

ASX release

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## DESANE ANNOUNCES SOLID HY20 RESULTS

Desane Group Holdings Limited (ASX: **DGH** or **Desane**) is pleased to announce Earnings Before Interest & Tax (**EBIT**) of **\$3.2m** for the period ending 31 December 2019.

HY20 Group Highlights:

- NPAT of \$2.1m
- Total assets of \$83.1m
- Cash and other financial assets of \$20.3m
- NTA per share of \$1.46

In November 2019, Desane completed the purchase of a fully leased 21,750m<sup>2</sup> investment asset located in the Brisbane suburb of Wacol. The Brisbane asset, combined with Desane's two existing commercial property assets in Sydney, are generating a combined investment return of 7% pa.

Further, Desane's development pipeline was boosted following approval for its residential apartment project located at 159 Allen Street, Leichhardt, followed by the acquisition of a boutique development site, 318-322 Norton Street, Leichhardt. Both projects are located 5km from Sydney's CBD and within walking distance to light rail stations, public transport, local schools, parks and numerous sought after amenities.

These assets, combined with the 1.2ha Penrith development project, will achieve significant medium to long term returns for shareholders.

Desane will continue to focus on three main objectives:

- Strategic investment acquisitions, which will bolster ROE and rental income;
- Evaluate its development projects with an eye to achieving maximum value outcomes; and
- Review capital management strategies to ensure capacity to grow and continued shareholder dividends.

Phil Montrone, Managing Director and CEO said: “The quality addition to the investment portfolio of the Brisbane asset, together with the Capital Gains Tax deferral notification from the Australian Taxation Office (ATO) of an extension of time to acquire replacement property assets until 30 June 2023, will allow the Company to effectively achieve its stated objectives.”

“The strong result and balance sheet position of the Group in HY20 sets the platform for Desane to deliver long term income and capital growth for our shareholders”, Mr Montrone added.

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

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Company Secretary  
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***ABOUT DESANE:***

*Listed on the ASX for over 30 years, Desane Group Holdings Limited is a leading diversified 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.*

## Appendix 4D Half Yearly Report

This half yearly report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.

### Results for announcement to the market

For the six months ended 31 December 2019

(Comparative figures being the half year ended 31 December 2018)

|  | Half Year Ended<br>31 December 2019<br>\$A'000 | Half Year ended<br>31 December 2018<br>\$A'000 | Change |
|--|--|--|--------|
| <b>Revenue</b>   |  |  |        |
| Property investment – rental   | 538  | 1,770  | (70%)  |
| Property services  | -  | 1,046  | (100%) |
| Property and project management  | 24   | 51   | (53%)  |
| Profit/(loss) from ordinary activities after tax attributable to members | 2,135  | 27,730   | (92%)  |
| Net profit/(loss) for the period attributable to members                 | 2,135  | 27,730   | (92%)  |

|   | Amount per<br>security | Franked amount<br>per security |
|---|------------------------|--------------------------------|
| <b>Dividend information</b>   |                        |                                |
| Interim dividend  | 2.25 cents             | 0%                             |
| <b>Interim dividend dates:</b>  |                        |                                |
| Ex dividend date  | 5 March 2020           |                                |
| Record date   | 6 March 2020           |                                |
| Payment date  | 27 March 2020          |                                |
| <i>Dividend Reinvestment Plan (DRP)</i>   |                        |                                |
| The DRP has been suspended until further notice and will not operate in respect of the interim dividend payable on 27 March 2020. |                        |                                |

|   | Current Period | Previous<br>corresponding<br>period |
|---|----------------|-------------------------------------|
| <b>Earnings per security (EPS)</b>            |                |                                     |
| Basic EPS                                     | 5.22 cents     | 67.80 cents                         |
| Diluted EPS                                   | 5.22 cents     | 67.80 cents                         |
| <b>Net tangible assets per security</b>       |                |                                     |
| Net tangible asset backing per Ordinary Share | \$1.46         | \$1.47                              |

|  | Current Period<br>\$A'000 | Previous<br>corresponding<br>period<br>\$A'000 |
|--|---------------------------|--|
| <b>Details of aggregate share of profits/(losses) of associates and joint venture entities</b> |                           |  |
| <b>Group's share of associates and joint venture entities</b>                                  |                           |  |
| Profit/(loss) from ordinary activities before tax  | -                         | 39,993   |
| Income tax on ordinary activities  | -                         | -  |
| <b>Profit/(loss) from ordinary activities after tax</b>  | -                         | 39,993   |
| Extraordinary items net of tax   | -                         | -  |
| <b>Net profit/(loss)</b>   | -                         | 39,993   |
| Adjustments  | -                         | -  |
| <b>Share of net profit/(loss) of associates and joint venture entities</b>                     | -                         | 39,993   |

| <b>Material interests in entities which are not controlled entities</b>       |   |  |                                   |  |
|---|---|--|-----------------------------------|--|
| The Group has an interest (that is material to it) in the following entities: |   |  |                                   |  |
| Name of Entity  | Percentage of ownership interest held at<br>end of period or date of disposal |  | Contribution to net profit/(loss) |  |
|   |   |  | Current period<br>\$A'000         | Previous<br>corresponding<br>period<br>\$A'000 |
| <b>Equity accounted associates and joint venture entities</b>                 | <b>Current period</b>   | <b>Previous<br/>corresponding<br/>period</b> |                                   |  |
| Lilyfield Road Joint Venture *  | 0%  | 70%  | -                                 | 39,993   |
| <b>Total</b>  |   |  | -                                 | 39,993   |

\* The Lilyfield Road Joint Venture was dissolved on 30 June 2019, following the involuntary sale of the Rozelle asset.

