

Notice of General Meeting

Notice is hereby given that a General Meeting of Oceania Capital Partners Limited ACN 111 554 360 ("the Company") will be held as follows:

Date: 25 July 2019
Time: 10.00am
Venue: BDO
Level 11, 1 Margaret Street
Sydney, NSW

Resolution 1: Delisting from Australian Securities Exchange (ASX)

To consider, and if thought fit, pass the following resolution as a special resolution:

"That, conditional on approval of Resolution 2, for the purpose of ASX Listing Rule 17.11 and for all other purposes, Shareholders approve the Company's removal from the official list of ASX on a date to be decided by ASX (being a date no earlier than one month after the date this resolution is passed), and that the directors of the Company be authorised to do all things reasonably necessary to give effect to the delisting of the Company from ASX."

Resolution 2: Off-market equal access buy back

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That, conditional on approval of Resolution 1, in accordance with section 257C(1) of the Corporations Act and for all other purposes, the Shareholders authorise and approve an off-market buy back of up to a total of 10,570,000 of the Company's issued ordinary shares on the terms described in the Explanatory Statement which accompanies this Notice of Meeting."

Note: Resolution 2 is conditional on the approval of Resolution 1. In the event that Resolution 1 is not approved, Resolution 2 will not be put to a Shareholder vote.

IMPORTANT NOTES

Registration at meeting

The General Meeting is a meeting of shareholders and their representatives. Accordingly, in order to enter the meeting, it will be necessary for all attendees to register their attendance and be issued with an admission card. A registration desk will be located in the foyer.

At the discretion of the Company and subject to capacity, visitors will be allowed to enter the meeting. All visitors must also register before entering the meeting room.

Eligibility to vote

The Board of the Company has determined that, for the purposes of the General Meeting, shares will be taken to be held by the persons who are registered as shareholders as at 7.00pm (Sydney time) on 23 July 2019. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

If you wish to vote in person, you must attend the General Meeting. If you cannot attend the meeting, you may vote by proxy, attorney or by appointing a corporate representative if you are a body corporate.

Proxies

Number of proxies and proportion of votes per proxy

A shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote in their place. The appointment may specify the proportion or number of votes that the proxy may cast. A shareholder entitled to cast two or more votes may appoint a maximum of two proxies to attend and vote in their place and specify the proportion or number of votes which each proxy may exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes. Any fraction of a vote resulting from a shareholder appointing two proxies who are entitled to exercise the shareholder's voting rights in respect of a proportion of the shareholder's shares is to be disregarded.

Proxy need not be shareholder

A proxy need not be a shareholder of the Company.

Proxy may be individual or body corporate

A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the proxy form the name of the body corporate appointed as proxy.

Directing your proxy

You can direct your proxy how to vote by marking the "for", "against" or "abstain" boxes on the proxy form. If you choose to direct your proxy in relation to any resolution, but do not correctly mark either the "for", "against" or "abstain" box in relation to that resolution, the proxy's vote on that resolution will be invalid.

If you do not direct your proxy how to vote, that person may vote, or abstain from voting at their discretion, subject to the limitations noted below.

Lodgement of proxy forms

A proxy form is enclosed with this Notice of Meeting. A proxy form and the authority (if any) under which it is signed or a certified copy of that authority must be returned by no later than 10.00am (Sydney time) on 23 July 2019.

Please send your completed proxy form by mail or fax or deliver it to:

By mail:

Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001
AUSTRALIA

Fax:

1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

For delivery:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
SYDNEY NSW 2000
AUSTRALIA

Custodians:

Intermediary Online subscribers only (custodians) may lodge proxy instructions via www.intermediaryonline.com, to be received no later than 10.00am (Sydney time) on 23 July 2019.

Proxy forms may also be delivered or mailed to the Company's registered office at Suite 57, Level 3, 14 Narabang Way, Belrose, NSW 2085, Australia, by no later than 10.00am (Sydney time) on 23 July 2019.

Body corporate representatives

A body corporate which is a shareholder of the Company may appoint an individual to act as its corporate representative. The appointment must comply with the requirements of section 250D of the *Corporations Act* 2001 (Cth). The representative should bring to the meeting evidence of his or her appointment, including any authority (or a certified copy of the authority) under which it is signed.

Poll

On a poll, each shareholder eligible to vote and present either in person, by proxy, attorney or authorised representative has one vote for every ordinary share that they hold.

By order of the Board



Lionel Baldwin
Company Secretary
26 June 2019

GENERAL MEETING – 25 JULY 2019

EXPLANATORY STATEMENT

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Board which it considers may be material to the decision made by Shareholders on the Resolutions for consideration by the General Meeting. This Explanatory Statement (including the Independent Expert's Report on the Delisting and the Buy Back set out in Appendix 3) should be read carefully in conjunction with the Notice of Meeting.

1. Delisting from Australian Securities Exchange (ASX) (Resolution 1)

1.1 Overview

The Company seeks approval from Shareholders to remove the Company from the Official List (**Delisting**).

The Company has formally applied to ASX requesting that ASX remove the Company from the Official List under Listing Rule 17.11.

ASX has granted the Company's request to be removed from the Official List pursuant to Listing Rule 17.11, subject to compliance with the following conditions:

- (a) the Company's removal from the Official List is approved by a special resolution of the ordinary shareholders of the Company;
- (b) the notice of meeting seeking shareholder approval for the Company's removal from the Official List must include a statement, in form and substance satisfactory to ASX, setting out:
 - (i) that the removal will take place no earlier than one month after approval is granted;
 - (ii) the time and date at which the Company will be removed from ASX if that approval is given;
 - (iii) that if shareholders wish to sell their shares on ASX, they will need to do so before the Company is removed from the Official List; and if they do not, details of the processes that will exist after the Company is removed from the Official List to allow a shareholder to dispose of their holdings and how they can access those processes;
 - (iv) include, to ASX's satisfaction, information prescribed in section 2.11 of ASX Guidance Note 33; and
 - (v) details of the Buy Back (discussed in section 2), including the nominated timeframe by which the Buy Back will be undertaken; and
- (c) the Company releases the full terms of ASX's decision to the market upon making a formal application to ASX to remove the Company from the Official List.

In accordance with the conditions as stated above:

- (a) Resolution 1 seeks Shareholder approval via a special resolution for the removal of the Company from the Official List;
- (b) this Explanatory Statement includes the statements required by ASX's approval; and
- (c) the Company released the full terms of ASX's decision to the market upon making a formal application to ASX to remove the Company from the Official List in its announcement dated 24 May 2019.

The Company engaged Moore Stephens (Vic) Pty Ltd to prepare the Independent Expert's Report and opine on whether the Buy Back is fair and reasonable for Shareholders. The Independent Expert's Report is set out in Appendix 3 of this Explanatory Statement which Shareholders should read in its entirety.

The Independent Expert notes in the report that as the Buy Back is conditional on Shareholders voting to approve the Delisting, the report has been prepared to consider both the Buy Back and the Delisting as the **Proposal**. The Independent Expert has concluded that having regard to its assessed value of the Shares, the Buy Back Price and the advantages and disadvantages of the Proposal, in the absence of a superior alternative, the Proposal is:

- (a) not fair but reasonable to Exiting Shareholders; and
- (b) fair and reasonable to Continuing Shareholders.

The proposed Delisting is considered by the Directors to be in the best interests of the Company for the reasons set out in this Explanatory Statement, particularly at section 1.2.

The Delisting may be perceived to have some disadvantages for Shareholders. Possible disadvantages are set out in section 1.3.

The Board recommends that Shareholders seek legal, financial and tax advice about the potential impact of Resolution 1, including the potential advantages and disadvantages of holding shares in a company that is not listed on ASX.

1.2 Summary of key reasons for seeking approval to delist and related advantages

The Directors' key reasons for recommending Shareholders approve the Delisting are as follows:

(a) Low levels of trading liquidity

- There is no liquid market in the Company's Shares on ASX.
- Over the past twelve months (to 23 May 2019) only 330,917 Shares traded, being 0.94% of the total shares on issue, with a total value of \$678,817.
- Of these Shares, 255,726 were purchased by the Company's directors/management, being 77.28% of total shares traded during this period and 0.73% of the total shares on issue.
- Trades over these twelve months not involving the Company's directors/management totalled only 75,191 shares (0.21% of the total shares on issue), with a total value of \$154,381.
- Trades occurred on only 25 of the last 90 trading days prior to the announcement of the Delisting and Buy Back. The low level of liquidity has resulted in limited trading opportunities for Shareholders who wish to exit their holdings.

(b) Concentrated shareholding

- The largest Shareholder, HCI, holds 21,046,213 Shares (59.74% of Shares on issue).
- The Company's directors/management collectively hold 6,302,989 Shares (17.89% of Shares on issue).
- The top twenty Shareholders hold 93.38% of the Shares on issue.
- Given the current and likely future levels of concentration of shareholdings and shareholder spread, an orderly and liquid market is unlikely.

(c) Other considerations

- Of the 572 Shareholders, approximately 169 hold a small holding (shareholding of \$500 or less).
- The Company does not have any requirement to raise capital either currently or in the foreseeable future.
- The Company's investing targets are small to mid-sized businesses which often operate in competitive environments and are generally concerned with the ASX disclosure obligations concomitant with being owned by an ASX listed entity.

(d) Costs and administrative burden associated with being listed

- If the Company is Delisted, the Directors expect that the Company will save the following expenses each year:

ASX listing fees	\$44,382
Other ASX compliance & registry costs	\$33,065
Audit and insurance costs	\$88,603
Total	\$166,050

- The above does not include any allocation of the cost of management's time taken up by matters associated with being listed.
- If the Company is Delisted, the Directors do not expect that the Company will incur any material additional expenses each year.

1.3 Potential disadvantages of the Delisting

The Directors have considered the potential disadvantages to the Company of Delisting, particularly:

(a) Shareholders' ability to sell Shares and realise their investment in the Company may be diminished

After the Delisting Date, as Shares will no longer be traded on ASX and will only be capable of sale by private transaction, the liquidity of Shares will be directly affected and is likely to be further diminished. However as noted above, the ASX market for Shares has generally been illiquid over the last 12 months, which the Directors consider has negatively affected the value of Shares. In order to provide Shareholders with the opportunity to realise their investment, if Resolution 2 is approved Shareholders will be given the opportunity to participate in a buy back. See section 2 for more information. After the Delisting, the Directors may consider measures designed to provide Shareholders with liquidity to realise their investment in the Company.

(b) If the Company is Delisted, it will have more limited means by which it can raise capital by the issue of securities

Generally speaking, an unlisted company does not have the ability to raise capital from the issue of securities by means of limited disclosure fundraising documents. Therefore, the main means for the Company (as an unlisted company) to raise equity funds will be by way of an offer of securities pursuant to a full form prospectus or by way of placement to sophisticated and other investors who do not require a prospectus. Balanced against these considerations is the fact that the Company presently has sufficient capital for its needs in any event and is not proposing any fundraising in the immediate future.

(c) If the Company is Delisted, various requirements of the Listing Rules will no longer apply

The reduction of obligations associated with a listing on ASX may include relief from some reporting and disclosure requirements, removal of restrictions on the issue of Shares by the Company, requirements concerning significant changes to the Company's activities and relief from requirements to address ASX Corporate Governance Principles and Recommendations. The absence of continued restrictions in these areas may be perceived to be a disadvantage to some Shareholders, particularly minority Shareholders. These matters are further explained in section 1.5 below.

1.4 What approvals are required for the Delisting?

The Delisting is conditional on compliance with the conditions which ASX has imposed as part of its approval. Details of ASX's approval for the Delisting and the conditions attaching to that approval are described in section 1.1. ASX's conditions include that the Delisting is approved by a special resolution of Shareholders.

Accordingly, Resolution 1 is being put to Shareholders as a special resolution. Resolution 1 will be passed if at least 75% of the votes cast in person or by proxy by Shareholders at the Meeting who are entitled to vote on resolution 1 are cast in favour of Resolution 1. However, Resolution 1 will only take effect if Resolution 2 is also passed by the requisite majority (see section 2.5).

1.5 The effect of Delisting

If Shareholders approve Resolution 1 and Resolution 2, the Company will be removed from the Official List on a date to be decided by ASX (**Delisting Date**). The Delisting Date will be no earlier than one month after the date such Shareholder approval is obtained.

Set out below is an indicative timetable for removal from the Official List. The timetable is indicative only and may change. After the Meeting, an announcement will be made to ASX confirming the applicable dates of the delisting process.

Event	Date
General Meeting	25 July 2019
Suspension Date (date on which Shares are suspended from trading on ASX (subject to Shareholder approval of Resolution 1 and Resolution 2))	6 September 2019
Delisting Date (date on which Delisting is expected to take effect)	Close of trading on 9 September 2019

To provide Shareholders with the opportunity to realise their investment, Shareholders (if Resolution 2 is passed) will be given the opportunity to participate in a buy back. See section 2 for more information on the Buy Back. A more detailed timetable for the Delisting and Buy Back is set out in section 2.7. After the Delisting Date, Shares will only be capable of sale by private transaction. This may present difficulties to selling Shareholders.

In addition:

(a) Share numbers and share capital

The Company has 35,231,572 Shares on issue as at the date of this Notice of Meeting. There are no other classes of shares on issue in the Company other than the Shares and all Shares are fully paid. The Delisting will, of itself, have no impact on the number of Shares. However, if Resolution 1 and Resolution 2 are passed, the number of Shares on issue will be reduced in the manner set out in section 2.13.

(b) Control of the Company

As the Delisting does not result in the cancellation or transfer of any Shares, it does not (of itself) impact on the control of the Company. However, if Resolution 1 and Resolution 2 are passed, the number of Shares on issue will be reduced in the manner set out in section 2.13. The maximum potential effect of the Buy Back on control of the Company is set out in section 2.14. HCI has indicated that it supports the Delisting and intends to vote in favour of Resolution 1 to approve the Delisting.

(c) Assets, liabilities and creditors

The Directors consider that the Delisting will not adversely affect the Company's capacity to meet its existing and anticipated obligations and pay its debts as and when they fall due. As noted above, the Directors consider the Delisting will result in certain cost savings for the Company. Notwithstanding this, in the event that Resolution 2 is passed, the Company's cash assets will be reduced in the manner set out in section 2.13.

(d) Business

Following Delisting, the Company will conduct its business as usual.

(e) Continued regulation

While the Listing Rules will cease to apply to the Company, Shareholders will retain the protections afforded to them under the Corporations Act. The Company will continue to be subject to its obligations under the Corporations Act and the Company's Constitution, including:

- (i) while the Company has 100 or more Shareholders (ie is an "unlisted disclosing entity"), the Company will still be required to give continuous disclosure of material matters in accordance with the Corporations Act by filing notices with ASIC under section 675 of the Corporations Act and the Company will still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act, however if the Company ceases to be an unlisted disclosing entity there will be no ongoing requirement for the Company to give continuous disclosure of material matters under section 675 or lodge half-yearly financial statements reviewed by an auditor but as a public company it will continue to be required to lodge annual audited financial statements;
- (ii) while the Company has 50 or more Shareholders, the acquisition and control of Shares will continue to be subject to the takeover provisions in Chapter 6 of the Corporations Act;
- (iii) the restrictions on the giving of a financial benefit to a related party under Chapter 2E of the Corporations Act will continue to apply; and
- (iv) the majority of the provisions of the Constitution will not be affected by the Company ceasing to be listed and there is no present proposal to change the Company's Constitution following the Delisting.

(f) Share trading

If Shareholders wish to sell their Shares on ASX, they will need to do so before the Company is removed from the Official List.

After the Suspension Date, Shareholders wishing to trade their Shares will be entitled to transfer their Shares off-market to a willing third party purchaser in accordance with the Company's Constitution. Such a market may not be liquid and Shareholders will be personally responsible for sourcing potential purchasers of their Shares.

As indicated above, whole of company transactions where an offer is made to all shareholders, for example a takeover bid or a scheme of arrangement, would still be undertaken pursuant to the requirements in the Corporations Act. In the event of such a transaction, in line with regulatory requirements, Shareholders would receive all relevant information required to assess any such proposal.

After the Delisting, the Directors will continue to assess appropriate measures to enable Shareholders to realise the value of their investment in the Company.

1.6 What remedies may Shareholders pursue under the Corporations Act?

If a Shareholder considers the Delisting to be contrary to the interests of the Shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a Shareholder or Shareholders, it may apply to the court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

If a Shareholder considers that the Delisting involves "unacceptable circumstances", it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to *Guidance Note 1: Unacceptable Circumstances* issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

1.7 What happens if Resolution 1 is or is not passed?

If Resolution 1 **is not** passed:

- (a) unless a subsequent proposed delisting is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Company's Shares would remain listed on ASX; and
- (b) Resolution 2 would not be put to Shareholders and the Buy Back would not take place.

If Resolution 1 **is** passed:

- (a) Resolution 2 will be put to Shareholders; and
- (b) if Resolution 2 is passed, the Company's Shares will be removed from quotation on ASX (subject to ASX approval as noted above).

If Resolution 1 **is** passed but Resolution 2 **is not** passed:

- (a) unless a subsequent proposed delisting is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Company's Shares would remain listed on ASX; and
- (b) the Buy Back would not take place.

1.8 Directors' intentions

Each Director who is a Shareholder intends to vote in favour of Resolution 1. Particulars of each Director's relevant interest in Shares are set out in section 2.20.

1.9 Recommendations of Directors

The Board unanimously recommends Shareholders approve Resolution 1 for the reasons set out in this Explanatory Statement.

2. Off market equal access buy back (Resolution 2)

2.1 Background

As discussed in section 1, if the Delisting is approved, the Directors wish to provide Shareholders with the opportunity to realise their investment by way of participation in a share buy back. After the Company is Delisted, the Company's Shares will no longer be able to be traded on ASX and it will be more difficult for a Shareholder to dispose of their Shares. The Buy Back will give all Shareholders the opportunity to realise some or (subject to the cap on the Buy Back, described below) all of their investment in the Company.

2.2 What is a buy back?

Under a buy back a company buys back its own shares from its shareholders. Any shares bought back are then cancelled, with the result that the total number of the company's shares on issue is reduced by the number of shares bought back.

2.3 What is an equal access scheme?

An equal access scheme is a type of buy back under which a company seeks to buy back shares, with shareholders having an equal opportunity to participate in proportion to their holdings.

Section 257B of the Corporations Act requires an equal access scheme to satisfy the following conditions:

- (a) the offers under the buy-back must relate only to ordinary shares;
- (b) the offers must be made to ordinary shareholders to buy back the same percentage of their ordinary shares;
- (c) all of those persons must have a reasonable opportunity to accept offers made to them;
- (d) buy-back agreements must not be entered into until a specified time for acceptances of offers has closed; and
- (e) the terms of the offers must be the same.

The Buy Back proposed by the Company is an equal access scheme for the purposes of the Corporations Act.

