

ASX release

6 July 2018

LETTER TO INELIGIBLE SHAREHOLDERS

Please find attached a copy of the letter which is being sent to ineligible shareholders regarding the non-renounceable rights issue announced today.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Company Secretary
Desane Group Holdings Limited
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ABOUT DESANE:

Desane Group Holdings Limited is a property investment and development business based in Sydney, with expertise in property acquisitions, investment, management, leasing, sales and development of industrial, commercial and residential properties. Desane has a disciplined “add value” property acquisition approach, which will deliver maximum shareholder value in the medium to long term.

6 July 2018

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE – NOTICE TO INELIGIBLE SHAREHOLDERS

Desane Group Holdings Limited ACN 003 184 932 (**Desane**) announced on 6 July 2018 it would undertake a non-renounceable pro rata rights issue under which shareholders registered as such at 7pm on Wednesday, 11 July 2018 (**Record Date**) would have the right to subscribe for 1 new fully paid ordinary share (**New Share**) for every 10 fully paid ordinary shares (**Shares**) at an issue price of \$1.05 per New Share (the **Offer**). Approximately 3,719,090 New Shares will be offered to eligible shareholders under the Offer to raise approximately \$3.9 million before costs. The Offer is fully underwritten by Taylor Collison Limited (the **Underwriter**).

The details of the Offer are set out in an offer document lodged by the Company with the Australian Securities Exchange (**ASX**) on or about the date of this letter (to be available on ASX's company announcement platform at www.asx.com.au and at www.desane.com.au).

Unfortunately, shareholders with registered addresses outside Australia and New Zealand will not be eligible to participate in the Offer. The Company is of the view that it is unviable to make offers under the Offer to shareholders outside of Australia and New Zealand having regard to:

1. the small number of shareholders outside of Australia and New Zealand;
2. the number and value of the New Shares that would be offered to shareholders outside of Australia and New Zealand; and
3. the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

As your registered address is outside Australia and New Zealand, you are not eligible to participate in the Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1, the Company advises you that the Offer will not be extended to you.

You do not have to take any further action in relation to the Offer.

If you have any questions or require any clarification in relation to this letter, please consult your stockbroker or professional adviser or contact the Company Secretary, Jack Sciara on +61 2 9555 9922.

Yours faithfully



Jack Sciara
Company Secretary