



68 Moss Street
Slacks Creek, QLD 4127

5 October 2017

Dear Shareholder

MotorCycle Holdings Limited Rights Issue – notification to ineligible shareholders

MotorCycle Holdings Limited (**Company**) is in the process of raising \$67,000,000 of new equity capital through a pro-rata renounceable Rights Issue (**Rights Issue**). Details are as announced to the Australian Securities Exchange (**ASX**) on 4 October 2017. Under the Rights Issue, new MotorCycle Holdings Limited shares (**New Shares**) are being offered at an offer price of \$3.85 per New Share.

The Rights Issue is fully underwritten by Morgans Corporate Limited (**Underwriter**).

Who are Eligible Shareholders?	Shareholders who are eligible to participate in the Rights Issue (Eligible Shareholders) are shareholders who: (a) were registered as a MotorCycle Holdings Limited shareholder as at 7.00 pm (AEDT) on Monday, 9 October 2017 (Record Date); (b) have a registered address in Australia or New Zealand No; and (c) are not in the United States and are not "U.S. persons" (as defined under Regulation S under the <i>United States Securities Act of 1933</i> , as amended) (U.S. Persons) and are not acting for the account or benefit of U.S. Persons; and (d) are eligible under all applicable securities laws to receive an offer under the Rights Issue.
Do you meet the eligibility criteria?	Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder, you are not eligible to subscribe for New Shares and you will not be sent a copy of the offer documents. MotorCycle Holdings Limited wishes to advise you that it will not be extending the Rights Issue to you.
Why are there restrictions on eligibility?	There are restrictions on eligibility because of: (a) the legal limitations in some countries; (b) the relatively small number of shareholders in some countries; (c) the small number of shares those shareholders hold; and (d) the potential cost of complying with regulatory requirements in those countries. MotorCycle Holdings Limited has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries in connection with the Rights Issue.
Do you need to do anything?	You are not required to do anything in response to this letter. This letter is to inform you about the Rights Issue, the details of which are provided below and is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.
Nominee to sell your rights	The Company has appointed Berne No 132 Nominees Pty Ltd (ACN 010 413 591) (Berne) (or its associates) as nominee to sell your rights (Nominee).

	<p>The Nominee will only sell your rights if there is a viable market in the rights and a premium over the expenses of the sale can be obtained. Any such sale will be at a price and conducted in a manner that the Nominee will determine in its absolute discretion. The ability to sell your rights and the price obtained will be dependent, amongst other things, on market conditions.</p> <p>If your rights are sold, the proceeds from the sale (in Australian dollars) after deducting the costs of the sale and the costs of distributing the proceeds will be distributed to you.</p> <p>There is no guarantee that the Nominee will be able to sell your rights on ASX and you may receive no value for your rights. Both the Company and the Nominee take no responsibility for the outcome of the sale of your rights or the failure to sell such rights.</p>
Questions	<p>If you have any questions in relation to the Rights Issue and this letter, please seek professional advice or contact the MotorCycle Holdings Limited Rights Issue Information Line on 1300 552 270 (from within Australia) or +61 3 9415 4000 (from outside Australia).</p>

Rights Issue Details

The Rights Issue is being made by MotorCycle Holdings Limited in accordance with section 708AA of the *Corporations Act 2001*.

The Rights Issue is being made to Eligible Shareholders, as outlined above, on the basis of 11 New Share for every 24 existing shares held at 7.00 pm (AEDT) on the Record Date.

Yours faithfully



Lisa Dalton
Company Secretary
MotorCycle Holdings Limited

IMPORTANT INFORMATION

This letter is issued by MotorCycle Holdings Limited.

This letter is not a prospectus or disclosure document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in MotorCycle Holdings Limited in any jurisdiction. This letter does not constitute financial product advice and does not take into account your investment objectives, financial situation or needs. This letter does not and will not form any part of any contract for the acquisition of shares in MotorCycle Holdings Limited.

NOT FOR DISTRIBUTION OR RELEASE INTO THE UNITED STATES

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the new shares to be issued under the Rights Issue have been, nor will be, registered under the U.S. Securities Act of 1933 as amended (**U.S. Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. The entitlements and the new shares may not be issued to, purchased or traded by, or taken up or exercised by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.