ASIC's Regulatory Guide on Share Buy-Backs¹ states that a company may impose a cap on the number of shares that it is prepared to buy back and scale back shareholders' acceptances if the number of shares for which the company has received acceptances would otherwise exceed that cap. The Buy Back is subject to a scale back condition, described in section 2.11, that complies with ASIC's interpretation of the Corporations Act.

2.4 Why is Resolution 2 being put to Shareholders?

Before it can proceed, the proposed Buy Back requires Shareholder approval by way of an ordinary resolution.

Section 257C(1) of the Corporations Act provides that an equal access scheme share buy back which will result in more than 10% of a company's shares being bought back in a 12 month period must be approved by a resolution passed at a general meeting of the company.

As shown below in section 2.13, the maximum percentage of the Company's shares that could be bought back is approximately 30% and hence exceeds the 10% limit. Accordingly, the Company has sought Shareholders' approval for the Buy Back via Resolution 2.

¹ ASIC Regulatory Guide 110

Resolution 2 must be passed by more than 50% of the votes cast on the resolution at the General Meeting.

By voting in favour of Resolution 2, Shareholders will simply be authorising the Company to make the Buy Back Offer to Shareholders. If Resolution 2 is passed, each Shareholder will still be completely unfettered in their decision to sell all, some or none of their Shares to the Company in response to a Buy Back Offer.

2.5 Why are Resolution 1 and Resolution 2 conditional on each other?

Resolution 2 is conditional on Shareholders approving Resolution 1. That is, the Buy Back will not proceed if Shareholders do not approve the Company's removal from the Official List. Having regard to the impact that Delisting (if approved by Shareholders) would have on the Company as discussed in section 1, the Buy Back has been proposed solely for the purpose of giving Shareholders the opportunity to realise their investment and accordingly is only proposed to go ahead in the event that the Delisting is approved by Shareholders.

Resolution 1 is conditional on Shareholders approving Resolution 2. That is, even if Shareholders approve Resolution 1, the Delisting will not proceed if Shareholders do not also approve the Buy Back by approving Resolution 2. The Board considers it inappropriate for the Delisting to proceed without Shareholders having the ability also to realise all or part of their investment in the Company.

2.6 Overview of the Buy Back

The proposed Buy Back will operate in the following manner:

- (a) subject to a maximum number of Shares to be bought back under the Buy Back of 10,570,000 Shares, the Company will offer to buy back some or all of the Shares held by each Shareholder at a price of \$2.30 per Share (**Buy Back Price**);
- (b) the aggregate Buy Back Price will be satisfied by the payment of cash; and
- (c) if the number of Shares which Shareholders have elected to participate in the Buy Back exceeds 10,570,000 Shares, the Company will scale back the number of Shares to be bought back on a pro-rata basis.

2.7 Timetable

The indicative timetable for the proposed Delisting and Buy Back is set out below.

Event	Date ¹
Proxy cut off time	10.00am (Sydney time) 23 July 2019
General Meeting	25 July 2019
Ex-Entitlement Date for the Buy Back (Shares quoted on an ex-entitlement basis) ²	30 July 2019
Buy Back Record Date ³	7.00pm (Sydney time) 31 July 2019
Despatch of Buy Back Documents	5 August 2019
Opt-Out Period opens	5 August 2019
Opt-Out Election Cut-Off Date - Opt-Out Period closes	5 September 2019

Event	Date ¹
Announcement of the outcome of the Buy Back and details of any scale back	6 September 2019
Transfer to the Company of Shares bought back and cancellation of those Shares	6 September 2019
Payment of cash consideration	As soon as practicable after 6 September 2019, anticipated to be 13 September 2019
Suspension Date (date on which Shares are suspended from trading on ASX (subject to Shareholder approval of Resolution 1 and Resolution 2))	6 September 2019
Delisting Date (date on which Delisting is expected to take effect)	Close of trading on 9 September 2019

Notes:

1. The timetable is indicative only and is subject to change. Under ASX Listing Rule 3.20, the Company must give ASX not less than four business days' notice of a change to a proposed record date. The Company will also inform Shareholders of any changes to the indicative timetable by an ASX announcement. In the event that Resolution 2 is passed, the Directors will endeavour to despatch the Buy Back Documents as soon as practicable after the General Meeting.
2. Shares acquired on or after this date will not be registered in the new Shareholder's name in time for the Buy Back Record Date, so will not confer an entitlement to participate in the Buy Back.
3. At this time the Company takes a "snapshot" of its share register to determine which Shareholders, and for what number of Shares, are entitled to participate in the Buy Back.

2.8 Which Shareholders are eligible to participate in the Buy Back?

Shareholders who are listed on the Company's share register on the Buy Back Record Date (indicatively scheduled for 7.00pm (Sydney time) on 31 July 2019) will be eligible to participate in the Buy Back (**Eligible Shareholders**). Entitlement to participate in the Buy Back will be personal, and Eligible Shareholders will not be able to transfer their right to participate in the Buy Back to another person.

2.9 The Buy Back process

If Resolution 2 is passed, a separate Buy Back Offer and Opt-Out Election Form (the **Buy Back Documents**) will be sent to all Eligible Shareholders, which will contain further details on how to accept the Buy Back Offer. Shareholders can therefore vote in favour of Resolution 2 at the General Meeting but do not have to accept the Buy Back Offer.

On receipt of the Buy Back Documents, Eligible Shareholders will have three choices in relation to the Buy Back:

- (a) participate in the Buy Back in respect of all of their Shares, in which case they do not need to take any action (**Exiting Shareholders**);
- (b) sell some of their Shares, by completing and returning the Opt-Out Election Form in accordance with the instructions on the form (**Partially Exiting Shareholders**); or
- (c) retain all of their Shares, by completing and returning the Opt-Out Election Form in accordance with the instructions on the form (**Continuing Shareholders**).

In other words, if an Eligible Shareholder wishes to retain any or all of their Shares, they will need to submit an Opt-Out Election Form before the Opt-Out Election Cut-Off Date.

Eligible Shareholders may amend or withdraw an Opt-Out Election Form within the Opt-Out Period. Forms received after the Opt-Out Election Cut-Off Date will not be valid. Forms may be submitted by facsimile, scanned and emailed as well as by mail or physical delivery to the Company's registered office or Share Registry.

Eligible Shareholders should not sell any Shares for which they have accepted or are deemed to have accepted a Buy Back Offer, unless they first submit or amend their Opt-Out Election Form accordingly and ensure that they do so before the Opt-Out Election Cut-Off Date.

2.10 The Buy Back Price

The Buy Back Price is \$2.30 per Share. The Buy Back Price of \$2.30 represents a 13.3% premium to the 30 day VWAP as at 23 May 2019 of \$2.03.²

In determining the Buy Back Price, the Directors have sought to balance the interests of those Shareholders who wish to participate in the Buy Back with those Shareholders who wish to retain their Shares. The Board has also sought to ensure that the Company remains properly funded to continue its activities as may be required.

The Buy Back Price will be paid in cash, and will be funded by the Company's existing cash reserves and (if required) cash raised from realising some of the Company's investments in top 20 ASX listed stocks and exchange-traded funds.

2.11 Potential scale back

The Company has capped the total funds available for the Buy Back at \$24,311,000, which equates to 10,570,000 Shares (comprising 30% of the issued capital of the Company).

If the number of Shares which Shareholders have elected to participate in the Buy Back exceeds 10,570,000 Shares, the number of Shares bought back from each participating Shareholder will be reduced by the same proportion to ensure that the Company does not buy back in excess of 10,570,000 Shares in aggregate under the Buy Back. If the scale back results in there being less than a whole number of Shares which would be bought back from a Shareholder, the number of Shares bought back from that Shareholder will be rounded down to the nearest whole number of Shares.

The intentions of HCI and the directors regarding their participation in the Buy Back are set out in sections 2.19 and 2.20. If their actual participation is in accordance with those intentions, there will be less than 10,570,000 Shares available to be bought back with the result that scale back will not be required.

2.12 Independent Expert's Report

The Company engaged Moore Stephens (Vic) Pty Ltd to prepare the Independent Expert's Report and opine on whether the Buy Back is fair and reasonable for Shareholders. The Independent Expert's Report is set out in Appendix 3 of this Explanatory Statement which Shareholders should read in its entirety.

The Independent Expert notes in the report that as the Buy Back is conditional on Shareholders voting to approve the Delisting, the report has been prepared to consider both the Buy Back and the Delisting as the **Proposal**. The Independent Expert has concluded that having regard to its assessed value of the Shares, the Buy Back Price and the advantages and disadvantages of the Proposal, in the absence of a superior alternative, the Proposal is:

- (a) not fair but reasonable to Exiting Shareholders; and
- (b) fair and reasonable to Continuing Shareholders.

² The volume weighted average price (**VWAP**) per Share over the 30 day period to 23 May 2019 (being the date immediately preceding the announcement on ASX of the proposed Delisting and Buy Back).

2.13 The financial effect of the Buy Back on the Company

(a) Share numbers and share capital

The Company has 35,231,572 Shares on issue as at the date of this Notice of Meeting. If the Buy Back is approved, the Company will, under the Buy Back, offer to buy back up to 10,570,000 Shares, comprising 30% of the Company's issued capital. Shares that are bought back will be cancelled. The Buy Back may therefore reduce the number of Shares on issue from 35,231,572 to a minimum of 24,661,572. However, the precise number of Shares which are cancelled as part of the Buy Back will depend on the extent to which Shareholders participate in the Buy Back.

(b) Assets, liabilities and creditors

As at the date of this Notice of Meeting, the Company has approximately \$19 million in available cash and approximately \$20 million in investments in highly liquid top 20 ASX listed stocks and exchange-traded funds. If the Buy Back is approved by Shareholders, the Company will, under the Buy Back, offer to buy back up to 10,570,000 Shares at the Buy Back Price. The Company's cash assets (including, if required, cash raised from the realisation of some of the Company's listed investments) would decrease to the extent that Shareholders elect to participate in the Buy Back. The maximum decrease in the Company's cash assets (assuming 100% take up of the Buy Back) would be \$24,311,000 (excluding costs). Notwithstanding the reduction in cash, the Directors do not consider the Buy Back will adversely affect the Company's capacity to meet its existing and anticipated obligations and pay its debts as and when they fall due.

2.14 The potential effect of the Buy Back on control of the Company

The Company's Shareholders with beneficial interests of 5% or above, according to notices filed by them, are set out in the table below, along with their pre Buy Back shareholdings and voting power in the Company as at the date of the Notice of Meeting.

The major Shareholders' voting power in the Company post the Buy Back will only increase where they have elected not to participate under the Buy Back and other Shareholders have, thereby resulting in a dilution of the Company's shares and an increase in their voting power post the Buy Back.

The table below shows these major Shareholders' post Buy Back shareholdings and maximum changes in voting power in the Company in two scenarios:

- (a) Scenario 1 - where a particular major Shareholder does not participate in the Buy Back and other Shareholders (including at least one of the other major Shareholders) participate in the Buy Back up to the full cap of 10,570,000 Shares;
- (b) Scenario 2 – where all of the major Shareholders do not participate in the Buy Back (resulting in there being 9,428,502 Shares available for the Buy Back) and other Shareholders participate in the Buy Back up to the 9,428,502 Shares available.

Substantial Shareholder	Pre Buy Back		Post Buy Back			Change Scenario 1	Change Scenario 2
	Shares	Voting power	Shares	Voting power	Voting power		
				Scenario 1	Scenario 2		
HCI ¹	21,046,213	59.74%	21,046,213	85.34%	81.56%	25.60%	21.82%
Brian Scheiner ²	2,371,430	6.73%	2,371,430	9.62%	9.19%	2.88%	2.46%
Michael Jacobson ³	2,385,427	6.77%	2,385,427	9.67%	9.25%	2.90%	2.48%

Notes:

1. Based on the substantial holder notice lodged by HCI dated 30 September 2016.
2. Based on change of director's interest notice lodged on 24 December 2018.
3. Based on change of director's interest notice lodged on 20 August 2018.

If these major Shareholders participate in the Buy Back pro-rata to other Shareholders (with the scale back applied), their voting power in the Company will not change post the Buy Back.

2.15 Potential advantages of the Buy Back

In unanimously recommending the Buy Back to Shareholders, the Directors have carefully considered the potential advantages and disadvantages for Exiting Shareholders, Continuing Shareholders and Shareholders generally. Those advantages and disadvantages are summarised below. To the extent that a Shareholder is a Partially Exiting Shareholder, all of those considerations will be relevant in relative proportion to the number of Shares bought back and the number of Shares that are retained following implementation of the Buy Back, if it is approved.

From the perspective of Exiting Shareholders

- (a) All other things being equal, Exiting Shareholders will have the opportunity to sell their Shares prior to the proposed Delisting at a price which is likely to be above the market price that would be available on ASX (taking into account the likely impact of that selling activity on the prevailing market price)**

The Buy Back Price represents a 12% premium to the last traded price prior to the announcement of the Proposal on 24 May 2019 and a 5% premium to the highest traded price in the 12 month period prior to the announcement of the Proposal.

Given the historic illiquidity of the Shares, there is no guarantee that Shareholders could achieve such a return on-market if the Buy Back did not proceed.

The Buy Back should enable Shareholders to sell a significant volume of Shares which may otherwise be difficult to do via ASX due to recent trading levels in the Company's Shares.

- (b) The Independent Expert has concluded that the Proposal is not fair but reasonable to Exiting Shareholders**

The Independent Expert has concluded that the Proposal is not fair for Exiting Shareholders as the Buy Back Price is below the Independent Expert's assessed value range for a Share of between \$2.44 and \$2.75.

However, the Independent Expert has concluded that the Proposal is reasonable for all Shareholders, including Exiting Shareholders, because it considers that the advantages of the Proposal outweigh the disadvantages of the Proposal from the perspective of both Exiting Shareholders and Continuing Shareholders.

Refer to section 10 of the Independent Expert's Report attached as Appendix 3 for the Independent Expert's assessment of the advantages and disadvantages of the Proposal.

- (c) Exiting Shareholders will avoid ongoing exposure to the risks associated with the Company's business**

There are a number of risks associated with the Company's business, including general risks and risks specific to the Company's business. These risks are set out in detail in Appendix 1 of this Explanatory Statement. These risks, if they eventuate, could negatively affect the value of a continuing investment in the Company and/or reduce the Company's ability to pay dividends.

The Buy Back gives Exiting Shareholders the opportunity to realise the value of all of their Shares and, following implementation, avoid ongoing exposure to the risks associated with the Company's business.

(d) Exiting Shareholders will be able to dispose of the Shares without incurring brokerage costs

Exiting Shareholders will have the opportunity to dispose of all of their Shares without incurring any brokerage or other transaction costs, being costs which are likely to apply to any disposal of Shares through an on-market sale.

(e) Exiting Shareholders will be able to redeploy funds

Exiting Shareholders will have the opportunity to redeploy funds realised from the disposal of their Shares into other value-accretive and liquid investments.

From the perspective of Continuing Shareholders

(f) Continuing Shareholders will be able to participate in any potential upside associated with an investment in the Company

For those Shareholders that wish to maintain their investment in the Company, they may submit an Opt-Out Election Form and remain a Continuing Shareholder. Continuing Shareholders will retain the ability to participate in any potential valuation upside associated with a continued holding of Shares, as well as the benefit of any future dividends or capital returns (recognising that Continuing Shareholders will retain their investment in what would then be an unlisted entity, which will reduce Continuing Shareholders' ability to realise their investment).

(g) Continuing Shareholders' interest in the Company will increase

The proportionate percentage shareholding of Continuing Shareholders in the Company (and hence their relative voting and economic interests) will increase as a result of the cancellation of up to 10,570,000 Shares held by Exiting Shareholders and Partially Exiting Shareholders.

(h) The Independent Expert has concluded that the Buy Back is fair and reasonable to Continuing Shareholders

The Independent Expert has concluded that the Proposal is fair for Continuing Shareholders as the Buy Back Price is below the Independent Expert's assessed value range for a Share of between \$2.44 and \$2.75.

The Independent Expert has also concluded that the Proposal is reasonable for all Shareholders, including Continuing Shareholders, because it considers that the advantages of the Proposal outweigh the disadvantages of the Proposal from the perspective of both Exiting Shareholders and Continuing Shareholders.

Refer to section 10 of the Independent Expert's Report attached as Appendix 3 for the Independent Expert's assessment of the advantages and disadvantages of the Proposal.

(i) The Company will no longer be subject to the regulatory obligations and costs associated with being listed on ASX

If the Buy Back is approved and implemented, the Company will be Delisted. Continuing Shareholders will be able to maintain their investment in what would then be an unlisted entity that is no longer subject to the regulatory obligations and costs associated with being an ASX listed entity. This will free up time and resources for the Company's directors and management to focus on the Company's business and deliver annual cost savings. Any consequential improvement in the Company's financial performance will flow exclusively to the Continuing Shareholders.

2.16 Potential disadvantages of the Buy Back

The potential disadvantages of the Buy Back from the perspective of Exiting Shareholders and Continuing Shareholders are summarised below. To the extent that a Shareholder is a Partially Exiting Shareholder, all of those considerations will be relevant in relative proportion to the number of Shares bought back and the number of Shares that are retained following implementation of the Buy Back, if it is approved.

From the perspective of Exiting Shareholders

(a) Exiting Shareholders will have their Shares cancelled and cease to have any rights as a member of the Company

Exiting Shareholders will have their Shares bought back and cancelled in exchange for the Buy Back Price. They will then cease to have any rights as a member of the Company, which includes losing the rights to participate in any potential valuation upside associated with a continued holding of their Shares, as well as any future dividends or capital returns.

(b) Exiting Shareholders may not receive fair value for their Shares

The Independent Expert has concluded that the Proposal is not fair for Exiting Shareholders as the Buy Back Price is below the Independent Expert's assessed value range for a Share of between \$2.44 and \$2.75.

From the perspective of Continuing Shareholders

(c) Continuing Shareholders will have ongoing exposure to the risks associated with the Company's business

There are a number of risks associated with the Company's business, including general risks and risks specific to the Company's business. These risks are set out in detail in Appendix 1 of this Explanatory Statement. These risks, if they eventuate, could negatively affect the value of a continuing investment in the Company and/or reduce the Company's ability to pay dividends.

(d) The Buy Back reduces the Company's cash levels

As a result of the Buy Back, there will be a reduction in available cash by up to \$24,311,000 and thus the Company's ability to use that cash for other purposes, including acquisitions. The Company will also incur some expenses relating to printing, mailing and registry costs, which are not considered material).

(e) Effect on control of the Company

The Buy Back would, if approved and to the extent that Shareholders participate in it, result in the cancellation of Shares and therefore impact on the control of the Company. The maximum potential effect of the Buy Back on control of the Company is set out in the table in section 2.14.

In particular, if HCI's voting power following implementation of the Buy Back exceeds 75%, it will have the power to carry special resolutions (except where it is excluded from voting) including in respect of a change of the Company's name, an amendment of the constitution, a change of company type, varying class rights and winding up.

