



BHL Annual General Meeting (28 May 2018)

Chairman's address by Dr Saliba Sassine.

Good afternoon ladies and gentlemen and welcome.

As your Chairman, I am honoured to be addressing the second Annual General Meeting of Boyuan Holdings Limited (BHL) and I am delighted you have been able to join us today. Since our first AGM last year, your company has continued to make significant progress in building a strong platform for our growth in the Australian market.

Throughout 2017, BHL has continued to develop a diversified growth platform as part of our strategic focus on creating and delivering market-leading, quality residential and commercial communities where Australians live and work. It was somewhat of a transitional year, one in which we solidified our foundations to continue to expand the business.

Just last month, after being granted development consent, construction started on one of our new communities at Austral Green and this was indeed a significant milestone for all of us. As you will be aware, the Austral subdivision, with 158 housing lots, is in a prime location in one of Australia's fastest growing regions, ideally located near the second Sydney airport and close to other major infrastructure projects. Austral Green is just one example in our expanding portfolio of development and management projects, in the south-west and north-west growth corridors of Sydney.

As the full potential of this key growth area is realised, so too will the growth potential of BHL.

Financial Results

As detailed in the BHL Annual Report, available online and in hard copy here today, the financial results for the 2017 financial year were pleasing. The results reflect significant investments we have made to expand our existing Australian operations, together with costs associated with strategic asset acquisitions to deliver future growth.

For the year-ending 31 December 2017, BHL reported a profit after tax of \$1.27 million compared to \$261,000 the previous year. The major contributing factors included profit on the sale of the Group's Chinese operations, partially offset by losses in the Australian business related to property acquisition costs and continued investments. In October last year, many of you here today attended the Extraordinary General Meeting which approved the sale of the Jiaying Project.

The sale of the residential and commercial mixed-use development in Jiaxing Zhejiang Province in China, delivered \$6.4 million and further strengthened our balance sheet. Importantly, it's allowed us to solely focus on the Australian market, actively pursuing a number of emerging opportunities in other complementary sectors, such as the fast-growing lifestyle living sector. This strategy is further diversifying and growing BHL's asset base, for the benefit of our shareholders.

Our positive financial result reflects how our diversified investments have progressed our existing operations over the past 12 months and secured the solid platform required for our future growth. We are now at the beginning of a new and exciting period for BHL and for our shareholders.

Property Update

BHL has capitalised on local market opportunities and has secured a pipeline of quality residential and commercial project management opportunities. We've entered into a new strategic services arrangement with private investment company developer Cyan Stone Pty Ltd, which will see us manage the development of Cyan Stone's existing and future projects. BHL have been focused on the high-growth corridors of south-western and western Sydney, where there continues to be strong demand for housing and the need for new infrastructure. Our strategy has already been rewarded, with the NSW and Federal Governments targeting the Region for a once-in-a-lifetime transformation and the creation of the new 'Western Parkland City'. We are looking forward to the construction of world-class road, rail, aviation and digital infrastructure across the Region and the range of benefits it will bring to Cyan Stone and BHL's developments and associated investments.

In addition to the project at Austral, we've progressed a number of other developments over the past 12 months. At Marsden Park, a 10.52ha site on the Richmond Road, which includes the historic Clydesdale Estate, we've accelerated a number of DAs for an urban village. This will comprise homes, a retail and entertainment precinct and a range of recreational activities. It will be a unique "generational living" community, where residents can be born, raised, work and retire in the same area, with large, open green spaces offering locals a healthy, eco-friendly environment.

In the Hunter Valley, land for the proposed Lochinvar and The Hermitage developments is undergoing Re-Zoning and works for a sub-division at Radford Park are expected to commence this year. A Masterplan is now being developed for Murray's Rise and BHL is working with some of Australia's leading architects to explore options for the site, including a world-class accommodation resort and the creation of a retirement living community.

One of BHL's most significant project management opportunities is the Northern Gateway site at Badgerys Creek, one of the largest single-owner land holdings in the Western Sydney Priority Growth Area. The proposed Masterplan includes an exciting combination of a mixed "employment hub", including commercial, industrial, education, medical and research, entertainment, retail and tourism. It is anticipated that up to 38,000 jobs will be created as a result of this development. BHL is managing this project on behalf of the prospective land owner, Cyan Stone.

BHL is leading a consortium of local and international partners to deliver the proposed Masterplan, including world renowned neurosurgeon, Dr Charlie Teo, Western Sydney University, Scentre Group, operators of Westfield and international logistics group, LOGOS.

We have also enhanced our property portfolio with the strategic acquisition of several, key lifestyle living and retirement assets in regional New South Wales at Muswellbrook, Harrington, Tamworth and Green Point, as well as the separate purchase of the Armidale Tourist Park. I'm pleased to report that our investments in this fast-growing sector, where the market is expected to double over the next 20 years, have already exceeded our expectations.

We're delivering high quality, affordable housing and community lifestyle and leisure facilities for a growing number of retirees and generating long-term residential income streams for BHL investors.

We continue to work with our partner, Land Lease Lifestyle Communities (LLLC), to identify, acquire, develop and operate new communities across NSW.

BHL also entered the hotels and hospitality sector with the acquisition of the popular Peachtree Hotel, which is well-placed within the Penrith CBD expansion zone.

Integer Update

BHL's 65% ownership of Integer Securities has allowed us to actively pursue additional investment opportunities in other key sectors that will further enhance our performance. It is providing a solid platform to leverage networks, capability and financial resources to identify and capitalise on local market opportunities.

Integer will be supporting BHL's operations and helping facilitate our future growth strategy for the diversification of our investment portfolio for the benefit of our shareholders.

Conclusion

Ladies and gentlemen, on behalf of your Board, I am enormously encouraged by the progress of BHL over the past 12 months and how we are delivering on our business strategies. The 2017 year was one of sustainable growth and value creation for our shareholders. Our strategy will ensure an exciting future for BHL and drive long-term value creation for our shareholders.

We are confident that the year ahead will offer BHL many opportunities and we remain confident that we can take advantage of them all. Thank you for your continued support of BHL and I look forward to sharing further updates with you as we move forward.