

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 25 OCTOBER 2018

PRO RATA NON-RENOUNCEABLE RIGHTS ISSUE – NOTICE TO SHAREHOLDERS

We have completed dispatch of the attached letters to SECOS Shareholders in relation to the non-renounceable rights issue announced on 23 October 2018 by SECOS Group Limited (**SECOS** or the **Company**) (the **Rights Issue**):

- (a) Letter to shareholders of SECOS who have registered addresses in Australia or New Zealand as at the record date of 7:00 pm (AEDT) on 29 October 2018, and are eligible to participate in the Rights Issue (**Eligible Shareholders**); and
- (b) Letter to shareholders of SECOS who have registered addresses outside Australia or New Zealand as at the record date of 7:00 pm (AEDT) on 29 October 2018, and are not entitled to participate in the Rights Issue (**Ineligible Shareholders**).

Edmond Tern
Company Secretary

24 October 2018

Dear Shareholder,

Non- Renounceable Pro Rata Rights Issue – Notification to Eligible Shareholders

On 23 October 2018, SECOS Group Limited (ASX: SES) (“**SECOS**” or “**Company**”) announced a non-underwritten, non-renounceable pro rata rights issue of new fully paid ordinary shares in the Company (**New Shares**) on the basis of 1 New Share for every 6 existing shares held by Eligible Shareholders on the record date, being 7.00 pm (AEDT) on Monday, 29 October 2018 (“**Record Date**”), at an issue price of \$0.062 per New Share to raise up to approximately \$2,700,000 (“**Rights Issue**”).

Information about Rights Issue

The Company announced the Rights Issue and lodged a Rights Issue Booklet in respect of the Rights Issue with ASX on 23 October 2018 (“**Information Booklet**”).

Eligible Shareholders will have the right to subscribe for 1 New Share for every 6 existing shares held by the Eligible Shareholder on the Record Date at an issue price of \$0.062 per New Share. The maximum number of New Shares offered under the Rights Issue is approximately 42,999,438 (assuming no existing options are exercised prior to the Record Date).

Eligible Shareholders who take up their rights to subscribe for New Shares pursuant to the Information Booklet (“**Rights**”) in full may also apply for additional New Shares under the Company’s shortfall offer. For the purpose of calculating each Eligible Shareholder’s Rights, fractions of Rights will be rounded up to the nearest whole number of shares, except where the rounding up of fractional Rights would result in the Eligible Shareholder increasing their voting power in the Company from 20% or below to more than 20% in which case the fractional Rights will be rounded down.

The Company will apply to ASX for quotation of the New Shares.

Further details of the Rights are set out in the Information Booklet lodged with ASX on 23 October 2018 which will be dispatched to Eligible Shareholders, together with a personalised Entitlement and Acceptance Form, by no later than 30 October 2018 in order for Eligible Shareholders to exercise their Rights under the Rights Issue.

Eligibility to participate in the Rights Issue

A person is eligible to participate in the Rights Issue if they are a registered holder of shares in the Company on the Record Date and have an address on the Company’s share register in Australia or New Zealand (“**Eligible Shareholder**”).

The Company has otherwise determined, pursuant to Rule 7.7.1(a) of the Listing Rules of the Australian Securities Exchange (“**Listing Rules**”), that it would be unreasonable to make offers under the Information Booklet to shareholders with registered addresses outside of Australia and New Zealand (“**Ineligible Shareholders**”), having regard to the small number of such shareholders and the costs of complying with legal and regulatory requirements in each of those jurisdictions.

Use of Proceeds from the Rights Issue

The Company will use the proceeds from the Rights Issue for working capital purposes to expand bioplastic manufacturing facilities in Malaysia, manage inventory and receivables in USA, and fund general operating expenses in the Group, including expenses incurred in connection with the Rights Issue

Further details of the Rights Issue and use of proceeds from the Rights Issue are set out in the Information Booklet.