Please also refer to sections 1.3 (Potential disadvantages of Delisting) and 1.5 (Effect of Delisting), as these are particularly relevant to Continuing Shareholders.

Refer also to section 10 of the Independent Expert's Report attached as Appendix 3 for the Independent Expert's assessment of the advantages and disadvantages of the Proposal.

2.17 What are the tax implications of the Buy Back?

Please see Appendix 2 for a summary of the tax implications of receiving the Buy Back Price.

2.18 What if Resolution 2 is or is not passed?

If Resolution 1 **is not** passed, then Resolution 2 will not be put to Shareholders.

If Resolution 1 **is** passed but Resolution 2 **is not** passed:

- (a) unless a subsequent proposed delisting is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Company's Shares would remain listed on ASX; and
- (b) the Buy Back would not take place.

If Resolution 1 and Resolution 2 are passed:

- (a) the Delisting would take place; and
- (b) the Buy Back would take place giving Shareholders the opportunity to have all or (in the case of a scale back or election in the Opt-Out Election Form) part of their Shares bought back at the Buy Back Price prior to Delisting taking place.

Voting in favour of Resolution 2 does not require you to sell your Shares to the Company under the Buy Back. Participation in the Buy Back, if it is approved, is entirely voluntary.

2.19 HCI's intentions

HCI has indicated that it supports the Delisting and intends to vote in favour of Resolution 2 to approve the Buy Back. HCI has also indicated that it does not intend to participate in the Buy Back.

2.20 Directors' interests

Brian Scheiner and Michael Jacobson represent HCI on the Board.

No Director will receive any payment or benefit of any kind as a consequence of the Buy Back other than in their capacity as a Shareholder.

Directors who hold Shares at the Buy Back Record Date will be able to participate in the Buy Back to the same extent as all other Shareholders.

As at the date of the Notice of Meeting, the Directors have the following relevant interests in Shares. The intentions of the Directors and/or their associated entities (if any) to participate in the Buy Back are also indicated below.

Director	Number of Shares	Percentage of total Shares on issue	Intention to participate in Buy Back
Brian Scheiner	2,371,430	6.73%	Not participating
Michael Jacobson	2,385,427 (715,000 of which are held indirectly)	6.77%	Not participating
Robert Moran	935,988	2.66%	An entity in which Robert Moran has an

	(all held indirectly)		interest intends to participate in full for the 319,369 Shares held by it.
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Each Director who is a Shareholder intends to vote in favour of Resolution 2.

2.21 Recommendations of Directors

The Board unanimously recommends Shareholders approve Resolution 2 for the reasons set out in this Explanatory Statement.

2.22 Lodgements

In accordance with section 257E of the Corporations Act, a copy of the Notice of Meeting, this Explanatory Statement, its appendices and Proxy Form have been lodged with ASIC.

As required by the Listing Rules, the Company has consulted with ASX in connection with the proposed reorganisation of its capital described in the Notice of Meeting and this Explanatory Statement. A copy of the Notice of Meeting and this Explanatory Statement and its appendices has also been provided to ASX in accordance with the Listing Rules.

Neither ASX nor ASIC nor any of their respective officers take any responsibility for the contents of the Notice of Meeting and this Explanatory Statement.

2.23 Forward looking statements

Certain statements contained in this Explanatory Statement may constitute 'forward looking statements' for the purposes of applicable securities laws. The Company undertakes no obligation to revise the forward looking statements included in this Explanatory Statement to reflect any future events or circumstances. The Company's actual financial performance may differ materially from the outcomes anticipated or expressed in or implied by these forward looking statements. Factors which could cause or contribute to such differences include the number of Shares bought back under the Buy Back and general economic and trading conditions affecting the Company. Further information relating to the Company can be found at its website www.oceaniacapital.com.au.

2.24 Other material information

Except as set out in the Notice of Meeting and this Explanatory Statement, in the opinion of the Directors there is no other information material to the making of a decision by Shareholders whether or not to vote in favour of the Resolutions, being information that is within the knowledge of any Director, which has not been previously disclosed to Shareholders.

GLOSSARY

The following terms used in this Explanatory Statement have the same meanings given to them below, unless the context otherwise requires.

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term by the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it.

ATO means the Australian Taxation Office.

Board means the board of directors of the Company.

Buy Back means the proposed off-market equal access share buy back transaction contemplated by Resolution 2 in the Notice of Meeting and described in this Explanatory Statement.

Buy Back Documents means the Buy Back Offer documents including the Opt-Out Election Form intended to be sent to Eligible Shareholders on 5 September 2019.

Buy Back Offer means the offer to buy back Shares under the Buy Back to be included in the Buy Back Documents.

Buy Back Price means \$2.30 per Share.

Buy Back Record Date has the meaning given to that term and determined in accordance with section 2.8 of this Explanatory Statement.

Company means Oceania Capital Partners Limited ACN 111 554 360.

Continuing Shareholder means:

- (a) an Eligible Shareholder who delivers a valid Opt-Out Election Form to the Company by the Opt-Out Election Cut-Off Date in respect of all of its Shares; and
- (b) a person that acquires Shares on or after the Ex-Entitlement Date (in respect of those Shares).

Corporations Act means the *Corporations Act* 2001 (Cth).

Delisting means the proposed removal of the Company from the Official List contemplated by Resolution 1 in the Notice of Meeting and described in this Explanatory Statement, and **Delisted** has a corresponding meaning.

Delisting Date has the meaning given to that term and determined in accordance with section 1.5 of this Explanatory Statement.

Director means a director of the Company.

Eligible Shareholders means Shareholders who are listed on the Register on the Buy Back Record Date (indicatively scheduled for 7.00pm (Sydney time) on 31 July 2019).

Ex-Entitlement Date has the meaning given to that term and determined in accordance with section 2.7 of this Explanatory Statement.

Exiting Shareholder means a Shareholder who is neither a Continuing Shareholder nor a Partially Exiting Shareholder.

Explanatory Statement means the explanatory statement accompanying, and forming part of, the Notice of Meeting.

General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

HCI means HCI Australian Operations Pty Ltd ACN 147 513 620, HCI Investments Australia Pty Ltd ACN 147 513 139 and Rivertprops 47 (Pty) Ltd.

Independent Expert means Moore Stephens (Vic) Pty Ltd, being the independent expert engaged by the Company to prepare the Independent Expert's Report.

Independent Expert's Report means the report prepared by the Independent Expert in accordance with ASIC Regulatory Guides 111 and 112 to provide an opinion as to whether the Buy Back is fair and reasonable for Shareholders, a copy of which is attached as Appendix 3 to this Explanatory Statement.

Listing Rules means the Listing Rules of ASX and any other rules of ASX which are applicable, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Notice or **Notice of Meeting** means this Notice of General Meeting including this Explanatory Statement.

Official List means the official list of ASX.

Opt-Out Election Form means a notice in the form accompanying the Buy Back Documents given by an Eligible Shareholder to the Company which states that the Eligible Shareholder will not participate in the Buy Back, in respect of either all of its Shares or some of its Shares.

Partially Exiting Shareholder means an Eligible Shareholder who delivers a valid Opt-Out Election Form to the Company by the Opt-Out Election Cut-Off Date for some but not all of its Shares.

Proposal means the Buy Back and the Delisting.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Register means the share register of the Company.

Related Party has the meaning given to that term by section 228 of the Corporations Act.

Resolution means a resolution set out in the Notice of Meeting.

Shareholder means a holder of Shares.

Share Registry means Computershare Investor Services Pty Limited.

Shares means fully paid ordinary shares in the capital of the Company.

Suspension Date has the meaning given to that term and determined in accordance with section 1.5 of this Explanatory Statement.

Appendix 1

Risks

The risk factors described in this Appendix 1 are not an exhaustive list. The Company gives no assurance or guarantee that the risks set out in this Appendix 1 will not change, or that additional risks will not arise after the date of this Explanatory Statement. There may be additional material risks and uncertainties not currently known to the Company that may also have an adverse effect on the Company's business and the value of its Shares.

The risks set out in this Appendix 1 are relevant to all Shareholders if the Resolutions are not approved. However, if the Resolutions are approved and the Delisting and Buy Back are implemented, these risks will only be relevant to Continuing Shareholders and Partially Exiting Shareholders (in respect of the Shares they elect to retain).

Potential risks associated with investment strategy

(i) No certainty regarding investment outcomes

The Company cannot provide any assurance that it will be able to identify investments that meet its investment objectives or that the investments that it makes will produce a positive return. The Company's financial performance will be adversely affected if it is unable to make investments or if any of its investments do not produce positive returns.

(ii) The Company will be competing against other parties for investment opportunities

The Company will operate in a competitive market for investment opportunities with competitors who may have greater resources, a lower cost of capital and the ability to borrow money at lower rates than those at which the Company can borrow money. This may cause the Company to lose investment opportunities or cause it to have to make investments on less favourable terms and, as a result, the return from such investments may be adversely affected.

(iii) Lack of diversification

Although the Company aims to have a mix of investments, its investments at any one time may be concentrated in a limited number of entities.

A consequence of this concentration is that there will be little scope to mitigate the adverse effects of poor performance of an investment, and that the Company's Shares may be less liquid than for other listed investment companies.

(iv) The Company may be a minority or co-investor in portfolio companies

The Company may make minority investments. It will therefore be subject to the risk that an investee entity may make business decisions with which it disagrees, and the other shareholders and management of such companies may take risks or otherwise act in ways that do not serve the Company's interests.

The inability of co-investors to fulfil their obligations may result in the Company being required to incur costs or contribute additional capital that it did not initially envisage or not completing transactions that it otherwise might have completed.

(v) Illiquid investments

The Company may make investments in private companies, which are likely to be less liquid than publicly traded securities, and so may be difficult for the Company to sell in a timely manner or for

full value. This is especially likely to be the case where the Company makes a non-controlling investment. The Company's non-controlling investment in Boody is an example of this.

- (vi) The prices at which the Company is able to dispose of investments may differ from the recorded value in its financial statements

An assessment of the appropriateness of the carrying amounts of assets is made by the Board as part of the process of approving the annual and half-year financial statements. Any new investments made by the Company will be initially recorded at cost and then accounted for in accordance with applicable accounting standards. The Board will assess the appropriateness of the carrying amount of these investments as part of the process for approving the annual and half-year financial statements.

This process of assessing carrying amounts involves making judgements, estimates and assumptions that affect the application of accounting policies and reported carrying amounts. The Company makes such estimates and assumptions based on historical experience and other factors that are believed to be reasonable in the circumstances. This process may also include making estimates and assumptions concerning the future.

Actual results achieved will often vary from those estimated or assumed by the Company in preparing its financial statements. Accordingly, the prices at which the Company will be able to dispose of its investments may be higher or lower than their recorded carrying amount from time to time.

- (vii) Terms on which investments are realised

When the Company realises an investment, it may be required to provide warranties, indemnities or other commitments which survive the sale of the investment. These may vary in duration and scope. A successful claim by the purchaser pursuant to any of these commitments may adversely affect the Company's financial performance or position, including the amount of capital available to the Company to make or support other investments.

The existence of such obligations may impact the Company's deployment of its investment capital or any decision to pay a dividend or other distribution to Shareholders (including requiring the Company to set aside funds in the event that it determines there is a risk of a successful claim pursuant to any such obligation).

- (viii) Foreign investment regulation

HCI currently has a 59.74% shareholding in the Company.

For so long as HCI's shareholding is 15% or more, Rivetprops 47 (Pty) Ltd (HCI's ultimate parent, incorporated in the Republic of South Africa) will be deemed to hold a substantial interest in the Company for the purposes of the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA). Consequently, the Company may be required to obtain approvals under the FATA in order to make new investments which are not exempted from approval under the legislation.

Currently, certain acquisitions of shares and businesses do not require approval if the relevant company or business is valued below \$266 million, and the acquisition of certain shareholdings of less than 20% do not require approval even where the value of the company exceeds the aforementioned monetary threshold. However, special rules apply in the case of other transactions, such as investments in entities with material property holdings, in which case approval may be required.

Accordingly, foreign investment approval is not expected to be required in every case but cannot be ruled out completely.

- (ix) Overseas investments

The Company may make investments in countries other than Australia. The political environment and legal systems in some of the countries in which the Company may invest may differ materially

from the Australian political and legal environment. This could impact significantly on the enforceability of contracts and continuing availability of certain rights in those countries. Whilst the Company will take appropriate measures to monitor and ensure the efficient operation of its overseas operations, it is not possible to completely eradicate the risks of conducting business outside Australia.

(x) Equity price risk

The Company may be exposed to equity securities price risk if it invests in listed securities. The Company would not ordinarily expect to hedge its exposure to the risk of a general decline in equity market values, as such strategies are not cost-effective. Instead, the Company would ordinarily seek to manage the underlying business or asset to ensure that its fundamental value is preserved and enhanced.

Other risks relating to the Company's business

(xi) Recruitment and retention of key personnel

The Company's performance is significantly dependent on the talents and efforts of skilled individuals able to identify and implement value accretive transactions, and manage investments which are potentially in a variety of industries. The Company's continued ability to operate effectively depends on its ability to retain and motivate existing employees as well as to attract new employees. The Company's financial performance may be adversely affected if it is unable to recruit, retain and motivate management and investment professionals.

(xii) Foreign exchange risk

The Company's existing investments in Crimsafe and Boody are in Australian dollars only, although Crimsafe and Boody conduct operations outside of Australia and purchase inventory from overseas suppliers. Accordingly they are exposed to foreign currency exchange risk. Boody is responsible for managing its own exposure to these risks.

The nature and relative extent of the Company's foreign exchange exposures other than Crimsafe will depend on the nature of the investments the Company makes, particularly the geographical scope of operations of the investee entity and the level of influence the Company is able to exercise over these operations. In cases where the level of the Company's investment in an investee entity results in it becoming a subsidiary of the Company, the Company's policy would be to require it to manage their foreign exchange risk against their functional currency. Where the Company is unable to exercise control over an investee entity, it would seek to use its influence to ensure appropriate mitigation strategies are adopted, however, the Company's lack of control may constrain its ability to do so.

(xiii) Litigation and dispute risk

Disputes or litigation may arise from time to time in the course of the Company's business activities. There is a risk that material or costly disputes or litigation could adversely affect financial performance. The Company will take out insurance to cover certain risks where it appears appropriate to the Company to do so. To the extent that any such claims are not covered by insurance, the costs of responding to the claim and any adverse outcome from any claim may materially adversely affect the Company's financial position.

(xiv) Funding risks

The Company may elect to raise debt or equity funding as part of the funding arrangements for making new investments. The unavailability of such funding, or the unavailability of such funding on commercially favourable terms, may limit the extent and size of investment activity undertaken by the Company.

Debt funding will expose the Company to the risk of movements in interest rates. An increase in interest rates would make it more expensive for the Company to use debt or other senior securities

to finance the Company's investments, which in turn may adversely affect the Company's returns from such investments.

(xv) Liquidity for Shares

There can be no guarantee of an active market in Shares or that the price of Shares will increase. There may be relatively few potential buyers or sellers of the Shares on ASX at any given time. Shares have historically been illiquid, due to the Company being a closely held company and there has also been low daily trading volume for several years. This limited liquidity may increase the volatility of the market price of the Shares, as any sale of a sizable portion of Shares would likely result in a material reduction in the Company's share price.

General risks

(xvi) Dependence on general economic conditions

Changes in Australian and international economic conditions may adversely affect the Company's financial performance, financial position or prospects, or the value or price of Shares. Amongst other things, these general conditions may impact on the financial performance of the Company's existing investments, the availability of new investment opportunities, the availability, terms and costs of funding and the Company's operating costs.

(xvii) Share market conditions

There are risks associated with an investment in shares (such as the Company's) that are listed on a stock exchange. Share price movements can affect the value of an investment in the Company. The value of listed shares can be expected to fluctuate depending upon a number of general factors including changes in international and local share markets, changes in the economic conditions, inflation, interest rates, government fiscal, monetary and regulatory policies and investor perceptions. These risk factors can be unpredictable and may have implications for the price or value of shares that are unrelated or disproportionate to the operating performance of the listed company.

(xviii) Governmental or regulatory actions

The Company's operations could be affected by government actions in the countries or jurisdictions in which it has interests. The possible extent of introduction of additional legislation, regulations, standards (including accounting standards), guidelines or amendments to existing legislation that might affect the Company business is difficult to predict. Any such government action may require increased capital or operating expenditures and could prevent or delay the execution of the Company's plans or have a material adverse effect on the Company's business and financial condition.

(xix) Taxation

The Company and its investee entities are and will be subject to taxation and other imposts in Australia and the other jurisdictions in which they operate. Future changes in taxation laws in those jurisdictions, including changes in interpretation or application of existing laws by the courts or taxation authorities in those jurisdictions, may affect the tax liabilities of the Company or its investee entities, or the taxation treatment of holding or disposing of Shares.

The Company has carried forward tax losses incurred on the disposal of investments. The Company has failed the Continuity of Ownership Test, as set out in Division 166 of the Income Tax Act of 1997 ("the ITAA") in relation to these losses. Accordingly the future recoupment of these tax losses by the Company is dependent on the Company meeting the requirements of the Same Business Test as set out in Division 166 of the ITAA.

Appendix 2

Taxation Implications of the Buy Back

The following is a general summary of the Australian taxation consequences for Shareholders who receive the Buy Back Price under the Buy Back based on the applicable taxation law as at the date of this Explanatory Statement.

The following summary only applies to Shareholders who hold their Shares in the Company on capital account for tax purposes, and not on revenue account. The application of tax legislation can vary according to the individual circumstances of each Shareholder. **This summary is not intended, and should not be relied upon, as specific taxation advice to any particular Shareholder. The comments in this summary are of a general nature only, may not apply to your specific circumstances and cannot be relied upon for accuracy or completeness.**

Each Shareholder should seek and rely on its own professional taxation advice, specific to its particular circumstances, in relation to the taxation consequences of the proposed transaction.

Neither the Company, nor any of its officers or advisers, accepts liability or responsibility with respect to such consequences or the reliance of any Shareholder on any part of the following summary.

The Company has applied for a class ruling from the ATO in relation to the Buy Back. At the date of this Explanatory Statement, the Company has yet to receive a response to this application from the ATO. The tax implications noted below are outlined on the basis that a positive class ruling will be issued by the ATO.

Tax Implications

The entirety of the Buy Back Price (\$2.30 per Share) will be debited against the share capital of the Company. As such, no component of the Buy Back Price received by Shareholders will be treated as a dividend. Further, there are no franking credits attached to the Buy Back Price received by Shareholders.

Tax Implications – Resident Shareholders

Broadly, if the Company proceeds with the Buy Back on the basis that the Buy Back Price paid is entirely debited against the share capital of the Company, the following taxation consequences will result:

- Shareholders would realise either a capital gain or loss on the basis that CGT event A1 will trigger upon disposing of their Shares.
- This capital gain or loss will arise as at the date that the contract to dispose of the Shares is entered into by the Shareholder. This should be when the Opt-Out Period closes per the timetable detailed earlier in the Explanatory Statement.
- The capital gain or loss will be equal to difference between the cost base or reduced cost base of the Shares and the proceeds received on disposal (being \$2.30 per Share).
- Shareholders who have held their shares for a period of more than 12 months may qualify for the general 50% capital gains discount.

