
ASSET RESOLUTION LIMITED ANNUAL GENERAL MEETING

24 OCTOBER 2018, 10:00 AM (AEDT)





CHAIRMAN'S ADDRESS



AGENDA

1. Board Overview
2. Financial Year in Review
3. Strategy
4. Octaviar
5. Resolutions
6. Questions



I. BOARD OVERVIEW



YOUR BOARD

**Giles Craig BSc Econ (Hons), FCA
Non-Executive Director, Chairman**

Board member since September 2015

Mr Craig is a Director of PINCHme.com Inc., a New York based company which operates a product sampling and digital promotions platform. He is also a Director of Hamilton Securities Limited, an NSX listed investment company and is a member of the compliance committee of RateSetter Australia RE, a peer to peer lender.

He was previously Managing Director of Cameron Stockbrokers Limited, a Sydney based private client stockbroker. Prior to that, he was Head of Private Clients at AMP Capital, Head of Distribution at Henderson Private Capital and worked in Corporate Finance at Merrill Lynch and Mergers and Acquisitions at Morgan Stanley.

He qualified with Ernst & Whinney as a Chartered Accountant in 1986.

Mr Craig is a shareholder in ARL and is based in Sydney.



YOUR BOARD

Sarina Roppolo
Independent Non-Executive Director

Board member since 28 February 2018

Ms Roppolo is a Partner at Kardos Scanlon Lawyers and was previously a dispute resolution and insolvency Partner at Kemp Strang Lawyers. In her practice, Ms Roppolo primarily advised and acted for two of Australia's major banks in addition to a multinational financial institution and a variety of public and private companies in a wide range of contentious matters with a specialisation in insolvency.

She spent a number of years working in house at a major Australian Bank as a senior corporate lawyer specialising in solutions for the insolvency of customers that bank's institutional and corporate divisions.

Ms Roppolo has been noted as a leading lawyer in insolvency in The Legal 500 Asia Pacific for the years 2016, 2017 & 2018.



YOUR BOARD

Graham Holdaway BCA, Dip Accy, ACA, MAICD
Independent Non-Executive Director

Board member since April 2017

Mr Holdaway is an experienced non-executive and executive director, having served on boards of natural resources companies with operations in Australia, Indonesia, Papua New Guinea and the United Kingdom. He is Chartered Accountant and a former partner of KPMG.

Graham is from a New Zealand farming background and is now based in regional Victoria.

He is currently a director of one other public company, Kangaroo Island Plantation Timbers Ltd.

Mr Holdaway is a shareholder in ARL.



COMPANY SECRETARY & CFO

Victoria Allinson FCCA, AGIA
Company Secretary & Chief Financial Officer

Appointed 1 October 2015

Ms Allinson is a Fellow of the Association of Certified Chartered Accountants and a member of the Governance Institute of Australia. She has over 25 years' accounting and auditing experience, including senior accounting positions in a number of listed companies and audit manager for Deloitte Touche Tohmatsu.

She is currently Company Secretary and/or Chief Financial Officer (CFO) for a number of listed entities and for several other unlisted entities.

Ms Allinson also provides the Company's registered head office in Adelaide. She is a shareholder in ARL.



2. FINANCIAL YEAR IN REVIEW



FY18 FINANCIAL RESULTS

- Revenue \$2.28m (FY17: \$0.24m).
- Net profit after tax \$1.79m (FY17: loss \$0.33m)
- Operating costs of \$0.50m (FY17: \$0.57m)

- \$2.7m spent buying back shares



FY18 FINANCIAL RESULTS

- Net assets of ARL as at 30 June 2018 were \$9.54m (FY17: \$10.29m)
- ... or \$3.01 per share (FY17: \$2.55 per share).
- Cash at bank and at call at 30 June 2018 was \$9.67m (FY17: \$10.42m), comprising
 - \$6.92m at bank and
 - \$2.75m secured loan at call
- Octaviar claims carried in accounts at \$0
- 1,334,840 Raptis Group shares sold for \$80k