For a brief explanation of any of the figures reported above, please refer to the Director's Report in the Half Year Financial Report.

This information should be read in conjunction with the 31 December 2019 Half Year Financial Report and the attached media release for commentary and explanation of the results.

The accounts were reviewed by the Company's auditors, whose report is attached as part of the Half Year Financial Report for the half year ended 31 December 2019.

All documents comprise the information required under listing rule 4.2A.





**DESANE**  
GROUP HOLDINGS LIMITED

**Consolidated Interim  
Financial Statements  
HY20**



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**Listed on the ASX for over 30 years, Desane is a diverse property group with extensive experience in property investment and development**

### AUSTRALIAN REQUIREMENTS FOR INTERIM FINANCIAL REPORTS

This Interim financial report does not include all the notes of the type normally included in an annual report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Desane Group Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Desane Group Holdings Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at Suite 4, 26-32 Pirrama Road, Pyrmont NSW 2009. Its shares are listed on the Australian Stock Exchange, ASX code DGH.







The Directors of Desane Group Holdings Limited ("Desane" and "the Group") present their report, together with the condensed financial report of the Company and its controlled entities for the half year ended 31 December 2019.

## Directors

The names of directors in office at any time during or since the end of the half year are:

- John Sheehan AM
- Peter Krejci (appointed 8 July 2019)
- Phil Montrone OAM
- Rick Montrone
- John Bartholomew (resigned 8 July 2019)

The Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

## Company Secretary

The following person held the position of company secretary for all of the reporting period:

- Jack Sciara

## Principal Activities

There were no significant changes in the principal activities of the Group during the six month period ending 31 December 2019, which were:

- Property investment; and
- Property development.

## Operating And Financial Review

The Group recorded a consolidated statutory net profit after tax of \$2.1m for the half year ended 31 December 2019. Statutory net profit after tax has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards, which comply with International Financial Reporting Standards.

|   | 31 Dec 2019 | 31 Dec 2018 |
|---|-------------|-------------|
|   | \$'000      | \$'000      |
| The profit of the consolidated group, after providing for income tax, amounted to | 2,135       | 27,730      |



A summary of consolidated financial results by operational segments is set out below:

|  | Total Revenue |               | Segment Result |               |
|--|---------------|---------------|----------------|---------------|
|  | 31 Dec 2019   | 31 Dec 2018   | 31 Dec 2019    | 31 Dec 2018   |
|  | \$'000        | \$'000        | \$'000         | \$'000        |
| Net gain on sale of investment property  | -             | 38,949        | -              | 38,949        |
| Property development expenses  | (21)          | (649)         | (21)           | (649)         |
| Property investment – rental   | 538           | 1,770         | 383            | 793           |
| Property services  | -             | 1,046         | -              | 1,046         |
| Property management  | 24            | 51            | 24             | 51            |
| Property investment – net revaluations   | 3,460         | -             | 3,460          | -             |
| Interest income  | 411           | 274           | 411            | 274           |
|  | <b>4,412</b>  | <b>41,441</b> | <b>4,257</b>   | <b>40,464</b> |
| Unallocated expenses   |               |               | (1,179)        | (1,000)       |
| Operating profit   |               |               | <b>3,078</b>   | <b>39,464</b> |
| Income tax (expense)/benefit attributable to operating profit                              |               |               | -              | -             |
| Deferred tax attributable to operating profit  |               |               | (943)          | (11,734)      |
| Operating profit after income tax attributable to members of Desane Group Holdings Limited |               |               | <b>2,135</b>   | <b>27,730</b> |

## FINANCIAL REVIEW

In November 2019, Desane completed the purchase of its 21,750m<sup>2</sup> Brisbane property asset located in the Brisbane suburb of Wacol. The property was acquired for \$9.5m from the City of Brisbane Investment Corporation and is leased to the Brisbane City Council on a 10 years + 5 years + 5 years lease with the initial 10 years' term expiring in June 2022. The acquisition of the Brisbane asset complements the two existing investment property assets owned by Desane in the Sydney Suburb of Lane Cove, providing a combined average return of 7%pa.

Whilst pursuing quality replacement property assets, funds have been invested in low-risk short term loan portfolio investments generating interest revenues of 8%pa which is well above traditional interest bearing options.

In addition to its investment property portfolio, Desane's development pipeline continues to gain momentum with the planning and development approval received for its new 46 residential apartment project in the Sydney city fringe suburb of Leichhardt and the acquisition of 322 Norton Street, Leichhardt, which has development approval for 9 residential apartments. Both projects are located 5km from Sydney's CBD and within walking distance to light rail stations, public bus transport, local schools, parks and numerous sought after amenities. Combined with the 1.2ha Penrith asset, the projects will generate significant returns for shareholders in the medium to long term.

## Capital Gains Tax Deferral

Included in the deferred tax liability of \$16.3m, is approximately \$13.9m of capital gains tax (CGT) deferral pertaining to the sale of the Rozelle property.

Desane involuntarily sold its Rozelle flagship property in September 2018 as part of the compulsory acquisition process, which triggered a CGT event. As the property was sold involuntarily, a CGT deferral is available under the Income Tax Assessment Act 1997 (ITAA 1997), which will allow Desane to acquire a replacement asset (or assets) within a prescribed time frame.