Shareholders should obtain their own taxation advice on the amount of any capital gain that is to be included in their taxable income.

Tax Implications – Non-Resident Shareholders

Assuming the same conditions outlined above, the following taxation consequences will result:

- No income tax issues should arise for non-resident Shareholders as a consequence of receiving the Buy Back Price under the Buy Back (i.e. not treated as a dividend, refer above). The Buy Back Price will not be subject to dividend withholding tax.

- Shareholders who are not residents of Australia for tax purposes will not be subject to any Australian CGT consequences unless they hold (either alone or together with their associates) 10% or more of the direct participation interests in the Company at the time of the Buy Back or for a continuous period of at least 12 months in the 24 months immediately preceding the Buy Back.
- In the event that the non-resident Shareholder satisfies the 10% ownership requirement, Australian CGT will apply if at the time of the CGT event the market value of the assets in the Company that are Taxable Australian Real Property (TARP) exceed the market value of the assets that are not TARP. TARP generally includes Australian land interests including Australian mineral rights, but does not include foreign land holdings and foreign mineral rights.
- To the extent that a non-resident Shareholder holds any Shares that meet the above conditions, the taxation implications for such Shareholders will be similar to the resident Shareholders (refer above).
- To the extent that a non-resident Shareholder holds any Shares that do not meet the above conditions, there will be no CGT implications (i.e. the capital gain is disregarded) for Shareholders on receiving the Buy Back Price under the Buy Back. However, to the extent that the Buy-Back Price received per Share is less than the cost base, then the Shareholder's cost base and reduced cost base are reduced by the amount of the Buy Back Price (ie \$2.30 per Share).

Application of the anti-avoidance provisions (Section 45B) for Shareholders (Resident and Non-Resident)

Section 45B of the Income Tax Assessment Act 1936 (Cth) is an anti-avoidance provision which, if applicable, allows the Commissioner to make a determination that all or part of a capital benefit received by Shareholders (resident and non-resident) is to be treated as an unfranked dividend.

For section 45B to apply it must be concluded that a scheme was entered into for the purpose (not being a purpose that is merely incidental) of enabling a Shareholder to obtain a tax benefit having regard to "relevant circumstances" outlined in the law.

Given the reasoning behind the Buy Back as outlined in this Explanatory Statement and the factual matrix of the Company and its shareholder base, the likelihood of the Commissioner making a determination is minimal. In the class ruling, the Company has requested the ATO to confirm that section 45B will not apply to the Buy Back.


For resident Shareholders, in the event the Commissioner makes a determination, the Buy Back Price (\$2.30 per Share) will be included in their assessable income and will be taxed at their marginal tax rates.

For non-resident Shareholders, in the event the Commissioner makes a determination, the Buy Back Price (\$2.30 per Share) will be subject to dividend withholding tax (at a rate of 30% on the gross amount, subject to any applicable double taxation agreement). In this case, the Company (on behalf of its non-resident Shareholders) will have an obligation to remit withholding tax to the ATO.

Taxation implications for the Company

The Buy Back is not expected to have any material income tax implications for the Company.

Appendix 3
Independent Expert's Report



MOORE STEPHENS

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OCEANIA CAPITAL PARTNERS LIMITED
Independent Expert's Report
Proposed Share Buy Back and Delisting
5 June 2019

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5 June 2019

The Directors
Oceania Capital Partners Limited
Suite 61, 14 Narabang Way
BELROSE NSW 2085

Dear Sirs,

INDEPENDENT EXPERT'S REPORT

PROPOSED SHARE BUY-BACK AND DELISTING – INDEPENDENT EXPERT'S REPORT

As Directors of Oceania Capital Partners Limited (**OCP**, or **Company**) you have requested Moore Stephens (Vic) Pty Ltd (**Moore Stephens**) to prepare an Independent Expert's Report (**Report**) in relation to the proposed off-market, equal access share buy-back of up to approximately 30% of all OCP shares on issue (**Shares**), at a cash consideration of \$2.30 per OCP share (**Buy Back**). Following the Buy Back the company proposes to delist the company's shares from the (**ASX** Australian Securities Exchange) (Delisting).

The Proposal (as described in Section 1.1 below) will be presented to the shareholders of the Company (**Shareholders**) for approval at a General Meeting to be held on or about 25 July 2019 (**GM**). Separate approvals will be sought for the Buy Back and the Delisting.

You have requested Moore Stephens to provide an opinion on whether the Buy Back, the subject of Resolution 2 in the Notice of Meeting (**NOM**), is fair and reasonable to all the Shareholders.

This Report should be considered in conjunction with and not independently of the information set out in the **Explanatory Statement**.

Unless otherwise specified, all dollar amounts in the Report are in Australian Dollars (**AUD**) and all terms have the same meaning as in the NOM.

1. INTRODUCTION

1.1 Background

1. OCP is a public company whose securities are listed on the Australian Securities Exchange (**ASX:OCP**). The principal activities of the Company include investing in operating businesses, whether privately owned or publicly listed, with decisions being based on the fundamental investment characteristics of the business.
2. On 24 May 2019, OCP announced its intention to undertake an off-market, equal access share buy-back of up to approximately 30% of all Shares on issue. The Buy Back will operate in the following manner:
 - the cash consideration for the Buy Back Share is \$2.30 per Share (**Buy Back Price**) and the total funds available for the Buy Back is capped at \$24,311,000 which equates to a maximum of 10,570,000 Shares;
 - subject to the maximum number of Shares to be bought back under the Buy Back of 10,570,000 Shares, the Company will offer to buy back some or all of the Shares held by each shareholder;
 - if the number of Shares which shareholders have elected to participate in the Buy Back exceeds 10,570,000 Shares, the Company will scale back the number of Shares to be bought back on a pro-rata basis; and
 - participation in the Buy Back is completely voluntary.

3. Under Listing Rule 17.11, the Company is also proposing to request the Australian Securities Exchange (**ASX**) to remove OCP from the official list (**Delisting**).
4. The Buy Back and the Delisting (collectively, **the Proposal**) are inter-conditional, i.e. one cannot proceed without the other. Separate approvals will be sought for the Buy Back and the Delisting (Resolution 1 and Resolution 2).
5. As at the date of the Report, the Directors of OCP some of whom also represent the controlling shareholder HCI Australian Operations Pty Ltd (**HCIAO**) have not as yet decided whether HCIAO will participate in the Buy Back. However the Directors have stated to MSV that they believe it is most likely that HCIAO will NOT participate in the Buy Back. Should HCIAO not participate in the Buy Back, its interest will increase from 59.74% to 85.34% if the Buy Back is approved and the maximum number of shares 10,570,000 are bought back and cancelled. The Directors have also stated to MSV that it is most likely that Directors and management of the OCP will not participate in the Buy Back¹.
6. Completion of the Proposal is conditional on obtaining Shareholder approval from OCP Shareholders at a forthcoming GM. Details of the Proposal will be communicated to existing investors by way of the NOM and an Explanatory Memorandum.

2. PURPOSE AND SCOPE OF THIS REPORT

7. Australian Securities and Investments Commission ("ASIC") Regulatory Guide 110 "Share Buy-backs" ("RG 110") provides guidance as to the information to be disclosed to shareholders involved in or affected by buy backs. RG110, paragraph 18 states that if a company proposes to buy back a significant percentage of shares, it should consider providing a report by its independent directors about whether shareholders should vote in favour of the buy-back, supported by a valuation of shares undertaken by an independent expert.
8. In accordance with RG110, the Directors of OCP have engaged Moore Stephens to prepare an independent expert's report for OCP shareholders in relation to the Buy Back (Report). The purpose of the Report is to provide a valuation of OCP Shares as well as an analysis of the impact of the Buy Back proposal on OCP Shareholders participating in the Buy Back (Exiting Shareholders) and those OCP Shareholders who are not participating in the Buy Back (Continuing Shareholders). To best satisfy the requirements of RG110 we consider our Report should assess whether, in our opinion, the Buy Back is fair and reasonable to both Exiting and Continuing Shareholders.
9. There is no legal requirement for an IER to be prepared for the Delisting for inclusion in the Explanatory Memorandum. However, as the Buy Back is conditional on Shareholders voting to approve the Delisting, this Report has been prepared to consider both the Buy Back and the Delisting as the **Proposal**.

¹ Except for a parcel of 0.3 million shares in which Robert Moran has a relevant interest which is likely to participate in the Buy Back. Robert Moran's current relevant interest is 0.9 million shares.

3. EXECUTIVE SUMMARY OPINION

3.1 General

- 10 Our Report has been prepared having regard to ASIC Regulatory Guide 74 '*Acquisitions Approved by Members*' (RG 74), Regulatory Guide 111 '*Content of Expert's Reports*' (RG 111), and Regulatory Guide 112 '*Independence of Experts*' (RG 112).
- 11 In forming our view of the Buy Back we have compared our assessed value of the OCP Share with the Buy Back Price (i.e. 'Fairness' / quantitative assessment) and other qualitative aspects (i.e. 'Reasonableness') of the Proposal for OCP shareholders.
- 12 In respect of our 'Fairness' assessment, this assignment is also a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 '*Valuation Services*' (APES 225).
- 13 We have considered the terms of the Buy Back as outlined in the NOM and in this Report and as a result of our review and considering all the factors we are of the opinion that, in the absence of a superior alternative, the Proposal is:
 - **not fair but reasonable** to Exiting Shareholders; and
 - **fair and reasonable** to Continuing Shareholders.

3.2 Fairness (quantitative assessment)

- 14 In determining whether the Proposal is fair and reasonable we have given consideration to the views expressed by ASIC in Regulatory Guides stated above. In preparing our Report we have given particular consideration to RG111.
- 15 RG111 suggests that where the transaction is a control transaction the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. RG111 suggests that where a transaction is a control transaction it should be analysed on a basis consistent with a takeover bid.
- 16 The largest shareholder in OCP, HCIAO has a 59.74% interest and therefore has effective control of the Company. The Buy Back is on an equal access basis and is capped at approximately 30% of the Shares on issue. The Buy Back will result in a proportionate increase in equity interests of all Continuing Shareholders and will not result in a change of control. Based on this, the appropriate basis for assessing the fairness of the Buy Back to continuing Shareholders is to compare the Buy Back Price to the value of OCP Share on a minority basis rather than on a change of control basis as the 10,570,000 Shares that are the subject of the Buy Back represent a minority interest in the Company.
- 17 On the other hand, by participating in the Buy Back, the Exiting Shareholders are giving up an opportunity of receiving a control premium from a takeover bid in future. Therefore, consistent with the guidelines in RG111, the appropriate basis for assessing the fairness of the Buy Back for OCP Shareholders is to compare the Buy Back Price to the value of OCP Share on a control basis. Accordingly, in determining whether the Proposal is 'fair and reasonable' to Exiting and Continuing Shareholders, the analysis undertaken is as follows:
 - A comparison of our assessed value of OCP Share on control basis with the Buy Back Price; and
 - A review of other significant factors which Exiting Shareholders and Continuing Shareholders might consider in the assessment of 'reasonableness'.

- 18 The table below provides a comparison of our assessed value of OCP Share on control basis with the Buy Back Price:

Table 1: Comparison of value of OCP Shares and Buy Back Price

	Section ref	Low	High
Value of OCP Share (control basis), Pre Proposal	9.4	\$2.44	\$2.75
Buy Back Price	1.1	\$2.30	\$2.30

- 19 OCP Shares have been valued on a Sum of Parts basis and by reference to the prevailing share price performance as outlined in more detail in Section 9 of this Report.
- 20 Consistent with RG 111, the Proposal is fair for Exiting Shareholders if the Buy Back Price is equal to or higher than our assessed value of OCP Share. From the perspective of Continuing Shareholders, the Proposal is fair if the Buy Back Price is equal to or lower than our assessed value.
- 21 As the Buy Back Price is below our assessed value range for an OCP Share, we consider the **Proposal** to be **not fair for the Exiting Shareholders**. Conversely, as the Buy Back Price is below our assessed value range for an OCP Share, the **Proposal is fair for Continuing Shareholders**.

3.3 Other qualitative factors of the Proposal

- 22 We have also assessed the reasonableness of the Proposal which is largely a qualitative assessment. The assessment takes into consideration a range of factors including comparing the advantages and disadvantages of the Proposal. In assessing if the advantages of the Proposal outweigh the disadvantages, we have had regard to the following:

Advantages of the Proposal for Exiting Shareholders	<ul style="list-style-type: none"> Provides an opportunity to realise cash for at least part of their holding in a relatively illiquid investment. The Buy Back Price is at a premium to recent trading price. The Buy Back Price is at a premium to the net tangible assets per Share. All eligible Shareholders will have equal opportunity to sell their Shares. No brokerage fees will be payable by the Exiting Shareholders. Exiting Shareholders can limit the number of shares they hold in what will become an unlisted investment if the proposal proceeds. Provides an opportunity to existing Shareholders redeploy capital into other investment opportunities. Exiting Shareholders can reduce their exposure to the risks associated with OCP's individual businesses and the Company as a whole.
Disadvantages of the Proposal for Exiting Shareholders	<ul style="list-style-type: none"> The Exiting Shareholders are receiving less than the fair value for their Shares as the Buy Back Price is less than our fair value estimate for OCP Shares on a control basis. By accepting the Buy Back, Exiting Shareholders will have no further opportunity to participate in future value generation opportunities undertaken by OCP.

Advantages of the Proposal for Continuing Shareholders	<ul style="list-style-type: none"> • By accepting the Buy Back, Exiting Shareholders will have no opportunity to benefit from an alternate and superior proposal which may subsequently emerge. • The Buy Back offers Continuing Shareholders the opportunity to increase their proportionate interest in OCP. • The Buy Back will result in an increase in the net assets per share for the Continuing Shareholders. • The Continuing Shareholders will have an opportunity to participate in any future value generation opportunities pursued by OCP. • The Delisting may reduce regulatory and compliance costs and generate cost savings.
Disadvantages of the Proposal for Continuing Shareholders	<ul style="list-style-type: none"> • Continuing Shareholders, other than the largest Shareholder HCIAO, will retain a minority interest in an unlisted entity and will not experience the benefits that an ASX listing (such as higher levels of corporate governance and disclosure) may have. • HCIAO the controlling Shareholder, may increase their level of ownership and control without paying a control value per OCP share. • HCIAO have not stated or clarified their intentions in respect of the proposal or for the Company following the proposal if accepted. However, the Directors of OCP (two of which represent HCIAO) have stated that they expect the business of OCP to continue with no plans to sell assets within the foreseeable future / less than 12 months. • Delisting would further reduce the liquidity for the Continuing Shares. • Reduced shareholder spread may result in potential reduction in amount of capital the Company can raise for investment opportunities. • Available cash balance will decrease post Buy Back.
Alternatives to the proposal	<ul style="list-style-type: none"> • The Directors of OCP have confirmed that there are no alternative proposals for the Company or for its subsidiaries that might offer a superior alternative to OCP Shareholders.

- 23 Since the announcement of the Proposal and up to the date of this Report, OCP Shares have traded in the range \$2.16 to \$2.23, slightly below the Buy Back Price. The liquidity has been very low with only 18,469 Shares having traded which represents less than 0.05% of the Shares on issue.
- 24 Taking into consideration the advantages and disadvantages of the Proposal from the perspective of both Exiting and Continuing Shareholders and considering alternatives available to OCP Shareholders, in our opinion, the Proposal is more advantageous to OCP Shareholders than not. Accordingly, in the absence of any other relevant information and/or a superior alternative we believe that the Proposal is reasonable for OCP Shareholders as a whole.

3.4 Summary of opinion

25 On balance of all the matters considered we are of the view that the Proposal is:

- **not fair but reasonable to Exiting Shareholders;** and
- **fair and reasonable to Continuing Shareholders.**

4. GENERAL DISCLOSURES AND LIMITATIONS

Changes in market conditions

26 Our analysis and conclusions are based on market conditions existing at the date of this Report. A limitation of our conclusion is that market conditions may change between the date of this Report and when the various aspects of the transaction are concluded.

Individual shareholder circumstances

27 Acceptance or rejection of the Proposal is a matter for individual OCP Shareholders based upon their own views of value, risk, and portfolio strategy. OCP Shareholders who are in doubt as to the action that they should take in relation to the Proposal should consult their professional advisor.

Entirety of Report

28 This summary opinion should be read in conjunction with and not independent of the remainder of this Report.

29 The Report should also be read in conjunction with the Notice of Meeting to which this Report is attached. Terms in this Report are, unless otherwise noted, consistent with terms and description referred in the Notice of Meeting.

Yours faithfully

Moore Stephens (Vic) Pty Ltd

Holder of Australian Financial Services License No.247362



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5. DISCLOSURES AND LIMITATIONS

- 30 This Report has been prepared at the request of the directors of OCP for the purposes of assisting shareholders in their evaluation of the Proposal.
- 31 The Report is not intended to serve any other purpose and should not be relied upon by any other person for any other purpose. In preparing this Report, Moore Stephens has relied upon financial and other information provided by OCP. Furthermore, we have relied upon the representations and opinions of the Directors and Management of OCP.
- 32 We believe that (unless stated otherwise) the information provided was reliable, complete and not misleading and there is no reason to believe that any material facts have been withheld. However, we have not conducted any separate due diligence or audit investigations to assess the correctness or completeness of this information. Information, judgements and representations have been evaluated through analysis, enquiry and review to the extent practicable. However, it must be appreciated that such information is not always capable of external verification or validation.
- 33 Acceptance or rejection of the Proposal is a matter for individual shareholders based upon their own views of value, risk, and liquidity preference and portfolio strategy. OCP Shareholders who are in doubt as to the action that they should take in relation to the Proposal should consult their professional advisor.
- 34 The opinion of Moore Stephens is based on economic market and other conditions prevailing on the date of this Report. Such conditions can change significantly over a relatively short period of time.

6. REGULATORY FRAMEWORK

6.1 Basis of evaluation

- 35 In determining whether the Proposal is fair and reasonable, we have given consideration to the views expressed by ASIC in Regulatory Guide 111 (**RG111**).
- 36 RG111 provides ASIC's views on how an expert can help shareholders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.
- 37 RG111 states that the expert should focus on:
- The issues facing the security holder for whom the report is being prepared; and
 - The substance of the transaction rather than the legal mechanism used to achieve it.
- 38 RG111 applies the 'fair and reasonable' test to two distinct criteria, stating that a proposed transaction is 'fair' if the value of the financial benefit to be provided by the entity is equal or less than the value of the consideration being provided to the entity.
- 39 A transaction is reasonable if it is fair. It might also be reasonable if, despite not being fair, the expert believes there are sufficient reasons for members to vote for the transaction.
- 40 Consistent with the guidelines in RG111, in determining whether the Proposal is 'fair and reasonable' to the Shareholders of OCP, the analysis undertaken is as follows:
- A comparison of our assessed value of OCP Share on control basis with the Buy Back Price, in the assessment of fairness; and
 - A review of other significant factors which Exiting Shareholders and Continuing Shareholders might consider prior to approving the Proposal, in the assessment of reasonableness.

