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## 2022 ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS

I can report to shareholders that the Group’s earnings before interest and tax, for the financial year ending 30 June 2022, was **\$6.8m** and the Group’s total assets are **\$97.6m**, a substantial increase of 11% over the previous corresponding year. The Group’s **net tangible assets (NTA) now stand at \$1.55 per security**, an increase of 8% over the previous corresponding year.



Notwithstanding the aftermath from COVID-19, the Group has continued to be minimally affected. In such an environment the Group has achieved a robust financial result, particularly asset revaluations, whilst at the same time the current cash and financial assets stands at a healthy \$15.4m. As mentioned in my report last year, these substantial cash reserves continue to place the Group in a good position to facilitate the uptake of property investment opportunities over the next financial year.

The Board has resolved that the advantageous cash position of the Group should be preserved in order to facilitate current and future opportunities and further resolved not to declare a dividend for this financial year.

The Group’s traditional base of industrial and logistic property assets have continued to perform well and remain clearly positioned for growth in a property investment sector which is increasingly sought after. As previously mentioned, the Group’s cash position continues to be strong, providing opportunities to support prudent property acquisition and investments when the occasion arises. This focussed approach continues to grow the revenue streams but crucially also, providing capital growth in the medium to long term. This is particularly evident in the substantial increase in the Group’s total assets, which now stand at \$97.6m.

As mentioned in my report last year, the resilient Australian economic growth has been clearly supported by rising energy exports and strong domestic expenditure. Paradoxically, this very growth has triggered the Reserve Bank to tighten policy, as it endeavours to place inflation ranges within accepted targets. Australian bond yields continue to be well supported, suggesting that long dated investor perceptions are such that the Australian economy continues to have an underlying robustness. I would be remiss to not reflect on the impact of two international aspects which have a bearing upon the Australian economy. Firstly, the continuing apparent deterioration of the relationship between Australia and China and secondly, the slowly increasing but inevitable impact of the Ukraine-Russia conflict. It is evident that efficient and cost-effective international trade, notably in building materials, has been adversely affected, with resultant increases in cost bases. Such impacts are clearly of importance for our Board when committing to making decisions regarding upgrading and constructing some of our Group's assets.

The Board and the Group management continue to monitor such building costs, and in the forthcoming financial year it is anticipated that such costs should stabilise. Whilst the Australian economy clearly remains vulnerable to global influences, nevertheless a prospective reduction in residential construction will doubtless see surplus capacity in building materials and construction capacity. This should underpin a more reasonable domestic cost base for construction, and is regarded as potentially beneficial for commercial and industrial construction in the coming financial year.

Finally, I can report to shareholders that this annual report is the 35th such report of Desane Group Holdings Limited. Your Company has continued to maintain its profitability due to the quality of its senior management and the invaluable contribution of its current Board.

Your Board remains confident the current prudent strategies of investment and cash retention will continue to result in responsible asset growth and further earnings for shareholders. I congratulate both the Group executives and the employees of Desane Group Holdings Limited for the solid and as always, prudent management of the Group.

Finally, I would like to welcome those shareholders who have recently joined the Company. The Board looks forward to a rewarding and fruitful association with those new shareholders during the coming years.

For further information, please visit [www.desane.com.au](http://www.desane.com.au) or please contact:

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### ***ABOUT DESANE:***



*Desane Group Holdings Limited is a leading property investment and development company, based in Sydney, Australia. Integrity, work ethic and a commitment to excellence underpins the basis of Desane's long term vision of ensuring maximum value for its shareholders.*