

# VEALLS LIMITED

ACN 004 288 000

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12 February 2013

The Manager  
Australian Stock Exchange  
E-Lodgements

Dear Sir / Madam,

## **ANNOUNCEMENT**

Following is an announcement regarding the outcome of the Board's corporate strategy review.

Yours faithfully

Duncan Veall  
Company Secretary

## **ANNOUNCEMENT**

The Board has completed its review of its corporate strategies previously announced to shareholders on 23 November 2012. The Board implemented this strategic review to identify the most suitable countries in which to conduct business, the businesses on which the Company should focus and to seek to eliminate inefficiencies in the operating structure of the Company, with the ultimate intention of enhancing its financial position and performance.

The strategic review considered:

- (a) economic conditions in the countries in which the Company and its subsidiaries conduct business (being Australia, New Zealand, France and Singapore) as well as which of those countries are most likely to be least affected by the continuing global financial situation in the short to medium term; and
- (b) the advantages and disadvantages of the structure of the Company's operations (in particular the number of subsidiaries of the Company and matters such as the costs and demands of complying with the legal and regulatory requirements of the different countries in which the Company conducts business and the need to monitor foreign currency movements in such countries).

The Board has decided that:

- (a) The Company should conduct its business in one country, rather than a number of countries. On the basis of an evaluation of its past history and present relative position compared with other countries, the Board has determined that this country should be Singapore.
- (b) The Company should discontinue the operation of its subsidiaries by either winding them up or disposing of them or their assets.
- (c) The Company should use the proceeds of such disposals to become an investment company and acquire securities in companies listed on the Singapore Stock Exchange and on other regional Asian stock exchanges, with a view to obtaining both income and capital growth from such investments.
- (d) The Board should give consideration to the Company's listing on the Singapore Stock Exchange at an appropriate time.

Subject to then prevailing economic conditions and any necessary approvals, the Board intends to implement the strategic review through the steps referred to below. As these steps will involve winding up or disposing of the Company's subsidiaries or their assets, their implementation may also be subject to identifying suitable buyers in the latter events.

Step 1 will involve the Company winding up the operations of those subsidiaries that do not conduct material business by 30 June 2013 (i.e. V.L Finance Pty Ltd, V.L. Credits Pty Ltd, Swintons Pty Ltd and Tunrove Pty Ltd).

Step 2 will involve the Company commencing the process of disposing of subsidiaries that do conduct material business by 30 June 2013, (i.e. Vealls (NZ) Ltd, Cardrona Ski Resort Ltd and Vealls (Singapore) Pte Ltd, including Cardrona Alpine Resort in New Zealand); and

Step 3 will involve the Company in disposing of V.L Pastoral Pty Ltd (the Clear Springs Station in NSW) over a 1-2 year period and V.L. Investments Pty Ltd (the Mt Martha land in Victoria) over a 2-3 year period.

Step 4 will involve the Company using the proceeds of such disposals to become an investment company.

Step 5 will involve consideration being given to the Company's listing on the Singapore Stock Exchange at an appropriate time.