41 In particular, we have considered the advantages and disadvantages of the Proposal in the event that the Proposal proceeds or does not proceed, including:

- Advantages and disadvantages to Exiting Shareholders;
- Advantages and disadvantages to Continuing Shareholders; and
- Alternatives available to OCP Shareholders if the Proposal does not proceed.

Our assessment of the Proposal is based on economic, market and other conditions prevailing at the date of this Report.

6.2 Guidelines issued by ASIC on prospective financial information in expert reports

42 In preparing our Report we have also considered ASIC guidelines on the disclosure of prospective financial information in expert reports and valuations.

43 These guidelines state *inter alia* that:

RG 111.78 *An expert should usually give a range of values. The value of securities is typically subject to uncertainty and volatility. Placing a precise dollar value on them is likely to imply a misleading accuracy to a valuation.*

RG 111.79 *Nevertheless, the range of values should be as narrow as possible. If an expert cannot give a narrow range because of uncertainty (e.g. start-up companies), the expert should prominently explain in its report what factors create this uncertainty and how the expert is able to justify its findings despite the uncertainty. In our view, a broad range of values undermines the usefulness of the report.*

RG 111.95 *An expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together, 'forward-looking information') in its report unless there is a reasonable basis for the forward-looking information. Otherwise the opinion will be misleading under s670A(2) of the Corporations Act or s12DA of the ASIC Act.*

RG 111.97 *RG 170 gives detailed guidance on what we (ASIC) considers is a reasonable basis for stating prospective financial information. While RG 170 is expressed to apply to fundraising documents under Ch 6D and 7, it provides useful guidance for inclusion of prospective financial information in expert reports.*

RG 111.98 *However, we recognise that using discounted cash flow (DCF) methodology will involve the use of forward-looking information and assumptions over a longer period than the two year period in RG 170: see RG 170.18 and RG 170.29. As long as the focus of the disclosure in the expert report is on the valuation rather than the forward-looking information that supports it, the expert does not need to commission an independent accountant report for the DCF methodology: see RG 170.18(c). However, the expert should undertake a critical analysis of the forward-looking information used in applying the DCF methodology to ensure it is based on reasonable grounds.*

RG 170.18 *We consider that prospective financial information based on hypothetical assumptions (rather than reasonable grounds) is likely to be misleading and provide little information value to investors. In our view, prospective financial information without reasonable grounds is not material to investors, nor would an investor reasonably require it or reasonably expect to find it in a disclosure document or PDS.*

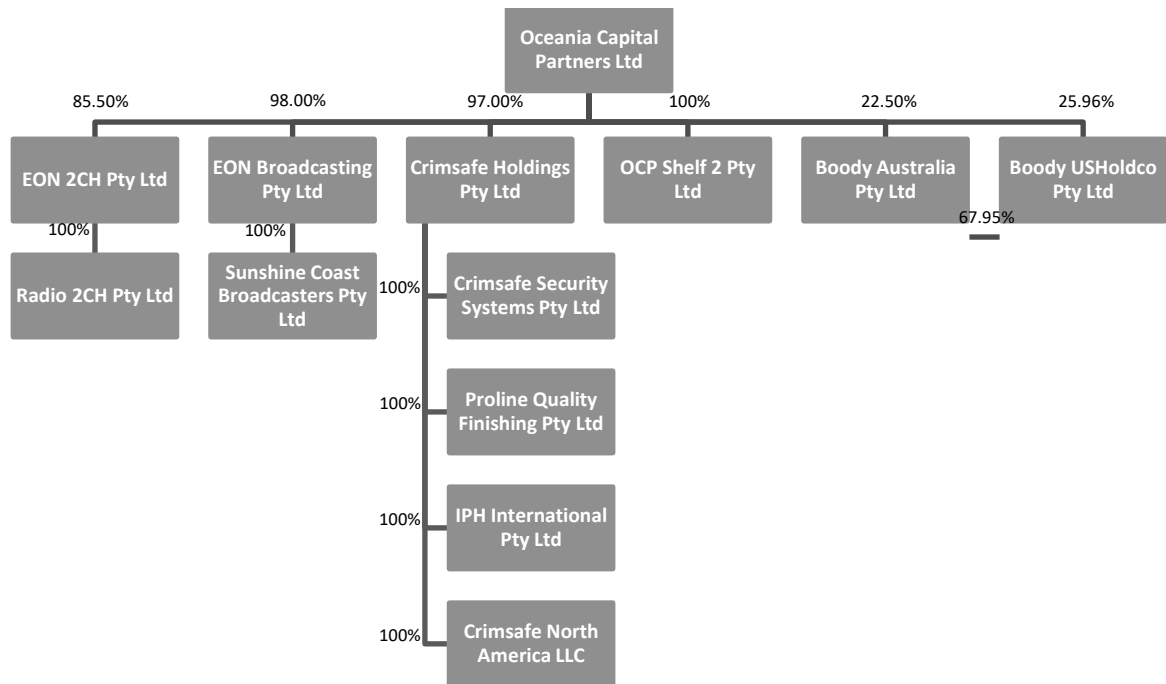
6.3 Guidelines on valuation engagements

- 44 This Report has also been undertaken in accordance with the requirements set out in Accounting Professional and Ethical Standards Board professional standard 225 'Valuation Services' (APES 225).
- 45 A valuation engagement is defined by APES 225 as 'Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time'.

7. PROFILE OF OCP

7.1 Company overview²

- 46 OCP is an ASX listed investment company headquartered in Sydney.
- 47 The principal activities of the Company include investing in operating businesses, whether privately owned or publicly listed.
- 48 The investment decisions are based on the fundamental characteristics of the business with OCP's strategy being to invest in businesses which are resilient and will grow over the investment period providing favourable return and profitable exit for the Company.
- 49 An overview of OCP's corporate structure is set out below:



Source: Company.

² Source: Company ASX announcements, annual reports and discussions held with management.

50 Below is a brief summary of the OCP's key investments holdings:

EON Broadcast Pty Ltd (EON)

- OCP has an 98% equity interest in EON which wholly owns Sunshine Coast Broadcasters Pty Ltd (**SCB**). SCB is the operator of two FM radio stations 91.9 SEA FM and 92.7 Mix FM off the Sunshine Coast in Maroochydore, Queensland. The remaining 2% equity interest in EON is held by The Wheatley Organisation Pty Ltd (**TWO**).
- The two radio stations target different audiences, with 91.9 SEA FM focused on the younger demographics under a contemporary hit radio structure and 92.7 Mix FM targeted at the older listeners in the area. Both the radio stations are long-standing market leaders in the region.
- SCB was acquired from Southern Cross Austereo in March 2013 for a purchase price of \$17.8 million. As at 31 March 2019, the consolidated carrying value of OCP's investment in EON was \$19.7 million.

EON 2CH Pty Ltd (2CH)

- OCP has an 85.5% equity interest in 2CH which wholly owns Radio 2CH Pty Ltd (R2CH), the operator of an AM radio station in Sydney. The remaining 14.5% equity interest in 2CH is held by TWO.
- The AM station is targeted towards the older demographics aged over 55 years and typically have significant discretionary and non-discretionary expenditure. The listeners are closely and actively connected to the station and are of interest to advertisers focused on that segment.
- OCP acquired R2CH and its associated digital spectrum from Macquarie Media Ltd in January 2017 for \$5.6 million. The acquisition rationale was to modernise R2CH and build the business around the radio licence and brand. As at 31 March 2019, the consolidated carrying value of OCP's investment in 2CH was \$4.6 million.

Crimsafe Holdings Pty Ltd (CHP)

- OCP has an 97% equity interest in CHP which holds 100% of the equity in Crimsafe group of entities (**Crimsafe**), comprising of Crimsafe Security Systems Pty Ltd, Proline Quality Finishing Pty Ltd, IPH International Pty Ltd and Crimsafe North America LLC. The remaining 3% interest in CHP is held by the Crimsafe Senior Employee Share Plan Trust.
- Crimsafe is a leading provider of stainless-steel security screen products in Australia. It is primarily a brand and IP business which has through its extensive distributor network of around 120 licensees, outsourced elements associated with manufacturing, distribution, end customer selling and product installation and delivery. CHP invests in R&D to maintain its performance superiority and to promote brand and market awareness for the product. CHP is currently seeking to expand the business into USA and is working on growing its distribution channels to facilitate the roll out of the product.
- OCP acquired the business from its founders in March 2015 for a purchase price of \$30.0 million. As at 31 March 2019, the consolidated carrying value of OCP's investment in CHP was \$29.7 million.

Boody Australia Pty Ltd (Boody)

- In March 2019, OCP acquired 22.5% minority equity interest in Boody from the founders of the business for a purchase price of \$5.1 million. As part of the transaction, OCP has also agreed to provide a loan of up to \$1.0 million to Boody to provide equity funding to its USA licensee. The loan is for a period of 3 years at interest rate of 7.5% per annum.
- Boody is a Sydney based company who manufactures and sells everyday essentials produced with certified organically grown bamboo materials. The business distributes its products in Australia through independent retailers and online platforms. Internationally, Boody products are sold through licenced distributors located in North America, Canada, United Kingdom, Scandinavia, Iceland, New Zealand, South Africa, Japan and South Korea.
- A key consideration of the business is its adherence to environmentally friendly processes and compliance with sustainable practises and ethical standards across the entire supply chain.
- As at 31 March 2019, the carrying value of OCP's investment in Boody was \$5.9 million (cost basis).

OCP Shelf 2 Pty Ltd (OCPS2)

- The entity was established in the financial year ending 2015 for the purpose of acquiring future potential investments. OCPS2 is currently a dormant entity with nil activity.

Cash and ASX listed portfolio investments

- OCP also holds has significant holdings of cash and cash equivalents and minority interests in a number of ASX listed companies.

7.2 Senior management and Board of Directors³

51 The day to day operations of the Company are managed by Executive Directors, Michael Jacobson and Brian Scheiner. Lionel Baldwin is employed as Company Secretary and Chief Financial Officer. Mr Baldwin represents the Company's interests as a Director of EON, R2CH, 2CH, SCB and Crimsafe.

52 The Board of Directors currently comprises the following individuals:

- Robert Moran – Non-Executive Chairman

Robert Moran served as Managing Director of the Company until June 2014 and was appointed as Non-Executive Chairman in July 2014. He has been involved as a principal investor for over 15 years at a board and strategic level in a variety of businesses and sectors and taking an active involvement in the underlying businesses. He is experienced in investment banking activities, including financings, capital raisings, mergers and acquisitions and has practiced corporate and commercial law at a senior level. Robert represents the Company's interests as a Director of EON, R2CH, 2CH and SCB.

- Michael Jacobson – Executive Director

Michael served as non-Executive Director of the Company from March 2012 to June 2014 when he was appointed as an Executive Director of the Company. Michael was previously an Executive of HCI. He joined HCI in 2003 and served as an Executive until he left South Africa in January 2011 to jointly found HCIAO, the Company's majority Shareholder.

Michael represents the Company as a Director of Crimsafe.

³ Source: Company ASX website and annual reports.

- Brian Scheiner – Executive Director

Brian served as non-Executive Director of the Company from March 2012 to June 2014 when he was appointed as an Executive Director of the Company. He joined HCI in 2003 and served as an Executive until 2007. Brian and his family then relocated to Australia, where he re-joined HCI to jointly found HClAO in 2011. Brian represents the Company as a Director of EON, R2CH, 2CH, SCB and Crimsafe.

- 53 We highlight that Directors Michael Jacobson and Brian Scheiner also represent the Company's controlling Shareholder, HClAO.

7.3 Share capital

- 54 OCP currently has 35,231,572 ordinary shares on issue held by a total of 582 registered shareholders including approximately 170 Shareholders that hold less than a marketable parcel⁴ of OCP Shares. Table 2 below sets out the top 10 shareholders as at 26 March 2019:

Table 2: Top 10 shareholders

Rank	Name	Shares	%
1	HCI Australian Operations Pty Ltd*	19,823,899	56.3%
2	HSBC Custody Nominees (Australia) Ltd	1,734,036	4.9%
3	Mr Michael Alon Jacobson#	1,670,427	4.7%
4	Mr Brian Scheiner#	1,600,000	4.5%
5	HCI Australian Operations Pty Ltd*	1,222,314	3.5%
6	HSBC Custody Nominees (Australia) Ltd	996,440	2.8%
7	Citicorp Nominees Pty Ltd	847,402	2.4%
8	HSBC Custody Nominees (Australia) Pty Ltd	794,363	2.3%
9	Mr Brian Scheiner#	771,430	2.2%
10	Mrs Lesley Jean Jacobson#	715,000	2.0%
Total Top 10 holders of Ordinary fully paid Shares		30,175,311	85.6%
Other Shareholders		5,056,261	14.4%
Total		35,231,572	100.0%

Source: Company supplied – Computershare as of 26 March 2019

*sum of HClAO – 59.8%

- Directors or Director related parties

- 55 Table 2 shows that the top 10 Shareholders account for 85.6% of total issued capital, with the largest shareholder HClAO, holding 59.8% of the issued capital. HClAO is an entity ultimately controlled by Rivetprops 47 (Pty) Ltd (Incorporated in the Republic of Africa).

- 56 We are advised that the Directors (Robert Moran, Michael Jacobson and Brian Scheiner) and management hold around 18% of the issued Shares and have stated that except for 0.3 million shares, are not likely to participate in the Buy Back.

⁴ Marketable parcel has been defined by the Company as shareholding with a value greater than \$500.

7.4 Financial performance

57 A summary of OCP's audited financial results for the years ended 31 March 2017, 31 March 2018 and 31 March 2019 are shown in Table 3 below. The principal activity of the Company during the reported periods was investment. As OCP holds controlling interests in most of its investee companies, the financial statements have been prepared and presented on a consolidated basis, wherein the financials include the results of OCP and each of its controlled entities.

Table 3: OCP's Statements of Comprehensive Income

(\$'000)	12 months ended		
	31-Mar-17 (audited)	31-Mar-18 (audited)	31-Mar-19 (audited)
Commercial radio broadcasting	11,415	14,208	14,924
Security screens	37,536	39,182	39,374
Revenue from continuing operations	48,951	53,390	54,298
Interest income	318	353	414
Dividend income	606	719	889
Total revenue	49,875	54,462	55,601
Profit on sale of financial assets	2,030	3,145	(145)
Share of profit of jointly controlled entities	577	-	-
Fair value adjustment of financial assets	847	(938)	(206)
Total operating income	53,329	56,669	55,250
Raw materials and inventory	(20,535)	(21,943)	(21,743)
Due diligence and transaction costs	(333)	(186)	(69)
Broadcast production costs	(901)	(1,110)	(1,149)
Employee benefits expense	(10,492)	(12,703)	(13,148)
Selling costs	(1,731)	(1,995)	(2,024)
Promotions and marketing	(3,360)	(4,525)	(4,325)
Administration and other operating expenses	(5,371)	(6,981)	(7,376)
Depreciation	(497)	(677)	(726)
Financing costs	(628)	(507)	(432)
Profit before income tax	9,481	6,042	4,258
Income tax expense	(1,555)	(1,829)	(1,722)
Profit for the year	7,926	4,213	2,536
Share of reserves of jointly controlled entities	-	-	-
Reclassification of other comprehensive loss to profit or loss	-	-	-
Exchange differences on translation of foreign operations	43	(19)	(158)
Total comprehensive income for the year	7,969	4,194	2,378

Source: Company Financial Reports

58 With respect to Table 3:

- The Company has reported profit in each of the financial periods included in the above table although the profit has declined during the last two financial years.
- The results for financial periods ending 31 March 2017 include equity accounted profit contributions from businesses that were subsequently divested.
- During the financial year ending 31 March 2019, the Company reported revenues from continuing operations of \$54.3 million with contributions from commercial radio broadcasting and security screens being \$14.9 million and \$39.4 million respectively. The Company reported a 2.1% increase in revenue during the year, however earnings before tax declined by 30% to \$4.3 million as a result of increase in employee benefits expense, administration and other operating expense. Earnings before tax included \$4.8 million contribution from SCB, \$2.7 million contribution from Crimsafe and \$1.9 million loss from 2CH. The earnings also included dividend income and interest income of \$0.9 million and \$0.4 million respectively, mark to market adjustment to the carrying value of its investment portfolio of negative \$0.2 million and a realised loss of \$0.2 million on the disposal of shares in Pureprofile Ltd.
- During the financial year ending 31 March 2018, the Company reported a 9.1% increase in revenues from continuing operations to \$53.4 million with contributions from commercial radio broadcasting and security screens being \$14.2 million and \$39.2 million respectively. Despite the increased revenues, the Company's earnings before tax declined by 36.3% to \$6.0 million with increased operating costs more than offsetting the higher revenues. The reported earnings included \$4.2 million contribution from SCB, \$3.0 million contribution from Crimsafe and \$2.3 million loss from 2CH. The earnings also included dividend income of \$0.7 million, interest income of \$0.4 million, mark to market adjustment to the carrying value of its investment portfolio of negative \$1.0 million and a realised profit from the sale of interest in Cohort of \$3.1 million.
- During the financial year ending 31 March 2017, the Company reported a 11.6% increase in revenues to \$49.0 million with contributions from commercial radio broadcasting and security screens being \$11.4 million and \$37.5 million respectively. On the back of the higher revenues, the Company reported a 54.1% increase in earnings before tax to \$9.5 million. The reported earnings included \$3.5 million contribution from SCB, \$4.0 million contribution from Crimsafe and \$0.6 million contribution from Cohort for the six months period prior to its divestment. The earnings also included dividend income of \$0.6 million, interest income of \$0.3 million, mark to market adjustment to the carrying value of its investment portfolio of \$0.8 million and realised profit from the sale of its interest in Cohort of \$2.1 million which was offset slightly by realised loss of \$0.1 million on the disposal of listed securities.

Below is a brief description of the divestments of the Company during the period discussed above.

- Cohort Holdings Australia Pty Ltd (COH)⁵

COH is a leading smart data and digital marketing business, which provides high quality and innovative lead generation solutions for both advertisers and publishers.

OCP held a 50% equity interest in COH which was divested in the 2017 financial year to Pureprofile Ltd (PPL) for an earn-out consideration. OCP received 4,444,444 shares in PPL (market value: \$0.90 million) and a cash consideration of \$2.15 million and recognised a gain of \$5.2 million (i.e. \$2.1 million recognised in FY17 and \$3.1 million in FY18) on the sale of its interest.

⁵ Source: ASX announcements.

- BC Holdings 1 Pty Ltd (BCH)

BCH is the holding company for Baycorp (BYC), which is a leading debt recovery and credit management specialist in Australia and New Zealand. BYC's primary business offering includes commission and fee-for-service based collection services, debtor management activities, and acquisition of debt portfolios.