Desane received notification from the Australian Taxation Office (ATO) in November 2019 whereby the Commissioner has exercised his discretion to allow Desane an extension of time to acquire replacement investment property assets until 30 June 2023.

## Key Financial Highlights

- Total assets of \$83.1m
- NPAT of \$2.1m
- NTA per share of \$1.46

## Dividends Paid or Recognised

Dividends paid or declared for payment are as follows:

|   | 31 Dec 2019<br>\$'000 | 31 Dec 2018<br>\$'000 |
|---|-----------------------|-----------------------|
| Ordinary dividend of \$0.0225 per share, franked, paid on 26 October 2018, declared in the 2018 report                        |                       | 920                   |
| Interim dividend of \$0.0225 per share, franked, paid on 29 March 2019, declared in the December 2018 half yearly report      |                       | 920                   |
| Ordinary dividend of \$0.03 per share, partially franked, paid on 25 October 2019, declared in the 2019 report                | 1,227                 |                       |
| Interim dividend of \$0.0225 per share, unfranked, payable on 27 March 2020, declared in the December 2019 half yearly report | 920                   |                       |



## Likely Developments

The Group continues to pursue its strategy of focusing on its core operations, utilising a strengthened balance sheet to provide support to grow and develop these operations.

## Significant Changes in State of Affairs

There was no significant change in the state of affairs of the Group.

## Events Subsequent To Balance Date

There were no significant events subsequent to Balance Date for the Group.

## Environmental Regulation

The consolidated group complies with all relevant legislation and regulations in respect to environmental matters. No matters have arisen during the year in connection with Desane's obligations pursuant to Commonwealth and State environmental regulations.

## Occupational Health and Safety Regulations

The consolidated group complies with all relevant legislation and regulations in respect to occupational health and safety matters. No matters have arisen during the year in connection with Desane's obligations pursuant to Commonwealth and State occupational health and safety regulations.

## Dividend Reinvestment Plan ("DRP")

The DRP is suspended until further notice.

## Rounding of Amounts

The Company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

## Auditor's Declaration

The lead auditor's declaration under Section 307C of the Corporations Act 2001 is set out on page 9 for the half year ended 31 December 2019.

Signed in accordance with a resolution of the Board of Directors, at Sydney this 19th day of February, 2020.



**John Sheehan AM**  
Non-executive Chairman



**Phil Montrone OAM**  
Managing Director



Desane's Board from left  
Peter Krejci, John Sheehan, Rick Montrone, Jack Sciara and Phil Montrone



### G.C.C. Business & Assurance Pty Ltd

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#### AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF DESANE GROUP HOLDINGS LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2019, there have been:

- (i) No contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the review.

*G.C.C. Business & Assurance Pty Ltd.*

GCC BUSINESS & ASSURANCE PTY LTD

(Authorised Audit Company)



CHANG CHOW  
Director

Signed in Sydney, 19 February 2020





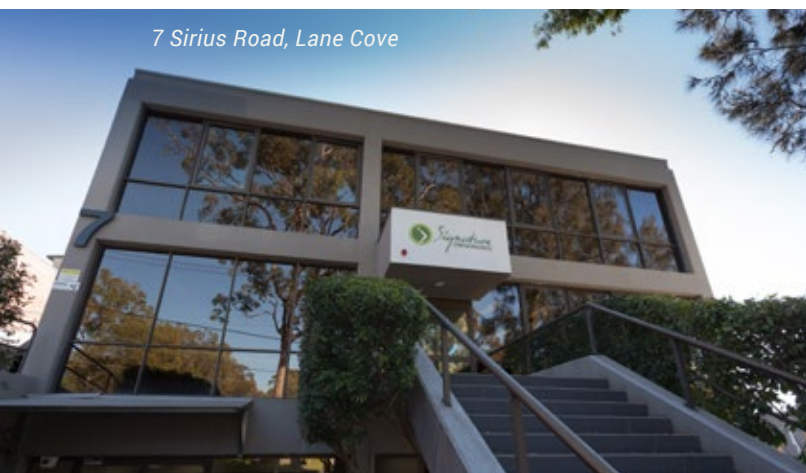
**DESANE GROUP HOLDINGS LIMITED**

**ABN 61 184 932 & Controlled Entities for the six months ended 31 December 2019**

|   | Consolidated Group |             |
|---|--------------------|-------------|
|   | 31 Dec 2019        | 31 Dec 2018 |
|   | \$'000             | \$'000      |
| Revenue from property investment – rental           | 538                | 1,770       |
| Revenue from property services                      | -                  | 1,046       |
| Revenue from property and project management        | 24                 | 51          |
| Net gain on sale of investment property             | -                  | 38,949      |
| Property development expenses                       | (21)               | (649)       |
| Interest income                                     | 411                | 274         |
| Employee benefits expense                           | (641)              | (804)       |
| Depreciation and amortisation expense               | (25)               | (10)        |
| Gain/(loss) on revaluation of investment properties | 3,460              | -           |
| Finance costs                                       | (85)               | (251)       |
| Other expenses from ordinary activities             | (583)              | (912)       |
| Profit before income tax                            | 3,078              | 39,464      |
| Income tax (expense)/benefit – current              | -                  | -           |
| Deferred income tax expense                         | (943)              | (11,734)    |
| Profit from continuing operations                   | 2,135              | 27,730      |
| <b>Other Comprehensive Income</b>                   |                    |             |
| Total comprehensive income for the period           | -                  | -           |
| Profit attributable to minority equity interest     | -                  | -           |
| Profit attributable to members of the parent entity | 2,135              | 27,730      |
| <b>Earnings per Share</b>                           |                    |             |
| Basic earnings per share (cents per share)          | 5.22               | 67.80       |
| Diluted earnings per share (cents per share)        | 5.22               | 67.80       |

