



14 May 2018

ASX Company Announcements
Australian Securities Exchange Ltd
Level 40 Central Park
152–158 St Georges Terrace
Perth WA 6000

Dear Sir/Madam

Notice under Section 708AA(2)(f) of the Corporations Act 2001 (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84

This notice is given by DTI Group Ltd (ACN 069 791 091) (**DTI**) (ASX Code: DTI) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) as modified by the Australian and Investments Securities Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASX Corporations (Disregarding Technical Relief) Investment 2016/73.

DTI has announced to ASX a pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of seven new fully paid DTI shares (**New Shares**) for every ten existing shares held as at 7.00pm (AEST) on Wednesday 16 May 2018 by DTI shareholders.

The Entitlement Offer, which is to be made to eligible shareholders, comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

Based on the current capital structure, a total additional 88,670,105 New Shares will be issued if the Entitlement Offer is fully subscribed and the amount raised will be approximately \$6.2 million.

The Retail Entitlement Offer is fully underwritten by Finico Pty Ltd (**Finico**) (a major shareholder) and Allectus Capital Limited (**Allectus**) (an associate of UIL Limited (**UIL**), one of the Company's major shareholders) (**Underwriters**). The Underwriters (in their own right or via their associated shareholders) are major shareholders of the Company. The Company will pay the Underwriters each a fee of 1% of the underwriting commitment (being an underwriting fee of \$20,811) (plus GST) as well as reimbursement of expenses. A fee of 1% of the commitment amount (plus GST) is also payable to Finico and UIL under the Institutional Entitlement Offer.

A retail entitlement offer booklet will be dispatched to eligible retail shareholders on Monday 21 May 2018.

DTI confirms that:

- the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Act;

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- this notice is being given under section 708AA(2)(f) of the Act;
- as at the date of this notice, DTI has complied with:
 - the provisions of Chapter 2M of the Act as they apply to DTI; and
 - section 674 of the Act;
- as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and (9) of the Act; and
- information regarding the potential effect of the issue of New Shares pursuant to the Entitlement Offer on the control of DTI, and the consequences of that effect, is set out below.

Effect of the Entitlement Offer on Control

There are a number of possible outcomes that may arise which will largely depend on the extent to which eligible shareholders take up their entitlements and apply for additional New Shares. If all eligible shareholders take up their entitlement, each eligible shareholder's ownership interest (and voting power in DTI) will remain largely unchanged and the effect on the control of DTI will be negligible. To the extent that any eligible shareholder fails to take up their entitlement, that eligible shareholder's percentage shareholding in DTI will be diluted by those other eligible shareholders who take up some, all or more than their entitlement. The voting power of ineligible shareholders will be diluted.

Finico and UIL may, as a result of the Entitlement Offer, increase their relevant interest in the Company to above 20%. In the unlikely event that no shareholders other than Finico and UIL take up their entitlement, Finico's relevant interest will be 33% upon completion of the Entitlement Offer (on an undiluted basis and assuming Finico must take up its full underwriting commitment). In the unlikely event that no shareholders other than UIL and Finico take up their entitlement, UIL's relevant interest will be 27.9% upon completion of the Entitlement Offer (on an undiluted basis and assuming Allectus, an associate of UIL must take up its full underwriting commitment). Further details are set out in the Investor Presentation announced at the same time.

The Company acknowledges that each Underwriter is relying on the application of exception 2 in ASX Listing Rule 10.12, section 611(10) of the Corporations Act and ASIC Corporations (Takeovers – Accelerated Rights Issue) Instrument 2015/1069 to the underwriting and covenants to take all necessary action within its control to comply with those exceptions with respect to the Entitlement Offer and the underwriting, including appointing a nominee for the purpose of section 615 of the Corporations Act to sell rights.

The Board of DTI considers that the Entitlement Offer will have an effect on the control of DTI in the event Finico and UIL (via Allectus) are required to take up a large portion of their underwriting commitments however the structure of the offer seeks to mitigate the control effects as the Entitlement Offer is a pro rata issue, with eligible shareholders being offered the ability to apply for additional New Shares in excess of their entitlement

Yours faithfully

Raj Surendran
Company Secretary