3. STRATEGY



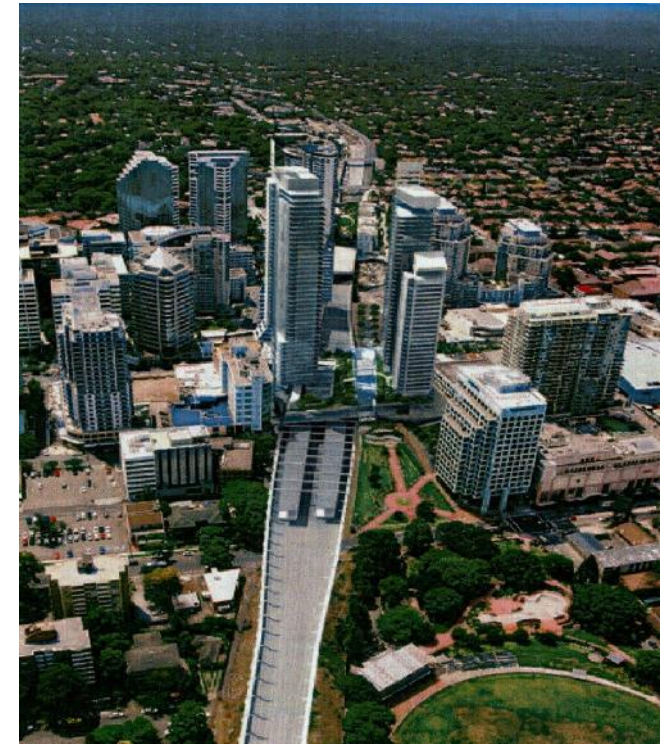
INVESTMENT STRATEGY

- Identify “unfashionable” opportunities with significant upside and limited risk of loss
 - Unusual, distressed or illiquid assets
 - Interests in failed investment schemes with significant residual value
- Be patient
 - Only buy when this can be done cheaply
 - Do not rush to sell
 - Keep costs low and conserve or grow cash in the meantime



NEW INVESTMENTS

- A number of opportunities have been investigated.
- After 4 months' work, we underbid \$15.18m on the freehold under a Sydney office building (pictured) being sold by the NSW Government.
- We bid for certain royalties. This remains a possibility.
- After the year end we took a small exposure to global stock markets via call options which appeared extremely cheap.
- We are confident that as banks step back from supporting small businesses, significant opportunities will become available.





4. OCTAVIAR



OCTAVIAR



- In 2008, Octaviar Administration and Octaviar Limited collapsed, owing ARL's predecessors money.
- ARL will receive only a small fraction of the money it is owed.
- A highly complex situation, with competing claims, cross claims and significant legal uncertainty continues to move forward slowly.
- Currently valued in ARL accounts at zero.
- ARL at last able to exert some direct influence: former director Fred Woollard appointed to creditors' committee.
- ARL received \$2.1m from Octaviar Limited during the year and nothing from Octaviar Administration



5. RESOLUTIONS



ITEM 1 FINANCIAL STATEMENTS

- To receive and consider:
 - (a) the financial statements;
 - (b) the directors' report; and
 - (c) the auditor's report
- ... of ARL for the year ended 30 June 2018.
- These statements and reports are placed before the Shareholders for discussion and Shareholders will be given the opportunity to ask questions and make comments on these statements and reports.
- No voting is required on this matter.



RESOLUTION I REMUNERATION REPORT

ORDINARY RESOLUTION

- *“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Report for the financial year ended 30th June 2018.”*
- Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company under section 250R(2) of the Corporation Act. However, if the ‘No’ votes are greater than 25% for two successive years, then there are certain consequences, see Explanatory Memorandum for details.

PROXY SUMMARY

FOR	OPEN	AGAINST	ABSTAIN
1,169,263	16,800	27,625	1,656
96.34%	1.38%	2.28%	Abstain votes are not counted in determining whether or not the required majority of votes were cast for or against that item



RESOLUTION 2 ELECTION OF DIRECTOR: GILES CRAIG

ORDINARY RESOLUTION

□ *“That Mr Giles Cameron Craig, a director retiring by rotation, being eligible, is re-elected as a director of ARL.”*

PROXY SUMMARY

FOR	OPEN	AGAINST	ABSTAIN
1,307,506	14,754	25,716	3,244
97.00%	1.09%	1.91%	Abstain votes are not counted in determining whether or not the required majority of votes were cast for or against that item