*The accompanying notes form part of these financial statements.*

7 Sirius Road, Lane Cove



13 Sirius Road, Lane Cove



## DESANE GROUP HOLDINGS LIMITED

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

|                                      | CONSOLIDATED GROUP |               |
|--------------------------------------|--------------------|---------------|
|                                      | 31 Dec 2019        | 31 Dec 2018   |
|                                      | \$'000             | \$'000        |
| <b>Current Assets</b>                |                    |               |
| Cash and cash equivalents            | 3,084              | 46,537        |
| Cash term deposits                   | 10,000             | 6,000         |
| Trade and other receivables          | 51                 | 49            |
| Other current assets                 | 174                | 456           |
| Other financial assets               | 6,986              | 130           |
| <b>Total Current Assets</b>          | <b>20,295</b>      | <b>53,172</b> |
| <b>Non-current Assets</b>            |                    |               |
| Trade and other receivables          | -                  | -             |
| Investment properties                | 56,973             | 32,626        |
| Inventory – development property     | 3,399              | -             |
| Property, plant and equipment        | 2,407              | 2,455         |
| Other non-current assets             | 2                  | 2             |
| <b>Total Non-current Assets</b>      | <b>62,781</b>      | <b>35,083</b> |
| <b>Total Assets</b>                  | <b>83,076</b>      | <b>88,255</b> |
| <b>Current Liabilities</b>           |                    |               |
| Trade and other payables             | 126                | 5,596         |
| Borrowings                           | -                  | 5,900         |
| Provisions                           | 1,033              | 1,084         |
| <b>Total Current Liabilities</b>     | <b>1,159</b>       | <b>12,580</b> |
| <b>Non-current Liabilities</b>       |                    |               |
| Trade and other payables             | -                  | -             |
| Borrowings                           | 5,900              | -             |
| Deferred tax liability               | 16,324             | 15,546        |
| Provisions                           | 84                 | 74            |
| <b>Total Non-current Liabilities</b> | <b>22,308</b>      | <b>15,620</b> |
| <b>Total Liabilities</b>             | <b>23,467</b>      | <b>28,200</b> |
| <b>Net Assets</b>                    | <b>59,609</b>      | <b>60,055</b> |
| <b>Equity</b>                        |                    |               |
| Issued capital                       | 21,213             | 21,213        |
| Retained earnings                    | 38,396             | 38,842        |
| <b>Total Equity</b>                  | <b>59,609</b>      | <b>60,055</b> |

The accompanying notes form part of these financial statements.

## DESANE GROUP HOLDINGS LIMITED

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

|   | Issued Capital | Retained Earnings | Total         |
|---|----------------|-------------------|---------------|
|   | \$'000         | \$'000            | \$'000        |
| Balance at 1 July 2019                          | 21,213         | 37,181            | 58,394        |
| Shares issued during the year                   | -              | -                 | -             |
| Profit attributable to members of parent entity | -              | 2,135             | 2,135         |
| Dividends provided for                          | -              | (920)             | (920)         |
| <b>Balance at 31 December 2019</b>              | <b>21,213</b>  | <b>38,396</b>     | <b>59,609</b> |
| Balance at 1 July 2018                          | 17,308         | 12,032            | 29,340        |
| Shares issued during the year                   | 3,905          | -                 | 3,905         |
| Profit attributable to members of parent entity | -              | 27,730            | 27,730        |
| Dividends provided for                          | -              | (920)             | (920)         |
| <b>Balance at 31 December 2018</b>              | <b>21,213</b>  | <b>38,842</b>     | <b>60,055</b> |







Concept image – 159 Allen Street, Leichhardt NSW

## DESANE GROUP HOLDINGS LIMITED

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

|  | Consolidated Group |                |
|--|--------------------|----------------|
|  | 31 Dec 2019        | 31 Dec 2018    |
|  | Inflows            | Inflows        |
|  | (Outflows)         | (Outflows)     |
|  | \$'000             | \$'000         |
| <b>Cash flows from operating activities</b>                |                    |                |
| Receipts from customers                                    | 743                | 4,862          |
| Payments to suppliers and employees                        | (1,414)            | (2,674)        |
| Property development expenditure                           | (21)               | (649)          |
| Interest received  | 411                | 274            |
| Finance costs  | (85)               | (251)          |
| <b>Net cash provided by (used in) operating activities</b> | <b>(366)</b>       | <b>1,562</b>   |
| <b>Cash flows from investing activities</b>                |                    |                |
| Proceeds from the sale of plant and equipment              | -                  | 4              |
| Purchase of property, plant and equipment                  | -                  | (2,442)        |
| Proceeds from sale of property investments                 | -                  | 57,024         |
| Purchase of investment properties                          | (20,573)           | (6,897)        |
| Purchase of development properties                         | (3,399)            | -              |
| Purchase of financial assets                               | (16,885)           | (6,000)        |
| Proceeds from sale of financial assets                     | -                  | 1,117          |
| Capital costs of investment properties                     | (42)               | (62)           |
| <b>Net cash provided by (used in) investing activities</b> | <b>(40,899)</b>    | <b>42,744</b>  |
| <b>Cash flows from financing activities</b>                |                    |                |
| Proceeds from issue of shares                              | -                  | 3,905          |
| Dividends paid by parent entity                            | (1,227)            | (921)          |
| Repayment of borrowings                                    | -                  | (5,250)        |
| Rental bonds received/(repaid)                             | -                  | (2)            |
| <b>Net cash provided by (used in) financing activities</b> | <b>(1,227)</b>     | <b>(2,268)</b> |
| <b>Net increase/(decrease) in cash held</b>                | <b>(42,492)</b>    | <b>42,038</b>  |
| Cash at beginning of the half year                         | 45,576             | 4,499          |
| <b>Cash at end of the half year</b>                        | <b>3,084</b>       | <b>46,537</b>  |

