

APPENDIX I

CHAIRMAN'S ADDRESS

Dear Shareholders, dear fellow directors

I am pleased to announce we are now entering into the final phase of fulfilling our mission to you – the mission to create, unlock and return the proceeds of the sale of the BGP Investment portfolio to its ultimate shareholders.

As you are aware, this has not been an easy task. The company that was spun off to you via an in specie dividend in 2009 had zero value, a victim of the real estate slump in Europe off the back of the global financial crisis, coupled with a loss of strategic direction from the ill-fated joint venture between GPT and Babcock & Brown.

Over the following years the BGP Group was rebuilt. The light industrial portfolio was written off, the retail portfolio nurtured to provide cashflow to repay the company's excessive debt and the German residential portfolio fundamentally restructured to eventually become the core of the valuable assets we have just sold. BGP transformed itself from a loose, unfocused holding company to a respected full-service property enterprise. This was reflected in the final sale price to a highly regarded and discerning buyer. We are proud of our achievement.

Proceeds of sale and liquidation

Following the sale BGP declared an initial dividend of EUR 407 million, followed by a capital reduction of EUR 136 million at the EGM earlier this year. There is a further EUR 20 million held in escrow accounts, the release of which will be determined over the next 15 months by events beyond our control. Any remaining funds will be distributed to you upon liquidation of the BGP companies, which we expect to complete around in early 2020.

Due to the complex nature of cross border real estate companies BGP has retained a legacy of some 40 subsidiaries which need to be wound up in an orderly fashion. We are working intensively on this project at present. We need to be conscious of tax implications of these liquidations, as well as warranties to be respected from previous asset sales.

The staff of BGP Investment were employed by the company which was sold last year, so the current team is fully outsourced to professional advisors reporting to this Board.

Shareholder Database

Through our share registry agent, Link Market Services, we have been made aware that a significant number of shareholders, over 9,500, have not claimed their dividends, amounting to around A\$10.3 million. This is largely due to investors not updating their account details over the period when no dividend was paid. We are working with Link and with the previous shareholder to reach out to these holders to ensure all investors share in the BGP success story.

I would like to take this opportunity to express my thanks to the past directors and staff in Luxembourg as well as the current Malta directors.

Roderick McGeoch
Chairman