

25 May 2018

SILVER HERITAGE GROUP LIMITED

ASX ANNOUNCEMENT – ANNUAL GENERAL MEETING PRESENTATIONS

In accordance with the ASX Listing Rules, the Chairman's and Chief Executive Officers addresses to the Annual General Meeting are appended.

Kim Clark
Company Secretary

About Silver Heritage

Silver Heritage is an experienced regional gaming operator that operates and manages casinos in Nepal (under its own licence) and in Vietnam (in partnership with a licence holder). Operating across Asia for more than a decade, 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. Silver Heritage has built and opened South Asia's first Integrated Resort, Tiger Palace Resort Bhairahawa, in Nepal close to the border with India's most populous state, Uttar Pradesh. www.silverheritage.com.au

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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.

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Chairman's Address

Ladies and gentleman and fellow shareholders,

I would like to start by thanking David Green and Richard Barker, the two remaining non-executive directors from the time of the Company's IPO, who recently stepped down from the Board, for their contributions.

The Board remains committed, energized and highly engaged in helping to oversee the execution of the Company's strategy going forward, and we are in the latter stages of appointing a new Independent Non-Executive Chairman.

The 2017 financial year was a challenging one for the company, and I would like to thank all of our shareholders for their support and patience. However, it is also important to highlight the success and progress the Company made during the year. In particular, the completion of construction of Tiger Palace, and the opening of the Company's first owned and operated Integrated Resort. Our other major asset, Phoenix International Club in Vietnam, also reported a record performance during the year. We are now positioned with a portfolio of intrinsically valuable operating assets with positive long term trends and the challenge for us as a Company is to unlock this value.

The key to this in the short term in particular is Tiger Palace. As Mike will talk to, Tiger Palace is achieving steady growth in footfall, gaming and non-gaming revenue. However, the cash burn in start up phase, coupled with the underperformance of our two other operating businesses in Q1 this year means that there will be some pressure on liquidity in the second half of the year. The Company is actively assessing various options to address this. The management team is implementing a range of cost reduction initiatives across the business, and the Board has contributed by agreeing to halve their cash remuneration.

The Company is also working through other transitional issues. It is clear that the relationship with our local partner in Nepal has run its course. Several high quality parties have expressed interest in partnering with us in Nepal. The company is actively engaged in discussions in this regard and will update the market as and when further progress has been made on this.

Finally, I would note that operating in the markets in which Silver Heritage does is challenging, and I thank Mike Bolsover and his team for the tireless effort they apply to running the Company.

Thank you.

Chief Executive Officer's Address

Thank you Chairman.

Fellow shareholders and directors, ladies and gentlemen, good morning and welcome to the 2018 Silver Heritage AGM. It's a pleasure to be here in Sydney and to address you at our second AGM as a public listed company.

We have come a long way since the last AGM - held on this exact date in 2017 - and despite various headwinds and hurdles we successfully completed the build and launch of South Asia's first Integrated Resort. Tiger Palace Resort is located in the flat lands of Southern Nepal adjacent to the Indian border, and the resort had its Casino Grand Opening on 16th March 2018. We are excited by the early performance and by the great potential of the platform we have established, and also of our new hires including Resort GM Brett Model and his team. We have a truly world class asset in a region and location with strong fundamentals, one from which Management as a whole will seek solid returns for our shareholders and an amazing experience for guests of Tiger Palace.

We remain focused on each of our operations in both Nepal and Vietnam, all three of which are now in full operation and present significant opportunity, in countries where we have been operating for over six years.

I am pleased to be able to update shareholders on how each of our regional operations have performed so far in 2018. I am also pleased to take this opportunity to show you all more images of the fantastic property at Tiger Palace Resort in Nepal, and to update you on our progress thus far and the near-term development of regional infrastructure. This update is supported by the presentation which was released to the market this morning and is on the screen.

Our Operations

The first seven weeks of trading in Q2 2018 have been much stronger than Q1 2018, following a challenging first 90 days in the year at the mature properties of Phoenix in Vietnam and The Millionaires Club in Kathmandu, Nepal, and during the initial ramp-up at Tiger Palace.

Total Adjusted EBITDA in the first quarter for the Group was negative US\$1,943,000 (US\$1,809,000 of this being cash drag from the ramp up at Tiger Palace), though April 2018 was a positive month of Operating Cashflow at Group level and we have also had a strong May to date, particularly in Vietnam and in Kathmandu.

Nevertheless during the ramp-up phase of Tiger Palace, the Board continues to assess all strategic and financial options to ensure adequate funding is available to maximise long-term value for shareholders.

We expect to maintain the positive momentum in Phoenix with the upcoming opening of a further 80 hotel rooms in June, and the recent opening of a new Korean restaurant at the property, and whilst the market in Kathmandu remains competitive, we are using our experience to ensure we can compete effectively and profitably.

Tiger Palace Resort Bhairahawa is situated between two incredible and captivating UNESCO World Heritage sites in Lumbini - the birthplace of Lord Buddha, and Chitwan - a beautiful safari park containing Tiger, Elephant, and Black Rhino.

Coupled with an excellent location, the fundamentals of the Tiger Palace investment proposition remain strong. From an infrastructure perspective the new 6-lane highway from the Indian border past Tiger Palace and through towards Kathmandu is in the final stages of completion, and the new 3,200 metre runway has been laid at the local domestic airport in Bhairahawa, and the new facilities including customs and immigration are almost 50% complete with a revised opening target of September 2019. The plans are for Bhairahawa International Airport to process at least 30% of all inbound international air traffic into Nepal.

Silver Heritage Outlook

I look forward to the rest of 2018 - to continuing the early progress at our Integrated Resort in Bhairahawa, Nepal and to continued growth in our operating casinos in Bac Ninh, Vietnam and in Kathmandu, Nepal. My fellow directors Matthew, Robert, and I, together with our management team, thank you all for your time today and for your continued support.

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