**DESANE GROUP HOLDINGS LIMITED****ABN 61 184 932 & Controlled Entities for the six months ended 31 December 2019****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****STATEMENT OF COMPLIANCE**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

These half-year financial statements do not include notes of the type normally included in the annual financial reports and statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2019 and any public announcements made by Desane Group Holdings Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT**

The condensed consolidated financial statements have been prepared on the basis of historical costs, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies, which are consistent with Australian Accounting Standards and with International Reporting Financial Statements, have been adopted in the preparation of the half-year financial report and are consistent with those adopted and disclosed in the Company's 2019 annual financial report for the financial year ended 30 June 2019, except for the impact of the adoption of any new and revised accounting policy.

Comparative figures are shown for 31 December 2018 in addition to 30 June 2019 (where applicable) in the statement of financial position due to the seasonality of the business and the impact this has on working capital. There has been no restatement of figures in prior periods.

The Group has considered all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.



**DESANE GROUP HOLDINGS LIMITED****ABN 61 184 932 & Controlled Entities for the six months ended 31 December 2019**

No new Standards and amendments to Standards that are mandatory for the first time for the financial year beginning 1 July 2019 affected any of the amounts recognised in the current year or any prior year and are not likely to affect future periods.

**INVESTMENT PROPERTIES**

Investment properties, comprising freehold office and industrial complexes, are held to generate long-term rental yields. All tenant leases are on an arm's length basis. The fair value model is applied to all investment property and each property is reviewed at each reporting date. The fair value is determined as the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. Each property is independently valued periodically but at least triennially by registered valuers who have recognised and appropriate professional qualifications, and recent experience in the location and category of investment property being valued. Changes to fair value are recorded in the statement of profit and loss as revenue from non operating activities.

Investment properties under construction are measured at the lower of fair value and net realisable value. Cost includes cost of acquisition, development and interest on financing during development. Interest and other holding charges after practical completion are expensed as incurred.

Investment properties are maintained at a high standard and as permitted by accounting standards, the properties are not depreciated.

Rental revenue from the leasing of investment properties is recognised in the statement of profit and loss and other comprehensive income in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties. All tenant leases are on an arm's length basis.

**INVENTORIES****Development Property**

Land held for development and sale is measured at the lower of cost and net realisable value. Net realisable value is determined on the basis of sales in the ordinary course of business. Costs include the cost of acquisition, development, borrowing costs and holding costs until the completion of development. Gains and losses are recognised in the statement of profit and loss when legal title and therefore control of the asset has passed to the customer.

**DESANE GROUP HOLDINGS LIMITED****ABN 61 184 932 & Controlled Entities for the six months ended 31 December 2019****INVENTORIES- continued**

Inventory is classified as current when development is expected to be sold in the next twelve months, otherwise it will be classified as non-current.

If applicable, the carrying value will include revaluations applied to the asset during the period the property was classified as an investment property.

**PROPERTY, PLANT AND EQUIPMENT****Property**

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated impairment losses and accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income before transfer to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on a cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**DESANE GROUP HOLDINGS LIMITED****ABN 61 184 932 & Controlled Entities for the six months ended 31 December 2019****Depreciation**

The depreciable amount of plant and equipment is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset          | Depreciation Rate |
|-------------------------------|-------------------|
| Motor vehicles                | 15%               |
| Plant and equipment           | 2.5% - 37.5%      |
| Office and computer equipment | 10% - 33%         |

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the consolidated statement of profit and loss and other comprehensive income.

**LEASES**

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, as recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the lease term.



**DESANE GROUP HOLDINGS LIMITED****ABN 61 184 932 & Controlled Entities for the six months ended 31 December 2019****FINANCIAL INSTRUMENTS**

The Group has adopted AASB 9: *Financial Instruments*.

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (ie. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, at which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

The Group has interests in the following financial assets:

*(i) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group’s intention to hold these investments to maturity. Interest income is recognised in profit or loss when received. On maturity, the financial asset is derecognised and re-classified as cash at bank.

**NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS**

Accounting Standards issued by the AASB that are mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- *AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)*

This standard will result in almost all leases being recognised on the consolidated statement of financial position of lessees, as the distinction between operating and financial leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The Group has not entered into a lease agreement as lessee.

**DESANE GROUP HOLDINGS LIMITED**

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

**BORROWINGS**

Borrowings consist of first mortgage finance secured over the investment properties. Covenants imposed by mortgagor require total debt not to exceed 60% of the property value and the net rental is required to exceed interest expense by at least 1.9 times. All covenants imposed on secured loan agreements have been satisfied.

