

VEALLS LIMITED

ACN 004 288 000

Registered Office
1st Floor 484 Toorak Road
Toorak Vic 3142
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28 November 2014

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 28 NOVEMBER 2014

On behalf of the Board of Directors I welcome you to the 64th Annual General Meeting of the Company.

Before proceeding to the business of today's meeting, I want to inform you of the present status of the implementation of the restructure of the company's operations.

As noted in the Directors Report the remaining subsidiary companies are -

1. Vealls (Singapore) Pte Ltd that erstwhile operated the Cardrona ski field in New Zealand and now only has short term deposits in NZD following its sale. It has been found that the net effect of interest and tax rates in New Zealand is consistently more favourable than in Singapore.

Consequently, these funds will remain there until such time as they are required for the Investment Program that will be undertaken by this subsidiary based in Singapore rather than by Vealls Limited itself.

2. Cardrona Ski Resort Ltd also now only has short term deposits in NZD and will continue to hold them there in New Zealand for similar reasons.

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

3. V.L.Pastoral Pty Ltd. The winding-up of this subsidiary has been delayed as it was thought prudent to do so until the capital gains tax payable on the sale of Clear Springs Station, being part of Vealls Group Australian tax liabilities, has been duly paid.

It is interesting to note in passing that the disposal of the rural properties (Rippling Water Station and Clear Springs Station) resulted in a total capital gain of \$5,579,595 before CGT.

The remaining activities that are scheduled for disposal are the freehold properties at Mt. Martha, Victoria (V.L.Investments Pty Ltd) and at Moulins, France (the oak forest owned by the Company) both of which are currently being progressed with the assistance of professional advisers, such as, planners and expert foresters.

The carrying value of these properties at 30 June 2014 was an aggregate of AUD 21.959m. It would be surprising, given our current knowledge, if at least this value was not realised on sale.

As an aside, an observation that has come to us from France is that financial uncertainties in the Euro zone have, perhaps paradoxically, made good oak forest properties attractive as a safer investment or haven than other alternatives for high net worth parties.

Our Investment Program for the acquisition of securities through the hub of Singapore continues to be developed through the analysis stage at present.

It is interesting to have seen, for instance, that a number of companies listed on the SGX derive most of their revenue from countries outside of Singapore, notably China. Accordingly, their future prospects lie there too.

On the other hand, other companies only operate in Singapore but may nevertheless earn their revenue from international customers rather than domestic ones, for example, shipping. Evaluation is an exacting process.

Overshadowing all of this is the fundamental point of the timing of the acquisition of selected securities, as our objectives are to show increasing income and capital value over the longer term and not in short-term trading.

That timing relates principally to the entry price and hence prospective income yield and capital growth - in other words the Price/Earnings Ratio that has been high, even very high.

There is no gainsaying that we have held back from investing funds for some time now and this has been undoubtedly a conservative policy. However, it is has been one that has protected us from incurring potential capital losses in volatile financial conditions and at the same time the available funds have been employed in earning a reasonable interest return.

It is the opinion of the Board that the price of stock exchange listed securities as a whole have been driven over recent years to significantly higher levels by the US government's action of increasing its money supply enormously.

If this is a correct view, it should follow that the cessation of that US action would likely have opposite effects on stock markets provided other things remain equal; but that of course they may or may not do.

In any event, we intend to maintain the status quo until we can see what conditions emerge in the shorter term.



I R Veall
Executive Chairman
28 November 2014