

**25 November 2024**

ASX Market Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

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## 2024 Annual General Meeting – Chairman’s Address

In accordance with ASX Listing Rule 3.13.3, Regal Asian Investments Limited (ASX:RG8) attaches a copy of the address to be given at today’s Annual General Meeting by Lawrence Myers, Chairman.

**AUTHORISED FOR RELEASE BY:**

Candice Driver, Company Secretary



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### **ABOUT RG8**

RG8 provides investors with access to an actively managed, concentrated portfolio, comprised of long investments and short positions in securities with exposure to the Asian region. In June 2022, portfolio management responsibilities for RG8 transitioned from the VGI Partners investment team to specialist alternatives investment manager Regal Funds Management (Regal) under an investment advisory agreement with Regal Asian Investments Management Pty Ltd. In November 2022, the Company changed its name and ticker from VGI Partners Asian Investments Limited (ASX:VG8) to Regal Asian Investments Limited (ASX:RG8) to reflect those changes. Utilising a fundamental, bottom-up investment approach, the portfolio leverages Regal’s extensive experience, network and specialist investment team.

Regal Asian Investments Limited  
2024 Annual General Meeting  
Monday 25 November 2024 – 10:30am

On behalf of the Board of Regal Asian Investments Limited (RG8 or the Company), I would like to welcome all shareholders to today's Annual General Meeting. We thank you for your support of RG8.

In respect of today's format, as many of you would be aware, Phil King and members of the RG8 investment team provided a detailed portfolio update a few weeks ago. I hope you all had an opportunity to watch this but, for those who missed it, there is a replay available on the RG8 website.

Given this recent portfolio update, the focus this morning will be on the Formal Business, as set out in the Notice of Meeting, and I will keep my opening remarks relatively short to ensure that we have plenty of time for shareholder questions.

**FY24 IN REVIEW**

I would like to start by noting that it has been just over two years since portfolio management responsibilities for RG8 were transitioned to Regal Funds Management in June 2022. Since then, for the 28 months to the end of October 2024, RG8 has achieved a portfolio return of around +30%, net of fees. More importantly, it has generated a shareholder return of approximately +51% when measured by the increase in share price and the value of dividends, inclusive of franking credits (and assuming dividends were reinvested).<sup>1</sup> We believe this is a pleasing result for shareholders, and reflects the many benefits of our Company now being managed by Regal, including gaining the expertise of their investment team, marketing and support for new capital management initiatives.

The discount of RG8's share price to Net Tangible Assets (or "NTA") has closed materially during this time and the team remains focused on closing this further.

Turning to FY24 specifically, RG8's net portfolio return for the year was +17.2%. This was achieved with an average net equity exposure of 92%. In keeping with its investment guidelines, the portfolio is relatively concentrated and is not benchmarked against an index, but, for context, the MSCI Asia Pacific index (which is fully invested) generated a return of +13.0% in Australian dollars over the same period. As with the 2023 financial year, in FY24, there was quite a large divergence in performance between the indices of key Asian countries, including Japan continuing to materially outperform China. Once again, I encourage you to watch a replay of our recent webinar on the RG8 website for further portfolio insights if you would like to learn more in this respect.

With regard to RG8's FY24 financials, the positive portfolio return led to the Company reporting a net profit after tax of \$43.7 million, resulting in earnings per share of 23.2 cents. In September 2023, the Company paid a fully franked dividend of 5 cents per share, and in March 2024, the Company paid a further fully franked dividend of 5 cents. These dividends were in line with the Company's dividend policy to target a dividend of at least 5 cents per share every six months.

It is also worth highlighting at this point that the ability of RG8 to pay dividends in a consistent manner is assisted by its Listed Investment Company structure. This is because a Listed Investment Company, unlike a unit trust, can choose to allocate undistributed profits to a profits reserve out of which future dividends can be paid. At 30 June 2024, the Company's profits reserve was \$113.9 million.