**2. DIVIDEND PAID**

| Consolidated Group |        |                 |        |
|--------------------|--------|-----------------|--------|
| 31 Dec 2019        |        | 31 Dec 2018     |        |
| Cents per Share    | \$'000 | Cents per Share | \$'000 |

Dividends paid or declared for payment are as follows:

|  |      |       |     |
|--|------|-------|-----|
| Final dividend of \$0.03 per share, partially franked,<br>paid on 25 October 2019  | 3.00 | 1,227 |     |
| Interim dividend of \$0.0225 per share, unfranked,<br>declared by the directors from operating profits<br>payable on 27 March 2020 | 2.25 | 920   |     |
| Final dividend of \$0.0225 per share, franked, paid on<br>26 October 2018  |      | 2.25  | 920 |
| Interim dividend of \$0.0225 per share, franked, paid<br>on 29 March 2019  |      | 2.25  | 920 |

**DESANE GROUP HOLDINGS LIMITED****ABN 61 184 932 & Controlled Entities for the six months ended 31 December 2019****3. OPERATING SEGMENTS****Segment Information****Identification of Reportable Segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar to the operations and or services provided by the segment.

**Types of Operations and Services by Segment**

Revenue is derived by the industry segments from the following activities:

**(i) Property Investment**

Rental income from prime real estate investments.

**(ii) Property Development**

Development projects (residential, commercial or industrial).

**(iii) Property Services**

Property and related services.

**Accounting Policies Adopted**

Unless stated otherwise, all amounts reported to the Board of Directors, with respect to operating segments, are determined in accordance with accounting policies consistent to those adopted in the annual financial statements of the Group.

**Segment Assets**

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.



**DESANE GROUP HOLDINGS LIMITED****ABN 61 184 932 & Controlled Entities for the six months ended 31 December 2019****3. OPERATING SEGMENTS- Continued****Segment Liabilities**

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

**Unallocated Items**

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Net gains on disposal of available for sale investments;
- Impairment of assets and other nonrecurring items of revenue or expenses;
- Income tax expense;
- Deferred tax assets and liabilities;
- Current tax liabilities;
- Other financial liabilities;
- Retirement benefit obligations; and
- Administration expenses.

**Geographical Segments**

The consolidated group operates in one geographical segment, being New South Wales, Australia.

**Inter-Segment Transactions**

Inter-segment pricing is based on what would be realised in the event the sale was made to an external party at arm's length basis.

## DESANE GROUP HOLDINGS LIMITED

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

## 3. OPERATING SEGMENTS- Continued

i : Segment Performance- 31st December 2019

|  | Property<br>Investment | Property<br>Development | Property<br>Services | Property,<br>Plant &<br>Equipment | Other  | Consolidated Group |
|--|------------------------|-------------------------|----------------------|-----------------------------------|--------|--------------------|
|  | \$'000                 | \$'000                  | \$'000               | \$'000                            | \$'000 | \$'000             |

Six Months to 31 December 2019

## Revenue

|   |              |             |           |          |            |              |
|---|--------------|-------------|-----------|----------|------------|--------------|
| External sales                            | 538          | (21)        | 24        | -        | 411        | 952          |
| Other segments                            | -            | -           | -         | -        | -          | -            |
| <b>Total revenue</b>                      | <b>538</b>   | <b>(21)</b> | <b>24</b> | <b>-</b> | <b>411</b> | <b>952</b>   |
| <b>Segment result</b>                     | <b>3,843</b> | <b>(21)</b> | <b>24</b> | <b>-</b> | <b>411</b> | <b>4,257</b> |
| Unallocated expenses                      |              |             |           |          |            | (1,094)      |
| Finance costs                             |              |             |           |          |            | (85)         |
| Profit/(loss) before<br>income tax        |              |             |           |          |            | 3,078        |
| Deferred income tax<br>expense            |              |             |           |          |            | (943)        |
| <b>Profit/(loss) after<br/>income tax</b> |              |             |           |          |            | <b>2,135</b> |

|  | Revenue | Profit |
|--|---------|--------|
|  | \$'000  | \$'000 |

## Other is comprised of:

|                   |     |     |
|-------------------|-----|-----|
| Interest received | 411 | 411 |
|-------------------|-----|-----|

## DESANE GROUP HOLDINGS LIMITED

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

## 3. OPERATING SEGMENTS- Continued

ii : Segment Assets – 31 December 2019

|   | Property<br>Investment | Property<br>Development | Property<br>Services | Property,<br>Plant &<br>Equipment | Other    | Consolidated<br>Group |
|---|------------------------|-------------------------|----------------------|-----------------------------------|----------|-----------------------|
|   | \$'000                 | \$'000                  | \$'000               | \$'000                            | \$'000   | \$'000                |
| July 2019 opening balance                                 | 43,398                 | -                       | -                    | 2,432                             | 46,019   | 91,849                |
| <b>Unallocated Assets</b>                                 |                        |                         |                      |                                   |          |                       |
| Deferred tax assets                                       |                        |                         |                      |                                   |          |                       |
| <b>Segment Asset Increases/(Decreases) for the Period</b> |                        |                         |                      |                                   |          |                       |
| Acquisitions  | 10,094                 | 3,379                   |                      |                                   |          | 13,473                |
| Disposal of assets  |                        |                         |                      |                                   |          | -                     |
| Revaluations/ (Devaluations)                              | 3,460                  |                         |                      |                                   |          | 3,460                 |
| Capital expenditures                                      | 21                     | 20                      |                      |                                   |          | 41                    |
| Accumulated depreciation movement                         |                        |                         |                      | (25)                              | -        | (25)                  |
| Net movement in other segments                            |                        |                         |                      |                                   | (25,722) | (25,722)              |
|   | 56,973                 | 3,399                   | -                    | 2,407                             | 20,297   | 83,076                |
| <b>Unallocated Assets</b>                                 |                        |                         |                      |                                   |          |                       |
| <b>Deferred Tax Assets</b>                                |                        |                         |                      |                                   |          |                       |
| <b>Total Group Assets</b>                                 |                        |                         |                      |                                   |          | 83,076                |

