

Tuesday 27 November, 2018

## Chairman's Address & Managing Director's Presentation

In accordance with Listing Rule 3.13.3, a copy of the Chairman's Address which will be presented at the Annual General Meeting commencing at 10:00am (Brisbane time) is attached.

A copy of the Managing Director's presentation will follow this announcement.

**END**

Phillip Young  
Company Secretary

### **About Velocity Property Group Limited (ASX: VP7)**

Velocity Property Group was established by Managing Director Brendon Ansell and listed on the Australian Stock Exchange (ASX: VP7) on 7 February, 2017. Velocity Property Group creates exclusive communities that people are proud to be part of via luxury multi-unit developments and mixed use/commercial developments.

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## **Chairman's Address and Managing Director's Presentation**

### **FY18 Performance**

This year saw a period of consolidation for the Group in a challenging market, particularly in South East Queensland.

It is pleasing to note that despite market headwinds, Velocity was able to execute delivery of one of its signature projects at ONE Burleigh Headland whilst continuing to progress other developments at ONE Palm Beach and The Hathaway. During the year, surplus cash from completed projects and the sale of investment properties allowed the Group to continue to build its development pipeline with key acquisitions in Bulimba in Brisbane and at Palm Beach, Gold Coast.

The Group achieved an underlying net profit after tax from ordinary activities of \$157,813 which was adversely impacted by revenue contributions from The Hathaway being delayed to FY2019 and foreign exchange losses of \$470,000. Revenue was stable at \$17.4m (2017: \$17.7m). Net tangible assets per security remained solid at 4.96 cents (2017: 4.93 cents).

The Group's strategy remains on track to deliver excellence and innovative design in its projects in FY2019. Current projects expected to be delivered in FY2019 include ONE Palm Beach, The Hathaway and the Ellerslie Crescent houses at Taringa will provide demonstrative evidence and realisation of the Group's vision to position itself as a market leader in the development of luxury property. This recognition will complement the Group's investment in brand and market awareness and growth of the Group's exceptional profile.

Despite the likelihood of sub optimal market conditions, the Group will continue to act in a commercially prudent manner maintaining conservative gearing levels whilst acting astutely in the selection of future opportunities. The Company remains focused on project delivery and positioning the Group to exceed expectations and provide value and returns for shareholders.

### **Board**

During the year the Board and management have worked closely to develop Velocity's corporate governance practices and to ensure they deliver responsible stewardship, business integrity, accountability and effective risk management. This journey is ongoing and will continue in 2019.

Our Directors bring a range of complementary skills to the Board. All are committed to ensuring Velocity is an ethical, sustainable and responsible corporate citizen that delivers attractive returns for our shareholders.

We will continue to monitor our performance as a Board and will not hesitate to introduce new skills to the Board when and if it is necessary and appropriate to do so.

In closing I wish to sincerely thank Velocity's professional and dedicated staff for their commitment to working safely and delivering high quality client service during FY19. I also thank my colleagues on the Board for their diligence and continuing support.

Thanks are due also to our valued clients and investors for continuing to select Velocity for the high-quality property projects and attention to detail.

Lastly, I thank you, our shareholders, for your continuing investment, interest and loyalty – we will work hard to ensure we have a strong, diverse and dynamic Velocity in the future. We are committed to returning Velocity to a positive earnings trajectory and in doing so, a path to improving returns for shareholders.