In October 2015, the Company entered into an agreement to realise a partial-sell down (from 52.76% to 24.88%) of its equity interest in BCH for \$18.4 million and \$10.0 million of stapled loan notes issued by BCH, with an agreement in place for the purchaser, Encore Capital Group Inc. (**Encore**), to acquire the Company's remaining interest in a period of two to four years from completion. During the 2018 financial year OCP disposed its remaining 24.88% equity interest for a cash consideration of \$18.2 million, which equated to approximately the carrying value of the investment hence no profit or loss was recognised.

7.5 Financial position

59 A summary of OCP's audited Statement of Financial Position derived from the financial statements as at 31 March 2017, 31 March 2018 and 31 March 2019 are summarised in Table 4.

Table 4: OCP's Statements of Financial Position

(\$'000)	31-Mar-17 (audited)	31-Mar-18 (audited)	31-Mar-19 (audited)
Cash and cash equivalents	17,918	29,243	22,627
Trade and other receivables	8,617	9,484	10,463
Inventory	6,529	8,139	8,381
Other financial assets	14,756	22,520	20,700
Current tax assets	-	32	181
Total current assets	47,820	69,418	62,352
Other receivables	917	1,016	1,571
Investments accounted for using the equity method	-	-	5,063
Other financial assets	19,504	-	-
Property, plant and equipment	3,382	4,330	4,690
Intangible assets	46,790	46,790	46,790
Deferred tax assets	412	436	335
Total non-current assets	71,005	52,572	58,449
TOTAL ASSETS	118,825	121,990	120,801
Trade and other payables	4,706	5,692	6,404
Borrowings	4,208	1,598	6,149
Current tax liabilities	456	549	525
Employee benefits	467	774	802
Total current liabilities	9,837	8,613	13,880
Borrowings	7,368	7,798	813
Employee benefits	277	192	189
Deferred tax liabilities	6,273	6,273	6,273
Total non-current liabilities	13,918	14,263	7,275
TOTAL LIABILITIES	23,755	22,876	21,155
NET ASSETS	95,070	99,114	99,646

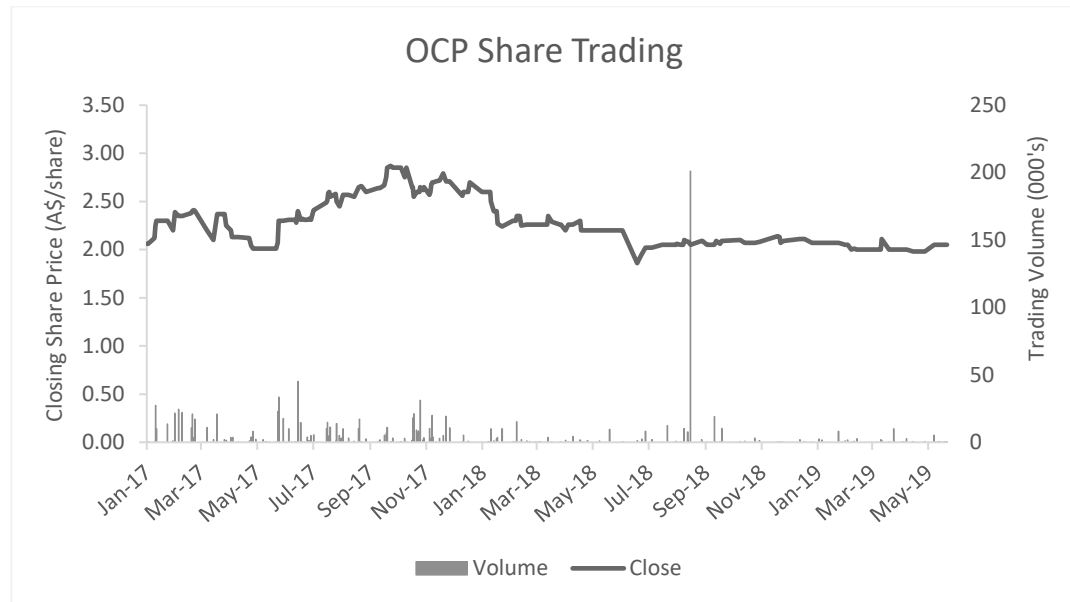
Source: Company Financial Reports

60 With respect to Table 4 above:

- As OCP holds controlling interests in most of its investee companies, its financial statements have been prepared and presented on a consolidated basis.
- The Company has a high proportion of its assets in cash and cash equivalents and other financial assets and modest holdings of hard assets, typical for an investment company.
- Over the last three financial years, the Company has divested its interests in a number of businesses/investments including COH and BCH. The proceeds from the divestments have strengthened OCP's cash position although some of the cash was used to acquire interests in 2CH and Boody.
- Trade and other receivables are generally due for settlement within 30 to 60 days, the increase from March 2017 to March 2019 is attributable to increment in sales during the period.
- OCP's inventory is recognised at the lower of cost and net realisable value. The balance has increased from \$6.5 million in March 2017 to \$8.4 million in March 2019 which comprises of Crimsafe's inventory on hand.
- OCP reports a significant amount of intangible assets on its balance sheet. The intangible assets reported as at 31 March 2019 comprised of commercial radio licences of \$12.4 million, brand names of \$8.5 million and goodwill \$25.9 million.
- Borrowings are interest bearing term debt facilities and are secured over all the assets of EON and Crimsafe's subsidiaries. As at March 2019 borrowings comprise of EON's \$1.6 million facility (expiring in November 2020) and Crimsafe's \$5.4 million facility (expiring in March 2020). OCP was in compliant with all financial covenants for the financial year ending March 2019.
- As at 31 March 2018, the company's Net Tangible Asset (**NTA**) backing per share was \$1.48. This was higher than its NTA per share of \$1.37 at the end of the previous financial year. As at 31 March 2019, the Company's NTA per share was maintained at \$1.50.
- As at 31 March 2019, the Net assets per Share was \$2.83, slightly higher than \$2.81 reported at the end of the previous financial year.
- As at 31 March 2019, the Company had tax losses of approximately \$192 million for which no deferred tax asset has been recognised on the audited balance sheet.

7.6 Share Price

- 61 The following chart shows OCP's Share price history from 1 January 2017 up until the day prior to the announcement of the Proposal (23 May 2019) (**Pre-announcement Date**):



We observe the following in relation to OCP's Share price history during the above period:

- OCP's Share price has consistently traded at lower than its reported Net assets per Share;
- During calendar year 2017, OCP's Share price trended from a low of \$2.00 on 9 March 2017 and reached a high of \$2.87 on 25 September 2017 before declining and ending the year at \$2.70;
- During calendar year 2018, OCP's Share price gradually declined to a low of \$1.85 on 20 June 2018 but steadily recovered to end the year at \$2.07;
- During calendar year 2019 and until the Pre-announcement Date, the Share price has traded in the range \$1.98 - 2.12.

- 62 The following data shows recent trading in OCP Shares up until the Pre-announcement Date:

Table 5: OCP Shares - Trading Volume 23 May 2019

Period	30 Trading Days prior to 23 May 2019	120 Trading Days prior to 23 May 2019	22 May 2018 to 23 May 2019
Total Shares traded	7,322	38,785	330,917
As % of total issued capital	0.02%	0.11%	0.94%
Price (cents)			
High	\$2.12	\$2.12	\$2.20
Low	\$1.98	\$1.98	\$1.85
Total value of trades (\$)	\$14,992	\$78,722	\$678,817
VWAP	\$2.05	\$2.03	\$2.05

- 63 The total trading volume (considering only days during which OCP Shares traded) was approximately 330,917 Shares during the 12 months to the Pre-announcement Date, representing a cumulative trading volume of approximately 0.94% of issued capital.
- 64 The above analysis indicates that the market for OCP Shares is highly illiquid.
- 65 The announcement of the transaction appears to have had a positive impact on the Share price although trading volumes continue to be very low:
- The share price increased from Pre-announcement closing share price of \$2.05 to close at \$2.23 on the day of the announcement (24 May 2019) of the Proposal;
 - The 3-day average daily trading volume following the announcement of the Proposal of has continued to be modest with approximately 6,156 Shares being traded. This is slightly above the average daily trading volume of 5,091 Shares during the 12 months to the Pre-announcement Date; and
 - The Share price traded in a very narrow range \$2.15-\$2.25 during the 3-day period following the announcement.

8. BASIS OF ASSESSMENT OF THE PROPOSAL

- 65 In determining whether the Proposal is fair and reasonable we have given regard to the views expressed by ASIC in Regulatory Guide 111 'Content of Expert's Reports' (**RG 111**) and Regulatory Guide 112 '*Independence of Experts*' (**RG 112**). In preparing our Report we have given particular consideration to RG111.
- 66 RG111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.
- 67 RG111 states that the expert report should focus on:
- The issues facing the security holders for whom the report is being prepared; and
 - The substance of the transaction rather than the legal mechanism used to achieve it.
- 68 Consistent with the guidelines in RG111, in determining whether the Proposal is fair and reasonable to all OCP Shareholders, the analysis undertaken is as follows:
- A comparison between the value of an OCP Share and the Buy Back Price. We have assessed the value of an OCP Share primarily from the perspective of the Exiting Shareholders and valued OCP Share on a control basis, as by participating in the Buy Back, the Exiting Shareholders are giving up the opportunity of receiving a takeover bid in future;
 - According to RG 111, the Proposal would be fair to the Exiting Shareholders if the Buy Back Price is equal to or higher than our assessed value of an OCP Share. From the perspective of Continuing Shareholders, the Proposal is fair if the Buy Back Price is equal to or lower than our assessed value for an OCP Share; and
 - A review of other significant factors which both Exiting and Continuing Shareholders might consider prior to approving the Proposal in the assessment of reasonableness.

- 69 We have also considered the advantages and disadvantages of the Buy Back and the Delisting to all OCP shareholders in the event that the Proposal proceeds including:
- The future prospects of the Company if the Proposal does not proceed;
 - Any other commercial advantages and disadvantages to Exiting and Continuing Shareholders as a consequence of the Proposal proceeding; and
 - Our assessment of the Proposal is based on economic, market and other conditions prevailing at the date of this Report.

70 Section 9 sets out details of our assessment of whether the Buy Back Price is higher than our assessed value of an OCP share. Section 10 details our assessment of the other matters to be considered, including the overall advantages and disadvantages of the Proposal.

9. FAIRNESS ASSESSMENT OF THE PROPOSAL

9.1 Value Definition Overview

71 Moore Stephens' assessment of the Proposal has been made on the basis of fair market value defined as the price that could be realised in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information, in a transaction between a willing, but not anxious seller and a willing, but not anxious, buyer acting at arm's length.

72 Below is a Section roadmap:

- Section 9.2 provides a description of our sum-of-the-parts approach;
- Section 9.3 presents a valuation of OCP's component parts;
- Section 9.4 compares the sum-of-the-parts value of OCP against the Buy Back Price; and
- Section 9.5 assesses a market-based valuation of OCP, and a comparison against the Buy Back Price.

9.2 Valuation Methodology

73 In selecting an appropriate valuation methodology, we considered the applicability of a range of generally accepted valuation methodologies. These included:

- Capitalisation of Future Maintainable Earnings;
- Discounted cash flow;
- Net Asset Value; and
- Quoted Share Price.

Further details of each methodology are contained in **Appendix B**.

74 RG111.64 states that an expert should use its skill and judgment to select the most appropriate methodology in its report. The expert must have a reasonable (or tenable) basis for choosing the valuation methodology. RG111.65 states that an expert should, when possible, use more than one valuation methodology.

75 OCP's assets includes its minority interests in various financial assets and its controlling or significant interests in unique independent businesses. As such, we have determined the value of OCP as a whole, by valuing each individual part of OCP separately. The selection of the appropriate valuation methodology is uniquely determined for each asset of OCP. This approach produces a valuation for OCP which represents a Sum-of-the-Parts (**SOTP**).

76 We have adopted a SOTP approach, using the following methodologies which we consider to be the most appropriate for the assets to be valued:

- **Capitalisation of Future Maintainable Earnings:** This methodology requires an estimation of future maintainable earnings of a business and applying an appropriate capitalisation rate / multiple with reference to the observed multiples of entities whose businesses are comparable.
- **Asset Based:** The asset-based approach involves separating the business into components that can be readily sold or represented individually. This involves marking the assets and liabilities on the company's balance sheet to current market values.

77 The SOTP approach aggregates the values of the investments/assets of OCP as follows:

Table 6: Components of SOTP and Valuation Methodologies

Asset/Business	Methodology	Reason
EON	Capitalisation of Maintainable Earnings	Track record of stable financial performance and a consistent history of reporting positive operating income. OCP expects the business to continue operating in its current form.
CHP	Capitalisation of Maintainable Earnings	Track record of stable financial performance and a consistent history of reporting positive operating income. OCP expects the business to continue operating in its current form.
2CH	Asset Based/ Capitalisation of Maintainable Earnings	The business is currently unprofitable. However, the Company is projecting the business to become profitable (on run rate basis) during FY20. In the absence of positive earnings, we have adopted the Asset Based approach for the Low end of our valuation range. For the High end of the valuation range, we have valued the business using the capitalisation of maintainable earnings methodology under the assumption that the projected earnings are sustainable.
Boody	Asset Based	OCP acquired its minority interest in the business in March 2019. The Company has confirmed that there has been no material change to the business since the investment. Given that the investment was made recently and the Company has confirmed that there has been no material change to the prospects of the business, we have adopted the carrying value on the balance sheet as a reasonable basis to value the minority interest.
Other financial Assets	Asset Based/Market based	Cash and cash equivalents have been valued using the Asset Based approach Portfolio of listed securities are marked-to-market and have market pricing.
OCP Corporate Overheads	Capitalisation of Maintainable Earnings	The parent will operate for as long as EON, CHP and 2CH are held by OCP. Therefore, we have used the same valuation methodology.

Capitalisation of Maintainable Earnings

- 78 As noted in Table 6 above, we have applied Capitalisation of Maintainable Earnings to value EON and CHP. Both the businesses operate within mature markets and have a track record of delivering reasonably stable earnings which are indicative of ongoing earnings potential of the businesses. We have also adopted the Capitalisation of Maintainable Earnings methodology to value the High end of the valuation range for 2CH on the basis that the earnings run-rate projected for the business at the end of FY20 is sustainable.
- 79 As detailed in paragraph 76 of this Report, the Capitalisation of Maintainable Earnings determines a value by applying the relevant multiples to the maintainable earnings. Please refer to Appendix B for further guidance on this methodology.
- 80 This approach can be applied to a number of different earnings or cash flow measures including EBITDA, EBIT and NPAT. The management's preferred measure for reporting the underlying financial performance is EBITDA. On this basis, we have adopted EBITDA as the earnings base and referred to EV/EBITDA multiples in our analysis of the observed multiples where **EV** reflects the Enterprise Value for the comparable businesses or assets. The equity value is derived by adjusting the EV for the cash and borrowings of the businesses or assets.
- 81 In determining the maintainable earnings base for each of OCP's businesses, we have considered the historical financial information including the financial statements as at 31 March 2019 and management's level of confidence that the businesses would continue to generate a similar level of earnings in the future.
- 82 We have also adjusted the observed EV/EBITDA multiples for the following factors:
- **Control Premium:** the multiples for listed companies are based on share prices and do not include a premium for control. On the other hand, OCP has controlling interest in EON, CHP and 2CH and therefore the capitalisation multiples used for valuing its interest in these businesses/subsidiaries should be adjusted for this. The standard practice is to apply a premium of 20% - 30% to the trading multiples to reflect the control premium⁶; and
 - **Small Business and Market Liquidity Discount:** while the ASX listed companies selected as comparable to businesses being valued are similar, some are vastly larger than the subsidiaries being valued. Furthermore, whilst OCP is a listed company, each of the subsidiaries can only be traded through private sale. We have therefore applied a discount in the range of 20% - 40% to reflect the size and liquidity discount, which again is standard valuation practice⁷.
- 83 Given our comments above and aggregating the adjustments for the factors referred to, we have chosen to apply discount in the range of 0% to 20% to the comparable company EV/EBITDA trading multiples. We have applied the adjustment at the underlying asset level as a result of the sum-of-the-parts based approach. Similarly we consider that debt effects are minimal at the underlying asset level such that the adjustment can be applied to the TEV multiple. We have not applied control premium adjustments to the financial assets as we are advised that the investments held do not form a control or strategic stake such that no theoretical buyer of OCP would be willing to pay a premium for those assets.
- 84 We have also made adjustments to the valuations to reflect the equity interest of OCP in the subsidiaries. In OCP's consolidated financial statements, the subsidiaries in which OCP has majority interest are accounted for at 100% to reflect OCP's control and influence over these subsidiaries. However, OCP currently holds 98%, 97% and 85.5% of the shares in EON, CHP and 2CH respectively. The valuations of OCP's investments in EON, CHP and 2CH are therefore adjusted to reflect this ownership interest.

⁶ Consistent with for example: RSM Bird Cameron Control Premium Study, 2017; MergerStat Review 2018 and Pratt "Discounts & Premiums, 2nd edition.

⁷ IBID

Asset Based Valuation

- 85 The net asset value (**NAV**) methodology on a going concern basis estimates the value of net assets at their fair market value and does not account for realisation costs. This method involves making any necessary adjustments required to reflect the fair market value of the net assets of the business.
- 86 As noted in Table 6, we have adopted an Asset Based Valuation approach to value OCP's interest in Boody and in other financial assets. These assets are accounted for individually in its Statement of Financial Position. We have also adopted the NAV approach to value the Low end of the valuation range for 2CH on the basis that the business is currently unprofitable and therefore the value of the business is primarily the estimated market value of the assets that can be readily sold off.

9.3 Valuation of Component Parts*Valuation of EON*

- 87 As per Table 6 of this Report, we have valued EON using the Capitalisation of Maintainable Earnings methodology.
- 88 The relevant multiples for the valuation were derived by referring to the trading multiples of comparable listed companies. The Table 7 below summarises the trading multiples of ASX listed broadcasting companies. A detailed description of the companies is included in Appendix E.

Table 7: Trading Multiples for EON

Company Name	Market Cap (\$mil)	Enterprise Value (\$mil)	EBITDA (\$mil)		EV/EBITDA (times)	
			FY18A	FY19F ⁸	FY18A	FY19F
Pacific Star Network Ltd	62.9	62.7	8.0	9.0	7.8x	7.0x
Macquarie Media Ltd	282.5	303.3	32.4	28.0	9.4x	10.8x
HT & E Ltd	530.2	401.8	71.8	73.0	5.6x	5.5x
Southern Cross Austereo Pty Ltd	986.3	1,279.4	154.7	159.0	8.3x	8.0x
					Median	7.5x

Source: Thomson Reuters and company announcements as at 24 May 2019.

