

Managing Directors Speech to General Capital Annual Meeting 30-8-19

Thank you, Mr. Bugo,

It is a pleasure to speak to the meeting today.

I intend to review the past 12 months and to share some interesting developments with our company.

Firstly, the acquisition of Corporate Holdings Ltd. was made just over 1 year ago in early August 2018.

The acquisition has gone very well.

We have obtained significant benefits for the then Mykco shareholders as expected.

Our Chairman has explained some of the major progress we have made, and I will do so in more detail.

This was a decision that the Directors considered carefully before presenting to shareholders. It moved the Company then named Mykco from a simple shell which was consuming cash into a high growth business with positive cash flow.

We have grown by all key indicators.

<graphs>

General Finance Cash up from \$3.3m to \$5.2m

General Finance Secured Fixed Term deposits up from \$10.9m to \$23.9m

General Finance Loans up from \$11.1m to \$24.3m

Total Assets of General Finance up from \$14.5m to \$29.5m

Total Assets for the Group are up from \$17.9m to \$33.0m

All of these are for the period starting 30th September 2018 and estimated closing for 31st August 2019. Only Eleven months. We expect further growth in the September.

It is an understatement to say, "we are very pleased with our growth for the period".

I wish to reiterate that growth is costly.

You do not recover the cost of loan origination and overheads immediately.

Loan fees are spread over the term of the loans.

I note that we are building a very significant quantum of deferred income.

With the growth in our assets our income is growing in proportion.

Outlook

We expect the growth to continue at similar rates for September.

We expect to have a result of a small loss or Breakeven in the period to 30 September 2019.

This is conservative and it is possible that if certain transactions settle, we may be able to improve on this.

Shareholder Bonus.

We are pleased to advise that the Directors of General Finance Limited have agreed to give an interest rate bonus to all shareholders who invest in General Finance Ltd.'s Secured Term Deposits. The Bonus will be .3% p.a. This will be cumulative on top of any other bonus's that a shareholder may qualify for.

I personally see this as the classic win / win.

The shareholders gain benefit from their deposit and the growth of the Group.

The group is able to grow faster and increase its income earning capacity.

The Shareholder bonus rates are on the screen.

The Bonus is only available to shareholders who have a minimum shareholding.

I will speak about this shortly.

We hope that shareholders will see this as a way that they can directly assist their Company.

We will consider shareholder's families as well.

The key question would be where does the family start and stop.

We will make decisions on this.

Minimum Holdings

All Shareholders will be aware that being a shareholder of a listed company is a 2-way street. The company has an obligation to manage the business in the best interests of the shareholders.

The Shareholder must seek to assist the Company and not cause undue cost.

Shareholders will also be aware that General Capital has migrated to the Main Board, NZSX.

We are considering changes to our constitution later in this meeting.

One of the consequences is that the definition of a minimum holding is \$1,000.

The Directors as part of their cost management must review all costs.

We now have over **720** shareholders and over **620** holders of each class of warrant.

This is a significant cost for a company of our size.

I will be reviewing this in the next few weeks and I will be making a recommendation to the Board of Directors.

If you are a small shareholder, I strongly recommend that you consider your position.

The company may take the actions to reduce the number of minimum holdings using the provisions in the constitution.

This would reduce General Capital's listing costs.

If a shareholder who holds a sub minimum parcel wished to retain their shares, they must increase their holding.

Options for this are:

- Exercise their warrants. This is simple, they can complete the documentation at any time. The forms are available on the company's website or they can be posted if a holder wishes to call our office or you can make an appointment and pop in and we can assist.
- You can buy additional shares on market, so your holding is above the level.
- You can buy additional warrants and exercise them.
- You can sell your holding(s) to another person.

All holders have had opportunities to consider their position.

We offered the Share Purchase plan last year.

We have issued warrants last year.

The Company has tried its best to offer minor shareholders opportunities to participate.

I reiterate that holders must make their own decisions based on their personal circumstances, after taking the advice they consider appropriate.

The Directors must simply act in the best interests of the Group.

General Finance Credit Rating

I am pleased to advise that General Finance has agreed to undertake a credit rating process with Equifax. This will allow an independent party to review General Finance and make an assessment. This is unusual for a company like ours as we have an exemption until the year after we grow past \$40m.

We have an open and transparent relationship with our investors.

We want investors to make an informed decision.

No one will expect us to have the top rating at the start.

We are realistic.

I hope we can receive the rating sometime in September.

We will announce as soon as practical.

Sponsorship NZ Fashion Week Gala

I am very pleased to announce that we have secured the sponsorship of the NZ Fashion Week Gala.

You will see images on screen.

This gives us a profile and is prestigious event. It also allows us to increase the effectiveness of our marketing spend.

The value will more than offset the cost of this sponsorship.

The terms are subject to strict confidentiality.

The benefits will be of real value for the Group.

Looking forward we are focusing on:

- Profitable growth;
- Acquisition opportunities; and
- Technological developments.

Ladies and Gentlemen,

We have had a good year.

Our challenge now is to make that a better year next year.

We are well placed to build on this foundation.

I personally want to thank our Directors and you as our shareholders for your support.

Don't be complacent we need more support.

The market is competitive.

I do remind small shareholders that they must think about their position.

They must either become shareholders with minimum holdings or leave the company.

Please be clear that we will all be working for the benefit of all stakeholders in the company.

I hope to be standing before you next year with an even better performance.

Thank you again.