

29 SEPTEMBER 2017

**SILVER HERITAGE GROUP LIMITED**

**ASX ANNOUNCEMENT – EXTRAORDINARY GENERAL MEETING PRESENTATIONS**

In accordance with the ASX Listing Rules, the Chairman's address to the Annual General Meeting is appended. The CEO's presentation was released to the market on 28 September 2017.

**Kim Clark**  
Company Secretary

**About Silver Heritage**

Silver Heritage is an experienced regional gaming operator that operates and manages casinos in Nepal and Vietnam. Operating across Asia for more than 13 years, Silver Heritage brings best-in-class gaming operations to emerging gaming markets that are witnessing significant growth in gaming due to rising income levels and liberalisation of gaming regulations and rapid growth of outbound Chinese and Indian tourism.

**Further information:**

Mike Bolsover  
Managing Director  
Silver Heritage Group Limited

Michael Brown  
Investor Relations  
Silver Heritage Group Limited

### **Forward Looking Statements**

*This announcement contains forward-looking statements. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to our management. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections.*

For personal use only

## Chairmans Address

Some 4 months has passed since the first Annual General Meeting of your company, and how things have changed in that time! When the AGM convened in May, there was a justified apprehension as to whether the company could raise the additional capital required to complete the construction of Tiger Palace Bhairahawa. As I said at the AGM, the challenge then was to find a way, and not a way out. It is a tribute to the resilience and belief of our shareholders that we were able to raise an additional A\$19.1 million by way of the accelerated non-renounceable entitlements issue completed last month. I am delighted to report that Tiger Palace Bhairahawa is now open for business, with all 100 hotel rooms available to the market, and the resort fully functional, with the exception of the casino which is scheduled to open, within budget, at the end of November this year. Our Chief Executive Officer, Mike Bolsover, will provide more information shortly.

Obviously it is still early days in the life of Tiger Palace, and there is much to do to build Tiger Palace into the world class resort that we believe it will become. With Tiger Palace now open, the challenge for us as a Board and management team is to strengthen the company, and ensure that it has the right resources available to take it forward. You will have noted from our ASX filings that changes have been made to the company's executive staff, in the interests both of reducing costs and supplementing the capabilities of the management team. Much has been learned since the engagement of a new Tiger Palace project team in March, and our internal controls, reporting and systems have been overhauled to ensure that management and the Board have timely and sufficient information available to them to enable good decisions.

This background brings me to the purpose of today's Extraordinary General Meeting. The Notice of Meeting contains 3 resolutions which you will soon be asked to consider and vote upon. The first resolution concerns the approval of a grant of performance rights to Mike Bolsover, pursuant to the company's Long Term Incentive Plan. As you know, Mike was a founder of Silver Heritage Limited, and was primarily responsible for driving the initial public offer of shares in your company. He has been CEO and Managing Director of Silver Heritage Group Limited since its listing on the ASX in August 2016.

Notwithstanding the issues which beset the company shortly after its listing, the Board considers that it is vital to both retain and incentivize Mike, and to further develop the organizational capacity to successfully execute the company's strategy. All executive bonuses which were expected to be paid in 2016 were voluntarily forgone by the management team, and no awards of performance rights were made under the company's long term incentive plan. Salaries have not been adjusted since listing. Extraordinary demands have been made upon our people over the past 12 months to identify, quantify and responsibly manage a multitude of challenges, both financial and operational.

The nature of the markets in which we have chosen to invest is that they present opportunities which are proportional to the challenges that must be overcome to crystallise those opportunities. Mike has been especially adept at managing key stakeholders, and particularly our local partners in Nepal and Vietnam, who have had to adapt to dealing with an Australian listed company, rather than a privately held BVI company. These relationships cannot be taken for granted; we operate in a highly competitive and politically sensitive industry, exploiting privileges conferred by governments. Our future success depends as much on

the continued successful management of our key stakeholders as it does on the operational performance of our properties.

While the quantum of the award of performance rights to Mr. Bolsover is significant, it is the Board's view that it is reasonable and appropriate. In order for all rights to vest, corporate performance hurdles, set over 3 years, must be met, which are set out in detail in the Explanatory Memorandum sent to shareholders. The achievement of these hurdles will require significant focus, commitment and teamwork by management, and will mean that the company is on a sound footing for further growth. In addition, Mr. Bolsover must remain in the employment of the company until the end of 2019 for all of the performance rights to vest. This is no lay down misère; the achievement of the reward which the performance rights represent will require a sustained level of strong performance, and does not limit the options available to the Board to deal with unsatisfactory performance.

In regard to Resolutions 2 and 3, the Explanatory Memorandum explains the background to both the issue of re-priced options to our primary source of debt capital, OCP, and the issue of shares in lieu of cash fees to the sub-underwriters of both the institutional and retail components of the recent entitlements offer, which helped to preserve the cash available to the company.

Refreshing the company's 15% placement capacity is being done as a matter of good housekeeping. As stated in the Explanatory Memorandum, there is no current intention to issue further securities in the company.

The Board of Silver Heritage is of the view that the resolutions are reasonable and prudent in the circumstances and encourages shareholders to vote in favour of each of them.