- 89 To derive the appropriate capitalisation multiple to value EON business, as discussed in paragraph 83, a discount in the range of 0% to 20% has been applied to the median FY19 EBITDA multiple of comparable companies. As seen in the Table below, we have selected EBITDA multiples in the range of 6.0 times to 7.5 times to value EON.

Table 8: Selected EBITDA multiples range for EON

	Ref	Low	High
Comparable companies median trading multiple – FY19F	88	7.5x	7.5x
Aggregate discount	83	20%	0%
	Range	6.0x	7.5x

⁸ The comparable companies have 30 June financial year end and have therefore not reported their FY19 results. The FY19 EBITDA forecasts are based on company guidance where available or are based on broker forecasts.

- 90 As a cross-check, we have compared the selected multiples range with the EBITDA multiples implied by recent transactions involving broadcasting companies with operations in Australia.

Table 9: Comparable Transactions

Announced Date	Target	Acquirer	Interest (%)	Consideration (\$m)	EBITDA x (times)
Jan-18	Crocmedia Pty Ltd	Pacific Star Network	100%	92	6.4
Feb-14	Australian Radio Network	APN News & Media	100%	247	6.9
Aug-13	Prime Radio Network	Grant Broadcasters	100%	25	8.0 ⁹

- 91 As seen from the Table 9, the EBITDA multiples range selected to value EON is broadly consistent with the EBITDA multiples observed in transactions involving broadcasting companies in Australia.
- 92 Based on the above analysis and as per the calculations in the below table, we have valued the equity interest in EON in the \$32.0-39.8 million range on 100% basis which translates to valuation range of \$31.4-39.0 million for OCP's 98% interest in EON.

Table 10: Valuation of EON

	Units	Low	High
EON EBITDA – FY19A	\$mil	5.2	5.2
EBITDA multiple	times	6.0x	7.5x
EV Valuation of EON	\$mil	31.0	38.7
Net cash / (Borrowings)	\$mil	1.1	1.1
Equity Valuation of EON (100%)	\$mil	32.0	39.8
OCP interest	%	98%	98%
Equity Valuation of EON (OCP's interest)	\$mil	31.4	39.0
<i>OCP Book carrying value</i>	<i>\$ mil</i>	<i>19.7</i>	<i>19.7</i>

- 93 The book carrying values are taken from the 31 March 2019 Annual Report and reflect the net assets of the business, inclusive of book intangible assets, but excluding parent entity loans.
- 94 The Directors stated that EON Broadcasting's radio broadcast licences were issued under the *Broadcasting Services Act 1992* ("BSA") for the Nambour RA1 region. The BSA restricts the control/ownership of radio broadcast licences to a maximum of 2 in any one licence area. As a result of these restrictions, in the Directors view, none of the major 5 radio networks in Australia would be able to acquire the EON radio licences. Whilst this does restrict the market of available strategic buyers who may otherwise be willing to pay a premium, in our view it does not prevent a sale to any buyer based upon its comparable fair market value.

Valuation of CHP

- 95 As per Table 6 of this Report, we have valued CHP using the Capitalisation of Maintainable Earnings methodology.

⁹ Based on estimates as the multiple was not disclosed.

- 96 The relevant multiples for the valuation were derived by referring to the trading multiples of comparable listed companies. Table 11 below summarises the trading multiples of small cap ASX listed companies focussed on building products. A detailed description of the companies is included in Appendix E.

Table 11: Trading Multiples for CHP

Company Name	Market Cap (\$mil)	Enterprise Value (\$mil)	EBITDA (\$mil)	EV/EBITDA
Oldfields Holdings Ltd	4.5	7.2	1.1	6.5x
Embelton Ltd	24.7	30.6	4.8	6.4x
Excelsior Capital Ltd	42.7	23.8	6.2	3.8x
Big River Industries Ltd	54.1	67.8	11.0	6.2x
Metro Performance Glass Ltd	86.2 ¹⁰	169.5 ⁷	39.7 ⁷	4.3x
Median				6.2x

Source: Thomson Reuters as at 24 May 2019.

- 97 To derive the appropriate capitalisation multiple to value CHP, as discussed in paragraph 83, a discount in the range of 0% to 20% has been applied to the median EBITDA¹¹ multiple of comparable companies. Based on this we have selected EBITDA multiples in the range of 4.9 times to 6.2 times to value CHP.

Table 12: Selected EBITDA multiples range for CHP

	Ref	Low	High
Comparable companies median trading multiple	96	6.2x	6.2x
Aggregate discount	83	20%	0%
Range		4.9x	6.2x

- 98 Based on the above analysis and as per the calculations in the below table, we have valued the equity in CHP in the \$18.0-23.4 million range on 100% basis which translates to a valuation range of \$17.5-22.7 million for OCP's 97% interest in CHP.

Table 13: Valuation of CHP

	Units	Low	High
CHP EBITDA ¹²	\$mil	4.3	4.3
EBITDA multiple	times	4.9x	6.2x
EV Valuation of CHP	\$mil	21.5	26.5
Net cash / (Borrowings)	\$mil	(3.2)	(3.2)
Equity Valuation of CHP (100%)	\$mil	18.0	23.4
OCP interest	%	97%	97%
Equity Valuation of CHP (OCP's interest)	\$mil	17.5	22.7
OCP book carrying value	\$mil	29.7	29.7

¹⁰ New Zealand dollars.

¹¹ As at the date of this Report, except for Metro Performance Glass Ltd, the remaining comparable companies have not reported the FY19 results nor have they provided EBITDA forecasts for FY19. In the absence of this information, we have adopted the reported FY18 EBITDA to derive the multiples.

¹² Calculated as the average of FY18 and FY19 reported EBITDA excluding the contribution of North American operation which is still ramping up.

Valuation of 2CH

- 99 As per Table 6 of this Report, we have valued 2CH using the Capitalisation of Maintainable Earnings methodology for the High case and the NAV methodology for the Low case.
- 100 2CH has underperformed since OCP acquired the business in 2017 and is currently unprofitable. In the absence of positive earnings, we have valued the business on the basis of the fair value of its net assets for the Low case of the valuation range.
- 101 The only significant assets of 2CH are its property, plant and equipment and its radio license. We have adopted the carrying values of these assets on the basis that the carrying values closely reflect the value that could be realised if the assets are sold off individually. As per the most recent balance sheet date, the carrying value of these assets was \$3.8 million.
- 102 The management is forecasting the business to become profitable (on run-rate basis) during FY20. On the basis that these earnings are sustainable, it represents the High case of our valuation of 2CH. The Capitalisation of Maintainable Earnings methodology has been applied to these earnings to value the High case.
- 103 As noted in paragraph 89 we have applied a multiple of 7.5 times to forecast¹³ EBITDA to value the High case for 2CH.
- 104 Based on the above analysis and as per the calculations in the below table, we have valued the equity in 2CH in the \$3.9-5.1 million range on 100% basis which translates to a valuation range of \$3.3-4.4 million for OCP's 85.5% interest in 2CH.

Table 14: Valuation of 2CH

	Units	Low	High
2CH EBITDA ¹⁴	\$mil	n/a	0.7
EBITDA multiple	times	n/a	7.5x
EV Valuation of 2CH	\$mil	3.8	5.0
Net cash / (Borrowing)	\$mil	0.1	0.1
Equity Valuation of 2CH (100%)	\$mil	3.9	5.1
OCP interest	%	85.5%	85.5%
Equity Valuation of 2CH (OCP's interest)	\$mil	3.3	4.4
<i>OCP book carrying value</i>	<i>\$ mil</i>	<i>4.6</i>	<i>4.6</i>

Valuation of Boody

- 105 As per Table 6, we have adopted the Asset Based Valuation approach to value OCP's interest in Boody.
- 106 OCP acquired its minority interest in the business in March 2019. The Directors have confirmed that the acquisitions was negotiated between parties dealing at arms-length and that there has been no material change to the business since the investment. Given that the investment was made recently and the Company has confirmed that there has been no material change to the prospects of the business, we have adopted the reported carrying value as a reasonable basis to value the minority interest. Accordingly, we have valued OCP's 22.5% interest in Boody at \$5.9 million.

¹³ We have used FY20 exit run-rate EBITDA for the valuation.

¹⁴ Represents the FY20 exit run-rate EBITDA.

Valuation of Other Assets

- 107 OCP has significant holdings of cash and cash equivalents and other financial assets. The cash and cash equivalent holdings have been valued as per the most recent reported balances whilst the other financial assets which is essentially OCP's portfolio of shareholdings in various ASX listed companies has been valued on market value basis.
- 108 As at 24 May 2019, OCP had cash and cash equivalent holdings of \$18.7 million. The mark-to-market values of OCP's listed share portfolio as at 24 May 2019 was \$20.2 million. The table below summarises these balances.

Table 15: Valuation of Other Assets

	Units	Low	High
Cash and cash equivalents	\$mil	18.7	18.7
Other financial assets	\$mil	20.2	20.2
Other Assets	\$mil	38.9	38.9

Valuation of OCP's Corporate Overheads

- 109 The OCP holding entity operates as a parent for subsidiaries, provides corporate functions and incurs corporate overheads on behalf of the Group. These overheads are therefore a necessary cost incurred in the continuing operation of OCP.
- 110 During financial year ended 31 March 2019, OCP's reported corporate overheads were approximately \$2.0 million. Should the Delisting proceed, the Company expects to save on listing fees, regulatory and compliance costs and audit and insurance costs totalling approximately \$0.2 million or around 10% of the corporate overheads.
- 111 The corporate overheads have been capitalised using the Capitalisation of Maintainable Earnings methodology. The multiples range adopted for the valuation is consistent with that applied to value the individual subsidiaries.
- 112 As seen in the Table 16, the corporate overheads have been capitalised in the \$11.2-14.0 million range.

Table 16: Valuation of Corporate Overheads

	Units	Low	High
Corporate Overheads	\$mil	(2.0)	(2.0)
Savings due to Delisting	%	10%	10%
Adjusted Corporate Overheads	\$mil	(1.8)	(1.8)
EBITDA multiple	times	6.0x	7.5x
OCP interest	%	100.0%	100.0%
Corporate Overheads - Capitalised	\$mil	(11.2)	(14.0)

9.4 Sum- of-the-Parts Equity Valuation vs the Proposal

113 The SOTP valuation of OCP is summarised in the Table 17 below:

Table 17: Summary of SOTP Valuation

Component of OCP (all \$m)	Method Used	High	Low
EON	Capitalisation of Maintainable Earnings	39.0	31.4
CHP	Capitalisation of Maintainable Earnings	22.7	17.5
2CH	Capitalisation of Maintainable Earnings / NAV	4.4	3.3
Boody	Asset Based/Carrying value	5.9	5.9
Other Assets (cash and financial assets)	Asset Based/Market Based	38.9	38.9
Corporate Overheads	Capitalisation of Maintainable Earnings	(14.0)	(11.2)
Sum of the Parts		96.8	85.8
Shares outstanding (in million)		35.2	35.2
Value per Share (\$/share)		\$2.75	\$2.44

114 As seen in the Table 17, based on the SOTP, OCP Shares have been valued in the range \$2.44 to \$2.75 per Share.

115 Outlined in the table below is a comparison of the Buy Back Price of \$2.30 per OCP Share to be acquired to the assessed valuation range of an OCP Share held by Exiting Shareholders.

	Section ref	Low	High
Value of OCP Share (control basis, pre proposal)	9.4	\$2.44	\$2.75
Buy Back Price	1.1	\$2.30	\$2.30

116 The above pricing indicates that, in the absence of any other relevant information, the Proposal is **not fair** for Exiting Shareholders or Shareholders who participate. Conversely the Proposal is **fair** for Continuing Shareholders or Shareholders who do not participate.

9.5 Market-Based Valuation – Quoted Market Price

117 As OCP is a listed company on the ASX we have considered the quoted market price (**QMP**) of OCP Shares as a secondary method for determining the value of OCP Shares.

118 RG 111.69 states that an expert should consider “*the quoted price for listed securities, where there is a liquid and active market*”.

119 In our view a liquid stock would typically be characterised by having 25-50% of its total number of shares being traded over the course of a year, or about 0.5%-1.0% per week. OCP is a thinly traded stock that does not meet the usual characteristics of a liquid stock with an active market. Therefore, we do not consider the QMP of OCP Shares to be a reliable indicator of their value.

10. ASSESSMENT OF THE ADVANTAGES AND DISADVANTAGES OF THE PROPOSAL

120 In assessing if the advantages of the Proposal outweigh the disadvantages, we have had regard to the following:

Table 18: Advantages and Disadvantages

<p>Advantages of the Proposal to Exiting Shareholders</p>	<p>a) Buy Back Price represents a premium to the last traded price</p> <p>The Buy Back Price represents a 12% premium to the last traded price prior to the announcement of the Proposal and a 5% premium to the highest traded price in the 12-month period prior to the announcement of the Proposal.</p> <p>The Buy Back Price is also at a 53% premium to the last reported NTA.</p> <p>b) Provides liquidity</p> <p>The trading in OCP Shares is highly illiquid and the Buy Back offers the opportunity for Shareholders, including those holding unmarketable parcels, to realise cash for at least part of their holdings.</p> <p>c) Equal opportunity and optional</p> <p>All Shareholders have an equal opportunity to participate in the Buy Back and the participation in the Buy Back is optional.</p> <p>d) No brokerage</p> <p>The Exiting Shareholders will not incur any brokerage fee or realisation costs for the shares that are bought back.</p> <p>e) Opportunity to redeploy capital</p> <p>The Buy Back provides Exiting Shareholders the opportunity to redeploy capital into other value-accretive and liquid investment opportunities.</p>
<p>Disadvantages of the Proposal to Exiting Shareholders</p>	<p>f) Not receiving fair value</p> <p>The Exiting Shareholders are receiving less than the fair value for their shares as the Buy Back Price is less than our assessed valuation range for OCP Shares.</p> <p>g) Will not participate in improved performance</p> <p>The Exiting Shareholders would not benefit from any future improvement in the operating performance and market value of OCP. The Exiting Shareholders will have no further opportunity to participate in future value generation opportunities undertaken by OCP.</p> <p>h) Will not benefit from superior proposal</p> <p>By participating in the Buy Back, the Exiting Shareholders will have no opportunity to benefit from an alternate and superior proposal which may subsequently emerge.</p> <p>i) May not be able to realise their entire holding</p> <p>As the Buy Back is capped with scale back provision, depending on the take-up of the Buy Back proposal, the Exiting Shareholders may not be able to realise all their shares.</p>

<p>Advantages of the Proposal to Continuing Shareholders</p>	<p>j) Increased Interest</p> <p>The shares bought back under the Buy Back proposal will be cancelled increasing the collective interest of Continuing Shareholders in the Company.</p> <p>k) Increase in Net Assets per Share</p> <p>As the Buy Back Price is at a discount to the book value of equity, the Net Assets per Share value will increase following the Buy Back with the quantum of increase dependent on the participation level of the shareholders in the Buy Back.</p> <p>l) Benefit from improved performance in future</p> <p>The Continuing Shareholders will benefit from any improvement in operating performance and will also be able to participate in future value generation opportunities undertaken by OCP.</p> <p>m) Lower compliance costs</p> <p>Following the Delisting, the Company will no longer incur costs associated with being a listed company such as listing fees, compliance costs etc. These cost savings could translate to improved financial performance for Continuing Shareholders.</p>
<p>Disadvantages of the Proposal to Continuing Shareholders</p>	<p>n) HCIAO Control</p> <p>HCIAO have not stated their intention in respect of the proposal or for the company following the proposal if required. However, the Directors of OCP (two of which represent HCIAO) have stated that they expect the business of OCP to continue with no plans to sell assets within the foreseeable future / less than 12 months. It is likely that HCIAO will increase their level of control. We note that HCIAO already control the company with a majority of shares held and a majority of Directors to the company that are associates of HCIAO. HCIAO may attain a higher level of control through the Buy-Back but are not paying a control value per OCP share to do so.</p> <p>o) Reduced liquidity</p> <p>Following the Delisting, the Continuing Shareholders will retain an interest in an unlisted company. This will limit the ability of the Continuing Shareholders to transact in the shares of the Company as there is unlikely to be an active market for the shares.</p> <p>p) Reduced cash balance</p> <p>As the Buy Back is being funded by the cash available on the balance sheet, this will reduce the available cash balance post Buy Back and could limit the opportunities that the Company could invest in.</p> <p>q) Reduced governance</p> <p>Following the Delisting, the Continuing Shareholders will retain a minority interest in an unlisted company and may not experience the benefits that an ASX listing (such as higher levels of corporate governance and disclosure) would have on the value of their minority interest.</p>

- 121 OCP has confirmed that there are no alternative proposals available to the Company or for its subsidiaries that might offer a superior alternative to OCP Shareholders.
- 122 In the event the Proposal is not approved or if any conditions prevent the Proposal from being implemented, Existing Shareholders will continue to hold an interest in OCP and be exposed to the benefits and risks associated with an investment in the Company. We have reviewed the Share price movement and trading volumes since the announcement of the Proposal and note that the Share price has traded below the Buy Back Price and there is no material increase in the trading volume.
- 123 After considering the above, we conclude that the advantages of the Proposal outweigh the disadvantages from the perspective of all OCP Shareholders. Therefore, in our opinion, the **Proposal is reasonable to all OCP Shareholders.**

APPENDIX A

Statement of Qualifications, Independence, Declarations and Consents

Qualifications

Moore Stephens (Vic) Pty Ltd (ACN 052 362 348) (Moore Stephens) is a Melbourne based accounting, audit and business advisory practice and is a licensed investment adviser within the terms of the *Corporations Act 2001*. Moore Stephens is an independent practice and a member of Moore Stephens International. Moore Stephens International is a national and international association of separate accountant and advisor entities represented in all capital cities of Australia and with 292 firms operating in 626 offices within 103 countries worldwide.

The AFSL licence (No 247262) allows Moore Stephens to act for clients only in the capacity of providing Reports in relation to certain corporate transactions or to provide general financial product advice on certain classes of financial products. Senior Directors at Moore Stephens specialise in such advice and regularly perform corporate and asset valuations and advice on company restructures, acquisitions and proposals. Moore Stephens, acting through different Directors also performs audits on the accounts of Australian companies.

The primary person responsible for preparing this Report on behalf of Moore Stephens are Mr Stuart Whitehead and Mr Colin Prasad (B.Com, ACA, BVS) with the assistance of staff, who have a significant number of years of experience in relevant corporate matters including valuations, independent expert Reports and investigating accountant engagements.

Independence

Moore Stephens considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC relating to independence of experts and has developed and issued an opinion and Report on an unbiased basis.

Moore Stephens and its related entities or any of its Directors or Partners have not had within the previous two years, any Shareholding in the Company. During the 2 years period to this Report Moore Stephens and its related entities have not provided any professional services to the Company or any of its subsidiaries.

None of Moore Stephens, Stuart Whitehead, nor any other member, Director, partner or employee of any of Moore Stephens has any interest in the opinion reached by Moore Stephens except that we are entitled to receive professional fees for the completion of this Report based on time incurred at normal professional rates. With the exception of these fees no parties will receive any other benefits, whether directly or indirectly, for or in connection with issuing this Report.

