Proposed Transaction will be satisfied as at the Implementation Date:

- (a) that a maximum of 10.50 million shares be cancelled under the Capital Return; and
- (b) as a related condition, that shareholders accounting for at least 8.08 million shares opt-out of the Capital Return.

4. FIRB Approvals

As announced on 2 November 2018, the three shareholders just mentioned who each lodged an Opt-Out Election for their entire shareholding – namely, Piuco Enterprises Corporation, Sovielle Holdings Limited, and Belandas Group Limited, have received notification from FIRB confirming that no further action is required from a FIRB perspective for them to opt-out of the Capital Return. Accordingly, the condition relating to approvals from the Foreign Investment Review Board for those three shareholders is satisfied.

5. Other conditions

There are some other operational and procedural type conditions, usual for a transaction of this nature, which are set out in clause 3 of the Implementation Deed which was released in full as an annexure to Phileo's ASX announcement of 5 October 2018. Your Independent Directors are not aware of any reason why these other operational or procedural conditions will not be satisfied or waived as at the Implementation Date, currently scheduled for 31 January 2019.

Accordingly, the Capital Return is now principally conditional on:

- (a) Phileo shareholders passing the First Capital Return Resolution at this meeting, with no votes being cast in favour of the First Capital Return Resolution by any Exiting Shareholder, Partially Exiting Shareholder or their associates; and
- (b) Exiting Shareholders and Partially Exiting Shareholders passing the Second Capital Return Resolution at the Special Meeting of Exiting and Partially Exiting Shareholders, being the second of today's meetings;

Subject to shareholders approving the Capital Return at the first two of today's meetings, the Capital Return is scheduled to be implemented on 31 January 2019. On that date, Exiting Shareholders and Partially Exiting Shareholders will have their relevant shares cancelled in exchange for \$12.66 per share.

FIRST CAPITAL RETURN RESOLUTION

I would now like to proceed to the formal business of this meeting.

The item of business for this meeting is to consider, and if thought fit, pass the First Capital Return Resolution, which is displayed on the screen behind me.

The procedure for the voting on this resolution is as follows:

- in a few moments, I will allow time for questions from shareholders on this resolution; and
- after any questions, we will move to a vote on this resolution by poll.

Following the conclusion of voting, I will announce the results of the poll.

Voting requirements

In accordance with the requirements of section 256C(2)(a) of the Corporations Act, in order for the First Capital Return Resolution to be passed, it needs to be approved by shareholders as a Special Resolution, with no votes being cast in favour of this resolution by any Exiting Shareholder, Partially Exiting Shareholder, or their Associates. A special resolution requires approval by at least 75% of votes cast by Shareholders who are present and entitled to vote at this meeting.

As the proponent of the transaction, Mr Rudy Koh, as well as the Koh Entities, who are all Continuing Shareholders, are eligible to vote in favour of the First Capital Return Resolution.

In order for the Capital Return to be implemented, it must also be approved by Exiting Shareholders and Partially Exiting Shareholders as a special resolution at the Special Meeting of Exiting Shareholders and Partially Exiting Shareholders, which is the second of today's meetings.

PHILEO AUSTRALIA LIMITED

SPECIAL MEETING OF EXITING AND PARTIALLY EXITING SHAREHOLDERS

20 December 2018

CHAIRMAN'S ADDRESS - ASX RELEASE VERSION

[NOTE: THIS VERSION OF THE CHAIRMAN'S ADDRESS PROCEEDS ON THE BASIS THAT THE FIRST CAPITAL RETURN RESOLUTION IS DULY APPROVED BY PHILEO SHAREHOLDERS AT THE GENERAL MEETING OF ALL SHAREHOLDERS]

INTRODUCTION

Ladies and gentlemen, welcome to the second of today's meetings of Phileo shareholders.

I will also be chairing this meeting, being a meeting of Exiting Shareholders and Partially Exiting Shareholders.

A quorum is present¹ and, therefore, I declare this meeting, the Special Meeting of Exiting Shareholders and Partially Exiting Shareholders, open.

For convenience, Continuing Shareholders and their representatives are permitted, to attend this Special Meeting of Exiting Shareholders and Partially Exiting Shareholders but will not be counted as present at this meeting and must not vote on the Second Capital Return Resolution, ask questions or otherwise participate in this meeting.

This meeting has been convened in accordance with the relevant provisions of the Corporations Act and Phileo's Constitution. The purpose of the meeting is to consider and, if thought fit, to approve the proposed Capital Return as a selective reduction of the share capital of Phileo, provided that all conditions to the Capital Return are satisfied or waived.

¹ The quorum requirement for the Special Meeting of Exiting Shareholders and Partially Exiting Shareholders is 3 members as set out in Rule 40 of Phileo's Constitution.

I refer to the Notice of Special Meeting of Exiting Shareholders and Partially Exiting Shareholders contained in Appendix 3 to the Explanatory Memorandum that sets out the resolution proposed for today's second meeting. As the Explanatory Memorandum was mailed to shareholders on 19 November 2018, I will take the Explanatory Memorandum and Notice of Special Meeting of Exiting Shareholders and Partially Exiting Shareholders as read.

Accordingly, I will not attempt to restate the substantive information disclosed in the Explanatory Memorandum.

STATUS OF CONDITIONS

I previously commented on the status of the conditions to the Capital Return at the first of today's meetings.

Subject to Exiting Shareholders and Partially Exiting Shareholders approving the Capital Return at this meeting, the Capital Return is scheduled to be implemented on 31 January 2019. On that date, Exiting Shareholders and Partially Exiting Shareholders will have their relevant shares cancelled in exchange for \$12.66 per share.

SECOND CAPITAL RETURN RESOLUTION

I would now like to proceed to the formal business of this meeting.