## DESANE GROUP HOLDINGS LIMITED

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

## 3. OPERATING SEGMENTS- Continued

iii : Segment Liabilities – 31 December 2019

|   | Property<br>Investment | Property<br>Development | Property<br>Services | Property,<br>Plant &<br>Equipment | Other  | Consolidated<br>Group |
|---|------------------------|-------------------------|----------------------|-----------------------------------|--------|-----------------------|
|   | \$'000                 | \$'000                  | \$'000               | \$'000                            | \$'000 | \$'000                |
| July 2019 opening balance                   | 16,400                 | -                       | -                    | -                                 | 1,673  | 18,073                |
| <b>Unallocated Liabilities</b>              |                        |                         |                      |                                   |        |                       |
| Deferred tax liabilities                    |                        |                         |                      |                                   |        | 15,381                |
| <b>Segment Liabilities</b>                  |                        |                         |                      |                                   |        |                       |
| <b>Increases/(Decreases) for the Period</b> |                        |                         |                      |                                   |        |                       |
| Repayments                                  |                        |                         |                      |                                   |        |                       |
| Net movements in other segments             | (10,500)               |                         |                      |                                   | (430)  | (10,930)              |
|   | 5,900                  | -                       | -                    | -                                 | 1,243  | 22,524                |
| <b>Unallocated Liabilities</b>              |                        |                         |                      |                                   |        |                       |
| <b>Deferred Tax Liabilities</b>             |                        |                         |                      |                                   |        | 943                   |
| <b>Total Group Liabilities</b>              |                        |                         |                      |                                   |        | 23,467                |



## DESANE GROUP HOLDINGS LIMITED

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

## 3. OPERATING SEGMENTS- Continued

iv : Segment Performance – 31 December 2018

|                                       | Property<br>Investment | Property<br>Development | Property<br>Services | Property,<br>Plant &<br>Equipment | Other  | Consolidated<br>Group |
|---------------------------------------|------------------------|-------------------------|----------------------|-----------------------------------|--------|-----------------------|
|                                       | \$'000                 | \$'000                  | \$'000               | \$'000                            | \$'000 | \$'000                |
| <b>Six Months to 31 December 2018</b> |                        |                         |                      |                                   |        |                       |
| <b>Revenue</b>                        |                        |                         |                      |                                   |        |                       |
| External sales                        | 1,770                  | (649)                   | 1,097                | -                                 | 274    | 2,492                 |
| Other segments                        | -                      | -                       | -                    | -                                 | -      | -                     |
| Total revenue                         | 1,770                  | (649)                   | 1,097                | -                                 | 274    | 2,492                 |
| Segment result                        | 39,993                 | (649)                   | 1,097                | -                                 | 274    | 40,715                |
| Unallocated expenses                  |                        |                         |                      |                                   |        | (1,000)               |
| Finance costs                         |                        |                         |                      |                                   |        | (251)                 |
| Profit/(loss) before<br>income tax    |                        |                         |                      |                                   |        | 39,464                |
| Deferred income tax<br>expense        |                        |                         |                      |                                   |        | (11,734)              |
| Profit/(loss) after<br>income tax     |                        |                         |                      |                                   |        | 27,730                |

Other is comprised of:

|                   | Revenue<br>\$'000 | Profit<br>\$'000 |
|-------------------|-------------------|------------------|
| Interest received | 274               | 274              |

## DESANE GROUP HOLDINGS LIMITED

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

## 3. OPERATING SEGMENTS- Continued

v : Segment Assets- 31 December 2018

|  | Property<br>Investment | Property<br>Development | Property<br>Services | Property,<br>Plant &<br>Equipment | Other  | Consolidated<br>Group |
|--|------------------------|-------------------------|----------------------|-----------------------------------|--------|-----------------------|
|  | \$'000                 | \$'000                  | \$'000               | \$'000                            | \$'000 | \$'000                |
| July 2018 opening balance                              | 38,560                 | -                       | -                    | -                                 | 7,830  | 46,390                |
| Deferred tax assets                                    |                        |                         |                      |                                   |        |                       |
| Segment Asset Increases/<br>(Decreases) for the Period |                        |                         |                      |                                   |        |                       |
| Acquisitions   | 6,897                  |                         |                      | 2,442                             |        | 9,339                 |
| Disposal of assets                                     | (12,893)               |                         |                      | (1)                               |        | (12,894)              |
| Capital expenditures                                   | 62                     |                         |                      |                                   |        | 62                    |
| Accumulated depreciation<br>movement                   |                        |                         |                      | (10)                              |        | (10)                  |
| Net movement in other<br>segments                      |                        |                         |                      | 24                                | 45,344 | 45,368                |
|  | 32,626                 | -                       | -                    | 2,455                             | 53,174 | 88,255                |
| Unallocated Assets                                     |                        |                         |                      |                                   |        |                       |
| Deferred Tax Assets                                    |                        |                         |                      |                                   |        |                       |
| Total Group Assets                                     |                        |                         |                      |                                   |        | 88,255                |