Disclaimers

This Report has been prepared at the request of the Directors of the Company and was not prepared for any other purpose than stated in this Report in Section 2. This Report has been prepared for the sole benefit of the Directors and the shareholders of the Company. This Report should not be used or relied upon for any purpose other than as set out in Section 2. Accordingly, Moore Stephens expressly disclaims any liability to any person (other than the Directors or shareholders of the Company) who relies on our Report, or to any person at all who seeks to rely on the Report for any other purpose not set out in Section 2.

Appendix C identifies the sources of information upon which this Report has been based. To the extent we have used historical information we are entitled to rely upon the information. Any forecast information which has been referred to in this Report has been prepared by the relevant entity and is generally based upon best estimate assumptions about events and management actions that may or may not occur. Accordingly, Moore Stephens cannot provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. Whilst (unless stated otherwise in the Report) Moore Stephens has no reason to believe that such information is not reliable and accurate, it has not caused such information to be independently verified or audited in any way. Inquiry, analysis and review have brought nothing to our attention to indicate a material misstatement, omission or lack of reasonable grounds upon which to base our opinion.

The opinions given by Moore Stephens in this Report are given in good faith, based upon our consideration and assessment of information provided to us by the Directors and Executives of the parties to the Proposal; and in the belief on reasonable grounds that such statements and opinions are correct and not misleading, (unless otherwise stated in the Report). This Report has been prepared with care and diligence.

Advanced drafts of this Report were provided to the Directors of the Company. Minor changes for factual content were made to this Report. There was no alteration to the methodology or conclusions reached as a result of discussions related to drafts of the Report.

Moore Stephens' opinion is based on prevailing conditions at the date of this Report including market, economic and other relevant circumstances. These can change over relatively short time period and any subsequent changes in these conditions in the value either positively or negatively.

Indemnity

The Company has agreed that it will indemnify Moore Stephens and its employees and officers in respect to any or all losses, claims, damages and liabilities arising as a result of or in connection with the preparation of this Report, except where the claim has arisen as a result of wilful misconduct or negligence by Moore Stephens.

Consent

This Report has been prepared at the request of the Company and may accompany the Notice of Meeting to be given to Shareholders.

Moore Stephens consents to the issuing of this Report and the form and context to which it is to be included with the Notice of Meeting. Other than the Report, Moore Stephens has not been involved in the preparation of the documents or other aspects of the Proposal or the Notice of Meeting to which this Report may be attached. Accordingly, we take no responsibility for the content of the Notice of Meeting or the Proposal as a whole. Neither the whole nor any part of this Report nor any reference thereto may be included in any other document without prior written consent of Moore Stephens as to the form and context to which it appears.

APPENDIX B

Overview of Valuation Methodologies

Type	Method	Description	When method used
Income Approaches	Discounted Cash Flow	<p>The Discounted Cash Flow (DCF) method derives the value of a business on a controlling basis based on the future cash flows of the business discounted back to a present value at an appropriate discount rate (cost of capital). The discount rate used will reflect the time value of money and the risks associated with the cash flows.</p> <p>The DCF Method requires:</p> <ul style="list-style-type: none"> Forecasting cash flows over a sufficient long period (at least 5 years and usually 10 years) Assessing an appropriate discount rate (typically derived using judgment and aids such as the Capital Asset Pricing Model (CAPM)). The cost of equity (Ke) can be built up from first principles or benchmarked against comparable companies ("Co-Co") or transactions ("Co-Tran"), and Estimation of the terminal value (value of the business into perpetuity) at the end of the period (typically derived using the capitalisation of earnings method). 	<ul style="list-style-type: none"> Reasonably accurate forecast cash flows (minimum 5 years). Earnings or cash flows expected to fluctuate from year to year. Business is in start-up or turn around phase. Specific projects that have a finite or infinite life, for example, mining projects.
	Capitalisation of Maintainable Earnings	<p>The Capitalisation of Maintainable Earnings (CME) method is the most commonly used valuation method. It involves the application of a capitalisation multiple to an estimate of the Future Maintainable Earnings (FME) of the business. The FME must be maintainable by the business and must not include one-off gains or losses. The capitalisation multiple will reflect the risk, time value of money and future growth prospects of the business.</p> <p>The appropriate capitalisation multiple is determined with reference to the observed multiples of entities whose businesses are comparable ("Co-Co") to that of the business being considered and/or comparable transactions, ("Co-Tran").</p>	<ul style="list-style-type: none"> The business has a history of profits with a reasonably consistent trend and that trend is expected to continue. The business has an indefinite life. Cash flow forecasts are not available.

Type	Method	Description	When method used
	Capitalisation of Dividends	This method involves the capitalisation of forecast future maintainable dividends. The maintainable level of dividends is estimated by assessing the expected level of future maintainable earnings and the dividend policy of the entity. The appropriate capitalisation rate reflects the investor's required rate of return.	<ul style="list-style-type: none"> Valuation is for a minority interest. Stable business. High payout ratios.
	Yield Based	This method is primarily used for property assets and involves capitalising forecast distributions by an estimated future maintainable yield. The yield or rate is determined based on analysis of comparable entities.	<ul style="list-style-type: none"> Commercial or investment properties including retail, industrial and commercial.
Market Approach	Market	<p>This method values a company bases on the traded prices of its equity on a public market/exchange. The approach can adopt the prevailing spot rate of the company's securities at valuation date or the Volume Weighted Average Price (VWAP over a set trading period i.e. the preceding 30, 60 or 90 trading days to the valuation date).</p> <p>In the absence of market data specific to the company, the market approach can also be used by examining market values for comparable companies ("Co-Co") or comparable transactions ("Co-trans"). Comparable transactions may be observed as being based upon a widely used industry practice such as a multiple of revenue instead of earnings.</p>	<ul style="list-style-type: none"> Company's equity is listed on public market/exchange i.e. ASX. Securities in the company are actively traded on the market/exchange. As above for comparable companies or transactions
Asset Approach	Asset Based	<p>Asset based valuation involve separating the business into components that can be readily sold, such as individual business units or items of plant and equipment, and ascribing a value of each component based on the amount that could be obtained if sold.</p> <p>The asset value can be determined on the basis of:</p> <ul style="list-style-type: none"> Orderly realisation Liquidation Going concern 	<ul style="list-style-type: none"> Asset rich entities For wind-up or realisation value
	Cost approach	<p>The value of an asset determined by:</p> <ul style="list-style-type: none"> replacement cost (in basic terms, the cost of replicating functionality). reproduction cost (in basic terms, the cost of recreating the asset). 	The cost-based approach can be used to derive market value where market or income factors are difficult to obtain or estimate with reliability (for example, for some intangible assets).

APPENDIX C

Documents and Information Relied Upon

1. Management Reports and FY20 Budgets for Radio 2CH, Sunshine Coast Broadcasters Pty Ltd and Crimsafe Group
2. Audited financial statements for FY19 for OCP
3. Oceania Capital Partners Limited, Annual Report 2018
4. Oceania Capital Partners Limited, Annual Report 2017
5. Oceania Capital Partners Limited, Annual Report 2016
6. Email correspondences with Company management during March, April and May 2019
7. ASX announcements of the Company
8. Draft Notice of General Meeting dated on or about the date of this report

APPENDIX D

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APPENDIX E

Comparable Companies

a) Pacific Star Network Ltd

Pacific Star Network Limited (PNW) is an ASX listed media company with interests in broadcasting and publishing. The company owns two Melbourne AM commercial broadcasting licenses and also operates 3 digital only radio stations.

On 29 March 2018, the company completed the merger with Crocmedia Pty Ltd. Subsequent to the merger on 16 July 2018 PNW acquired 25% equity interest in Melbourne United Basketball Club Pty Ltd for \$1.0 million. On 30 July 2018 the Company acquired AFL Publications business for \$8.1 million. The Company disposed Morrison Media Services Pty Ltd on the 13 September 2018 for cash consideration of \$2.4 million.

As at 30 June 2018, PNW reported revenues of \$56.0 million (pro forma run rate) and EBITDA (pro forma run rate) of \$8.0 million. During the period ending 31 December 2018 the Group reported a cash balance of \$8.7 million and debt balance of \$8.5 million.

Subsequent to reporting the half year results for period ending 31 December 2019, PNW has provided updated guidance for the year ending 30 June 2019 of between \$8.8-9.3 million EBITDA.

b) Macquarie Media Ltd

Macquarie Media Limited (MRN) is an ASX listed Australian media company operating seven radio stations nationally in the capital cities of Sydney, Melbourne, Brisbane and Perth. The Group also includes digital and online media platforms, a public relations and marketing communications agency, Map and Page, and Macquarie Media Syndication - a company responsible for syndicating programming content.

During the year ending 30 June 2018, the company reported underlying revenues of \$136.3 million and EBITDA of \$32.4 million. As at 31 December 2018, MRN had a cash balance of \$14.9 million and debt balance of \$35.8 million. The company has recently provided an updated guidance for 30 June 2019. As per ASX announcements, the EBITDA of the company will range between \$27-29 million.

MRN's largest shareholder is Fairfax Media limited with 54.5% equity interest. John Sigleton and Promotions Pty Ltd is the second largest shareholder with 32.4% interest. Recently there has been speculation in the market that the company is an attractive takeover target for its substantial shareholders.

c) HT & E Ltd

HT&E Limited (HT1) is a leading media and entertainment business listed on the ASX operating radio, audio and digital businesses in Australia as well as outdoor assets in Hong Kong. The company which was formerly listed as listed as APN News & Media owns a portfolio of media assets across radio and digital including Australian Radio Network (ARN), Conversant Media, Emotive, Gfinity Esports Australia and Unbound. ARN is one of the leading broadcasters in Australia with ownership or investments in 12 radio stations nationwide. In September 2018, the company completed the sale of Adshel business for an enterprise value of \$570 million.

During the year ending 31 December 2018, the company reported revenue from continuing operations of \$271.8 million and EBITDA of \$71.8 million. Approximately 86.6% of the revenues were derived from ARN and the rest from Hong Kong and digital investments business. As at 31 December 2018, the company had a cash balance of \$128.4 million and no debt. The company is currently in dispute with the Australian Taxation Office with a net potential exposure of \$128 million which is not provided for on the balance sheet.

d) Southern Cross Austereo Pty Ltd

Southern Cross Austereo Pty Ltd was founded in 2004 and is headquartered in Sydney, New South Wales, Australia and is a radio network. Southern Cross Media Group Limited (SXL) is its ultimate parent of ASX listed company that has 114 members. SCMG is engaged in the creation and broadcasting of content on free-to-air commercial radio, television and online media platforms across Australia.

For the period ending 30 June 2018, SXL reported revenues of \$653.0 million and EBITDA of \$154.7 million. Cash balance for the period ending 31 December 2018 amounted to \$49.9 million, with reported debt of \$343.1 million.

e) Oldfields Holdings Ltd

Oldfields Holdings Limited (OLH) was established in 1916 and is engaged in manufacturing, importing and marketing of high-quality scaffolding and painting accessories. The Company is listed on the ASX and has manufacturing facilities in Sydney and China.

As at 30 June 2018, the Company's achieved revenues of \$25.9 million and an EBITDA of \$1.1 million. OLH reported cash of \$0.7 million and borrowings of \$3.4 million as at 31 December 2018.

f) Embelton Ltd

Embelton Limited (EMB) is a wholesale distributor of hard floor covering and is listed on the ASX. The Company's was founded in 1925 and is headquartered in Melbourne. The Company's principal activities consist of manufacture and distribution of flooring products, structural noise and vibration control systems, metal fabrication, rubber and cork sheeting, and other industrial products.

EMB reported sales revenue of \$59.3 million and EBITDA of \$4.8 million for the period ending 30 June 2018. During the period ending 31 December 2018 the Group reported a cash balance of \$1.1 million and debt balance of \$7.0 million.

g) Excelsior Capital Ltd

Excelsior Capital Limited (ECL) formerly CMI Limited, is listed on ASX, and is engaged in the manufacturing and marketing of cabling and electrical products for a range of industry sectors. The Company is engaged in the design and manufacture of flameproof plugs and couplers for underground coal mining plus electrical cables, sourcing and supply of electrical cables, high voltage cables and flexible cables. Its products are sold to the mining, construction, petrochemical and information technology industries in Australia. It exports coupler products to the mining sectors in Indonesia, Papua New Guinea, the United States and China.

For period ending 30 June 2018, revenues amounted \$49.1 million and EBITDA \$6.2 million. As at 31 December 2018, ECL had a cash balance of \$5.7 million, other financial assets of \$13.3 million and no debt.

h) Big River Industries Ltd

Big River Industries Limited (BRI) is an ASX listed diverse manufacturer and distributor of timber and building products. Its products are sold to professional builders, formworkers, construction companies and building contractors that operate in the residential, non-residential and infrastructure markets. It owns and operates two manufacturing facilities in Wagga Wagga and Grafton, New South Wales.

On 15 November 2018 acquired M.B. Prefab Framing Pty Ltd (MB) located in Geelong. MB is anticipated to generate in excess of \$10 million in sales revenue. In May 2019 BRI announced the successful acquisition of The Midland Timber Co Pty Ltd for \$2.1 million in cash and \$0.3 million in BRI shares.

During the year ending 30 June 2018, the company reported underlying revenues of \$210.9 million and EBITDA of \$10.7 million. As at 31 December 2018, BRI had a cash balance of \$0.1 million and debt balance of \$13.9 million.

i) **Metro Performance Glass Ltd**

Metro Performance Glass Limited (MPP) is a glass processor, distributor and glazier listed on NZE. The Company is engaged in operating a network of processing and retail branches for the provision and assembly of customized glass products across New Zealand. The Company's subsidiaries include Canterbury Glass & Glazing Limited, Christchurch Glass & Glazing Limited, Hawkes Bay Glass & Glazing Limited and Metroglass Finance Limited.

For the financial year ending 31 March 2019, MPP reported revenues of NZ\$267.8 million and EBITDA (excluding significant items) of NZ\$39.7 million. During the financial year the Group reported a cash balance of NZ\$5.5 million and debt balance of NZ\$88.8 million.

Moore Stephens (Vic) Pty Ltd Financial Services Guide

**This Financial Services Guide is dated 5 June 2019
and forms part of the Independent Limited Assurance Report.**

Moore Stephens (Vic) Pty Ltd (ACN 052 362 348) (**Moore Stephens**) holds Australian Financial Services Licence no 247262 authorising it to provide general financial product advice in relation to various financial products such as securities, interests in managed investment schemes, and superannuation to wholesale and retail clients. Moore Stephens has been engaged by Oceania Capital Partners Limited (**OCP or the Company**) to provide an Independent Experts Report (**the Report**) for inclusion with the Notice of Meeting of Shareholders to be held on or about 25 July 2019.

The *Corporations Act, 2001* requires Moore Stephens to provide this Financial Services Guide (**FSG**) in connection with its provision of this Report. Moore Stephens does not accept instructions from retail clients. Moore Stephens provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Moore Stephens does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

Moore Stephens is only responsible for this Report and this FSG. Moore Stephens is not responsible for any material publicly released by the Company in conjunction with this Report or the Proposal. Moore Stephens will not respond in any way that might involve any provision of financial product advice to any retail investor.

This Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of this Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

When providing Reports in the form of this Report, Moore Stephens's client is the Company to which it provides the Report. Moore Stephens receives its remuneration from the Company. In respect of this Report and other services, Moore Stephens will receive a fee based upon normal professional rates plus reimbursement of out-of-pocket expenses from the Company. Directors or employees of Moore Stephens or other associated entities may receive partnership distributions, salary or wages from Moore Stephens. Moore Stephens and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products.

Moore Stephens has professional indemnity insurance cover for Reports of this nature under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of *Section 912B of the Corporations Act 2001*.

Moore Stephens has internal complaints-handling mechanisms. If you have concerns regarding this Report, please contact us in writing to Mr Kevin Mullen, Moore Stephens (Vic) Pty Ltd, Level 18, 530 Collins Street, Melbourne, Vic, 3000. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

Glossary

Abbreviated Term	Definition
\$mil	\$ million
2CH	EON 2CH Pty Ltd
AFSL	Australian Financial Services Licence
APES 225	Accounting Professional and Ethical Standards Board professional standard 225 - Valuation Services
ASIC	Australian Securities and Investment Commission
Asset Based Approach	The asset-based approach involves separating the business into components that can be readily sold or represented individually
ASX	Australian Securities Exchange
AU\$	Australian Dollar
BCH	BC Holdings 1 Pty Ltd
Book Value	The value of a security or asset as entered on a firm's statement of financial position (also referred to as Carrying Value)
Boody	Boody Australia Pty Ltd
Buy Back	Off-market, equal access share buy-back of up to 10,570,000 Shares or approximately 30% of all OCP Shares on issue
Buy Back Price	Cash consideration of \$2.30 per Share
CHP	Crimsafe Holdings Pty Ltd
CME	Capitalisation of Maintainable Earnings
COH	Cohort Holdings Australia Pty Ltd
Company or OCP	Oceania Capital Partners Limited
Continuing Shareholders	OCP shareholders not participating in the Buy Back
Delisting	Proposal to remove OCP from the official ASX list
Directors	Directors of the Company
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EV	Enterprise Value

Abbreviated Term	Definition
EON	EON Broadcast Pty Ltd
Exiting Shareholders	OCP shareholders participating in the Share Buy Back
FY	Financial Year
Moore Stephens	Moore Stephens (Vic) Pty Ltd - AFSL Holder 247362
NAV	Net Asset Value
NTA	Net Tangible Asset
NOM	Notice of Meeting
SCB	Sunshine Coast Broadcasters Pty Ltd
Shareholders	OCP shareholders
TWO	The Wheatley Organisation Pty Ltd
NPAT	Net Profit After Tax
OCPS2	OCP Shelf 2 Pty Ltd
Pre-announcement Date	23 May 2019
Proposal	The Buy Back and the Delisting together which are the subject of this IER
QMV / QMP	Quoted Market Value/Price
Report	This Independent Expert Report prepared by Moore Stephens in relation to the Proposal
RG 74	ASIC Regulatory Guide 74 - Acquisitions Approved by Members
RG 111	ASIC Regulatory Guide 111 - Content of Experts Reports
RG 112	ASIC Regulatory Guide 112 - Independence of Experts
RG 170	ASIC Regulatory Guide 170 - Prospective Financial Information
Shares	Fully paid ordinary shares in the Company



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OCP

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
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For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 10:00am (Sydney time) Tuesday 23 July 2019

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Oceania Capital Partners Limited hereby appoint



the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Oceania Capital Partners Limited to be held at BDO, Level 11, 1 Margaret Street Sydney, NSW, Thursday 25 July 2019 at 10:00 am (Sydney time) and at any adjournment or postponement of that Meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Delisting from Australian Securities Exchange (ASX)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Off-market equal access buy back	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

OCP

999999A

Computershare +