The item of business for this meeting is to consider, and if thought fit, pass the Second Capital Return Resolution, which is displayed on the screen behind me.

I declare that the voting on this resolution be by way of poll.

The procedure for the voting on this resolution is as follows:

- In a few moments, I will allow for questions from the holders of Exiting Shareholders and Partially Exiting Shareholders on the Second Capital Return Resolution; and
- after any questions, we will move to a vote on this resolution by poll.

Following the conclusion of voting, I will announce the results of the poll.

Voting requirements

In accordance with the requirements of section 256C(2) of the Corporations Act, in order for the Second Capital Return Resolution to be passed, it needs to be approved by Exiting Shareholders and Partially Exiting shareholders, in respect of their shares which are to be cancelled, as a special resolution. A special resolution requires approval by at least 75% of votes cast by Shareholders who are present and entitled to vote at this meeting.

PHILEO AUSTRALIA LIMITED

ANNUAL GENERAL MEETING

20 DECEMBER 2018

CHAIRMAN'S ADDRESS – ASX RELEASE VERSION

[NOTE: THIS VERSION OF THE CHAIRMAN'S ADDRESS PROCEEDS ON THE BASIS THAT BOTH CAPITAL RETURN RESOLUTIONS ARE DULY APPROVED BY PHILEO SHAREHOLDERS AT THE GENERAL MEETING OF ALL SHAREHOLDERS AND THE SPECIAL MEETING OF EXITING AND PARTIALLY EXITING SHAREHOLDERS]

INTRODUCTION

Ladies and gentlemen, welcome to the third and last of today's three meetings of Phileo shareholders.

I will also be chairing this meeting, being the 2018 Annual General Meeting of Phileo Australia Limited.

A quorum is present¹ and, therefore, I declare this meeting open.

I refer to the Notice of Annual General Meeting contained in Appendix 4 to the Explanatory Memorandum that sets out the business for today's third meeting. As the Explanatory Memorandum was mailed to shareholders on 19 November 2018, I will take the Explanatory Memorandum and Notice of Annual General Meeting as read.

The agenda for this meeting is as follows. First, you will be asked to consider and approve an item of special business, being the proposed Delisting of Phileo from ASX. We will then move to the items of ordinary business typically considered at Phileo's AGMs, being:

- the consideration of the Directors' Report, Auditor's Report and Financial Report for FY18;
- adoption of the Remuneration Report for FY 18; and
- the re-election of Mr Andrew Hang and Mr Michael Loke as directors of Phileo.

¹ The quorum requirement for the Annual General Meeting Shareholders is 3 members as set out in Rule 40 of Phileo's Constitution.

SPECIAL BUSINESS - DELISTING RESOLUTION

I will now move to the special business of today's meeting, the Delisting Resolution.

Earlier this morning shareholders approved the Capital Return, which is the first element of the Proposed Transaction. The second element of the Proposed Transaction is the removal of Phileo from the official list of ASX.

For the reasons set out in the Explanatory Memorandum, your Independent Directors consider that the continued listing of Phileo on ASX following implementation of the Capital Return would no longer be efficient or beneficial to Phileo.

Accordingly, subject to shareholder approval being obtained at this meeting, Phileo will be delisted from ASX on the day after the implementation of the Capital Return, currently scheduled to be Friday, 1 February 2019.

As announced on 5 October 2018, ASX has provided in-principle confirmation that it will support the Delisting, subject to Phileo shareholders approving the Delisting at this meeting.

Delisting Resolution

The Delisting Resolution is now displayed on the screen behind me.

Voting requirements

In accordance with the requirements of ASX's in-principle approval for the Delisting, in order for the Delisting Resolution to be passed, it needs to be approved by Phileo shareholders as an ordinary resolution. An ordinary resolution requires approval by at least 50% of votes cast by shareholders who are present and entitled to vote on the resolution.

There are no voting restrictions applicable to the Delisting Resolution, meaning all Phileo shareholders are eligible to vote on this resolution.

ORDINARY BUSINESS - CHAIRMAN'S ADDRESS

Before we move on to the items of ordinary business at this AGM, I would like to say that, although the Capital Return has been approved by Phileo shareholders and the Delisting is likely to also be approved, Phileo is still (at this point) an ASX listed company. Accordingly, Phileo shareholders will still need to consider, and vote on, the following items of ordinary business, even though the consequence and impact of some of these matters will no longer be relevant once Phileo is delisted.

The first item of ordinary business is consideration of Phileo's financial report for FY18.

The Phileo 2018 Annual Report was sent to shareholders on 23 October 2018. A summary of Phileo's performance in the last financial year is set out in my Chairman's Address contained in the Annual Report. Accordingly, I do not propose to repeat my commentary from the 2018 Annual Report at this meeting.

ORDINARY BUSINESS - RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT

Now that we have had time for Q&A on the Directors' Report, Auditor's Report and the Financial Report, I would now like to formally move to Resolution 2, as set out in the Notice of Annual General Meeting, which invites you to cause Phileo to adopt the Remuneration Report for the financial year ended 30 June 2018.

ORDINARY BUSINESS - RESOLUTION 3 – RE-ELECTION OF ANDREW HANG

The constitution of Phileo and ASX Listing Rules require that one third of the directors other than the Managing Director must retire by rotation. On that basis, Mr Andrew Hang and Mr Michael Loke are retiring and have been nominated for re-election to the Board.

These re-elections are the subject of Resolutions 3 & 4.

Resolution 3, as set out in the Notice of Annual General Meeting, invites you to re-elect Mr Andrew Hang.

ORDINARY BUSINESS - RESOLUTION 4 – RE-ELECTION OF MICHAEL LOKE

Resolution 4, as set out in the Notice of Annual General Meeting, invites you to re-elect Mr Michael Loke.