Due to this strong position, the Company declared a fully franked final dividend for FY24 of 5 cents per share, which was paid in September 2024. After adjusting for the payment of this dividend, the profits reserve was approximately \$106m,

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<sup>1</sup> Based on monthly compounded returns with dividends reinvested.



equivalent to over 6 years of dividend coverage at the current annual rate of 10 cents per share (and assuming no change to the Company's current number of shares on issue).

For reference, this dividend rate of 10 cents per annum represents a net dividend yield of 4.6% at last Friday's closing share price, or a 6.6%<sup>2</sup> grossed-up yield if those dividends are fully franked.

In relation to capital management, in FY24, the on-market buy-back program was also very active, with approximately 32 million shares purchased for \$65 million. Since then, a further 14 million shares have been acquired, bringing the total to approximately 68 million shares since the buy-back's launch in May 2022. This is equivalent to 31% of the initial shares outstanding having been bought back. As we have stated previously, the Board is supportive of the on-market buy-back program because it provides liquidity to shareholders who require it, while being accretive for existing shareholders when conducted at a discount to Net Tangible Assets.

As you would be aware from the Notice of Meeting, later today, we will be seeking shareholder approval to allow RG8 to buy back up to 25% of its issued capital over the next 12 months. This is materially higher than the 10% cap which is permitted under the *Corporations Act 2001* (Cth) without shareholder approval.

### SHARE PRICE PERFORMANCE AND DISCOUNT TO NTA

Moving now to the topic of shareholder returns, in FY24, a total shareholder return of +13.1% inclusive of franking was generated. As mentioned earlier, the equivalent return since mid-2022, when the management of RG8 transitioned to Regal, has been over 51% (as measured to the end of October 2024).

While we are pleased with this outcome, the focus remains on closing the discount to NTA further. We continue to believe that this can be achieved through a combination of favourable investment performance, shareholder engagement and capital management, and continue to look for ways to deliver on these elements.

In particular, on the subject of investment performance, it is worth noting that Regal Partners has expanded its business materially in recent years and now has over 90 investment professionals across the entire group. This gives Phil King and the RG8 investment team the opportunity to collaborate with other teams within Regal Partners that have expertise across a broad range of sectors, regions and asset classes. This is an extremely valuable resource and we anticipate RG8 shareholders will continue to benefit from this deepening pool of talent and experience.

With regard to shareholder engagement, Regal Partners also hired two investment directors in FY24 who have made a material contribution to RG8 over the last year through their relationships with financial advisors, brokers and clients. We thank them for their impact and look forward to further progress over the coming months. More broadly, recent acquisitions by Regal Partners have also increased the number of distribution professionals within the wider group, which has been useful in terms of finding new channels and introductions.

We are aware that shareholders are always keen to see that the investment manager is aligned with them, and note that entities and funds associated with Regal Partners and Phil King, on a combined basis, are a substantial shareholder in RG8. I think that this demonstrates to RG8's shareholders that the Regal team is highly motivated to increase both the Company's Net Tangible Assets and its share price.

### CONCLUSION

In closing, I would firstly like to thank the Regal investment team for their dedication to the portfolio during the year. The team continues to see opportunities both on the long and short sides of the book and they look forward to providing further portfolio updates as the year progresses.

Thank you also to the distribution, finance and operations teams for their hard work.

Lastly, I would like to thank all of our shareholders for your support. We very much appreciate your interest and investment in RG8.

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<sup>2</sup> Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30%.

# Key Metrics

**+17.2%**

FY24 Net  
Portfolio Return

**+13.1%**

FY24 Share Price  
Return (incl. Franking)

**10cps**

FY24 Dividends

**5cps each  
six months**

Dividend Target

**+6.6%**

Dividend Yield<sup>1</sup>  
at Target (incl. Franking)

**\$65m**

FY24 On-Market  
Buy-back

<sup>1</sup>Based on RG8's share price at 22 November 2024.

Source: Bloomberg, Regal Partners. Past performance is not a reliable indicator of future performance.