RESOLUTION 3 ELECTION OF DIRECTOR: SARINA ROPPOLO

ORDINARY RESOLUTION

□ *“That Ms Sarina Roppolo is elected as a director of ARL.”*

PROXY SUMMARY

FOR	OPEN	AGAINST	ABSTAIN
1,307,958	15,204	24,124	3,934
97.08%	1.13%	1.79%	Abstain votes are not counted in determining whether or not the required majority of votes were cast for or against that item



RESOLUTION 4 ON-MARKET BUY-BACK OF SHARES

ORDINARY RESOLUTION

- *“That, for the purposes of section 257C of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders authorise and approve the on-market buy-back of up to 632,571 fully paid ordinary Shares in the Company (representing approximately 20% of the Company’s issued Shares as at 5 September 2018) in the 12 month period following the approval of this Resolution, pursuant to an On-Market Buy-Back conducted in accordance with the requirements of the Listing Rules and the Corporations Act (being over the 10/12 limit (as defined in section 257B(4)) and on the terms as described in the Explanatory Statement to this Notice of Meeting.”*

PROXY SUMMARY

FOR	OPEN	AGAINST	ABSTAIN
1,305,877	15,204	27,482	2,657
96.83%	1.13%	2.04%	Abstain votes are not counted in determining whether or not the required majority of votes were cast for or against that item



RESOLUTION 5 SHARE ISSUE TO SARINA ROPPOLO FEBRUARY TO NOVEMBER 2018

SPECIAL RESOLUTION

- *“That, conditional on the approval of Resolution 3, and for all purposes, including the requirements of NSX Listing Rules 6.25 and 6.44 (if applicable), approval is given for the Board to allot and issue up to 17,606 Shares to Sarina Roppolo (being a Non-Executive Director of the Company) and/or their nominees under the Non-Executive Share Plan on the terms and conditions set out in the Explanatory Statement.”*

PROXY SUMMARY

FOR	OPEN	AGAINST	ABSTAIN
1,208,522	15,442	37,567	4,517
95.80%	1.22%	2.98%	Abstain votes are not counted in determining whether or not the required majority of votes were cast for or against that item



RESOLUTION 6 SHARE ISSUE TO GILES CRAIG 2019

SPECIAL RESOLUTION

- *“That, for all purposes, including the requirements of NSX Listing Rules 6.25 and 6.44 (if applicable), approval is given for the Board to allot and issue up to 16,584 Shares to Giles Craig (being a Non-Executive Director of the Company) and/or their nominees under the Non-Executive Share Plan on the terms and conditions set out in the Explanatory Statement.”*

PROXY SUMMARY

FOR	OPEN	AGAINST	ABSTAIN
1,208,581	14,925	38,375	4,167
95.78%	1.18%	3.04%	Abstain votes are not counted in determining whether or not the required majority of votes were cast for or against that item



RESOLUTION 7 SHARE ISSUE TO SARINA ROPPOLO 2019

SPECIAL RESOLUTION

- *“That, for all purposes, including the requirements of NSX Listing Rules 6.25 and 6.44 (if applicable), approval is given for the Board to allot and issue up to 16,584 Shares to Sarina Roppolo (being a Non-Executive Director of the Company) and/or their nominees under the Non-Executive Share Plan on the terms and conditions set out in the Explanatory Statement.”*

PROXY SUMMARY

FOR	OPEN	AGAINST	ABSTAIN
1,207,629	14,925	38,570	4,924
95.76%	1.18%	3.06%	Abstain votes are not counted in determining whether or not the required majority of votes were cast for or against that item



RESOLUTION 8 SHARE ISSUE TO GRAHAM HOLDAWAY 2019

SPECIAL RESOLUTION

- *“That for all purposes, including the requirements of NSX Listing Rules 6.25 and 6.44 (if applicable), approval is given for the Board to allot and issue up to 16,584 Shares to Graham Holdaway (being a Non-Executive Director of the Company) and/or their nominees under the Non-Executive Share Plan on the terms and conditions set out in the Explanatory Statement.”*

PROXY SUMMARY

FOR	OPEN	AGAINST	ABSTAIN
1,207,891	14,663	38,375	5,119
95.79%	1.16%	3.04%	Abstain votes are not counted in determining whether or not the required majority of votes were cast for or against that item



6. QUESTIONS



QUESTIONS

- Prior to asking your question, please state your name so that it can be reflected in the minutes of the meeting.