## DESANE GROUP HOLDINGS LIMITED

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

## 3. OPERATING SEGMENTS- Continued

vi : Segment Liabilities – 31 December 2018

|  | Property<br>Investment | Property<br>Development | Property<br>Services | Property, Plant<br>& Equipment | Other  | Consolidated<br>Group |
|--|------------------------|-------------------------|----------------------|--------------------------------|--------|-----------------------|
|  | \$'000                 | \$'000                  | \$'000               | \$'000                         | \$'000 | \$'000                |
| July 2018 opening<br>balance                                   | 11,150                 | -                       | -                    | -                              | 2,089  | 13,239                |
| Unallocated Liabilities  |                        |                         |                      |                                |        |                       |
| Deferred tax liabilities                                       |                        |                         |                      |                                |        | 3,811                 |
| Segment Liabilities<br>Increases/(Decreases)<br>for the Period |                        |                         |                      |                                |        |                       |
| Repayments   | (5,250)                |                         |                      |                                |        | (5,250)               |
| Net movements in other<br>segments                             |                        |                         |                      |                                | 4,666  | 4,666                 |
|  | 5,900                  | -                       | -                    | -                              | 6,755  | 16,466                |
| Unallocated Liabilities  |                        |                         |                      |                                |        |                       |
| Deferred Tax Liabilities                                       |                        |                         |                      |                                |        | 11,734                |
| Total Group Liabilities  |                        |                         |                      |                                |        | 28,200                |

**DESANE GROUP HOLDINGS LIMITED**

ABN 61 184 932 &amp; Controlled Entities for the six months ended 31 December 2019

**4. EQUITY ISSUED**

Issue of ordinary shares during the half year ended 31 December 2019.

|                                      | Consolidated Group |             | Consolidated Group |             |
|--------------------------------------|--------------------|-------------|--------------------|-------------|
|                                      | 31 Dec 2019        | 31 Dec 2018 | 31 Dec 2019        | 31 Dec 2018 |
|                                      | No                 | No          | \$'000             | \$'000      |
| <b>Ordinary Shares Fully Paid</b>    |                    |             |                    |             |
| As at 1 July 2019                    | <b>40,909,990</b>  | 37,190,900  | <b>21,213</b>      | 17,308      |
| <b>Shares Issued During the Year</b> |                    |             |                    |             |
| Dividend reinvestment plan           | -                  | -           | -                  | -           |
| Share purchase plan                  | -                  | -           | -                  | -           |
| Rights issue 1:10                    | -                  | 3,719,090   | -                  | 3,905       |
| Closing ordinary shares fully paid   | <b>40,909,990</b>  | 40,909,990  | <b>21,213</b>      | 21,213      |

**5. RELATED PARTY TRANSACTION**

There have been no material related party transactions since the last annual reporting.

**6. CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

**7. EVENTS SUBSEQUENT TO REPORTING DATE**

There were no significant events subsequent to Balance Date for the Group.





91 Thornton Drive, Penrith

In accordance with a resolution of the directors of Desane Group Holdings Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 - 31, are in accordance with the *Corporations Act 2001*, including:
  - a. Comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and
  - b. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



**John Sheehan AM**  
Director



**Phil Montrone OAM**  
Director

Sydney  
19 February 2020

**G.C.C. Business & Assurance Pty Ltd**

ABN 61 105 044 862

GPO Box 4566, Sydney NSW 2001

Telephone: (02) 9231 6166

Facsimile: (02) 9231 6155

Suite 807, 109 Pitt Street, Sydney

**INDEPENDENT AUDITOR'S REVIEW  
REPORT TO THE MEMBERS OF  
DESANE GROUP HOLDINGS LIMITED AND CONTROLLED ENTITIES  
ABN: 61 003 184 932****REPORT ON THE HALF-YEAR FINANCIAL REPORT****Conclusion**

We have reviewed the accompanying half-year financial report of Desane Group Holdings Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit and loss and other comprehensive income, the condensed consolidated statement of changes in equity, and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Desane Group Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- ii. complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of Desane Group Holdings Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Desane Group Holdings Limited, ASRE 2410 requires that we comply with ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**G.C.C. Business & Assurance Pty Ltd**

ABN 61 105 044 862

GPO Box 4566, Sydney NSW 2001

Telephone: (02) 9231 6166

Facsimile: (02) 9231 6155

Suite 807, 109 Pitt Street, Sydney

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

We confirm that the independence declaration required by *Corporations Act 2001*, which has been given to the directors of the Group, would be on the same terms if given to the directors as at the time of this auditor's review report.

*G.C.C. Business & Assurance Pty Ltd.*

**GCC BUSINESS & ASSURANCE PTY LTD**  
*(Authorised Audit Company)*



**CHANG CHOW**  
Director

19 February 2020



## DIRECTORS

**Prof. John Sheehan AM**  
(Non-executive Chairman)

**Phil Montrone OAM**  
(Managing Director)

**Rick Montrone**  
(Director – Head of Property)

**Peter Krejci**  
(Non-executive Director)

**Jack Sciara**  
Chief Financial Officer &  
Company Secretary

REGISTERED OFFICE  
Suite 4, Jones Bay Wharf  
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Pyrmont NSW 2009  
POSTAL ADDRESS  
PO Box 331  
Leichhardt NSW 2040

## SHARE REGISTRY

Computershare Investor  
Services Pty Limited  
Level 5  
115 Grenfell Street  
Adelaide SA 5000

## AUDITOR

GCC Business & Assurance  
Pty Ltd  
Suite 807  
109 Pitt Street  
Sydney NSW 2000

## STOCK EXCHANGE LISTING

Desane Group Holdings  
Limited shares are listed on  
the Australian Securities  
Exchange. The ASX code is  
DGH.

## WEBSITE

[www.desane.com.au](http://www.desane.com.au)