Dealing with your rights

An Eligible Shareholder's Rights are non-renounceable. Accordingly, there will be no trading of those Rights on the ASX, and Eligible Shareholders may not dispose of their Rights to subscribe for New Shares under the Rights Issue to any other party.

Important dates of the Rights Issue

The indicative timetable for the Rights Issue is as follows:

Date*	Event
Tue 23 October 2018	Announcement of the Placement
	Issue of Shares under the Placement
	Cleansing Notice in respect of Placement and Appendix 3B lodged with ASX
	Announcement of the Rights Issue
	Cleansing Notice in respect of Rights Issue, Information Booklet and Appendix 3B lodged with ASX
Fri 26 October 2018	Ex-date commences
Mon 29 October 2018	Record Date for Rights Issue (7:00pm AEDT)
Tue 30 October 2018	Dispatch of Information Booklet and Entitlement and Acceptance Form to Eligible Shareholders
	Rights Issue opens
Thu 8 November 2018	Last day to extend the offer closing date
Tue 13 November 2018	Rights Issue closes (5:00pm AEDT)
Wed 14 November 2018	Quotation on a deferred settlement basis
Fri 16 November 2018	The Company notifies ASX of under-subscriptions
Tue 20 November 2018	Issue of shares under Rights Issue – Deferred settlement trading ends

Date*	Event
	Dispatch of holding statements
Wed 21 November 2018	New Shares expected to commence trading on the ASX

*This Timetable is indicative only. Applicants are encouraged to submit their Entitlement and Acceptance Form and Application Monies as soon as possible after the Rights Issue opens. The Directors may vary these dates, in consultation with the Lead Manager, subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for allotment and issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Rights Issue any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be refunded in full to Applicants.

Purpose of this letter

You are **not** required to do anything in response to this letter, which is provided for your information only, and does **not** constitute an offer of New Shares under the Rights Issue.

An Information Booklet will be sent to Eligible Shareholders, together with a personalised Entitlement and Acceptance Form, by no later than 30 October 2018 which will set out instructions regarding how Eligible Shareholders may subscribe for New Shares under the Rights Issue.

Should you have any questions in relation to the above matters, please contact me on +61 (0) 411 110 901 or send email to the Company Secretary, Edmond Tern, at etern@secosgroup.com.au.

On behalf of the Board of SECOS, we thank you for your continued support.

Yours faithfully,

Richard Tegoni
Executive Chairman
+61 (0) 411 110 901
r.tegoni@secosgroup.com.au

24 October 2018

Dear Shareholder,

Non- Renounceable Pro Rata Rights Issue – Notification to ineligible shareholders

On 23 October 2018, SECOS Group Limited (ASX: SES) (“**SECOS**” or “**Company**”) announced a non-underwritten, non-renounceable pro rata rights issue of new fully paid ordinary shares in the Company (**New Shares**) on the basis of 1 New Share for every 6 existing shares held by Eligible Shareholders on the record date, being 7.00 pm (AEDT) on Monday, 29 October 2018 (“**Record Date**”), at an issue price of \$0.062 per New Share to raise up to approximately \$2,700,000 (“**Rights Issue**”).

Information about Rights Issue

The Company announced the Rights Issue and lodged a Rights Issue Booklet in respect of the Rights Issue with ASX on 23 October 2018 (“**Information Booklet**”).

Eligible Shareholders will have the right to subscribe for 1 New Share for every 6 existing shares held by the Eligible Shareholder on the Record Date at an issue price of \$0.062 per New Share. The maximum number of New Shares offered under the Rights Issue is approximately 42,999,438 (assuming no existing options are exercised prior to the Record Date).

Eligible Shareholders who take up their rights to subscribe for New Shares pursuant to the Information Booklet (**Rights**) in full may also apply for additional New Shares under the Company’s shortfall offer. For the purpose of calculating each Eligible Shareholder’s Rights, fractions of Rights will be rounded up to the nearest whole number of shares, except where the rounding up of fractional Rights would result in the Eligible Shareholder increasing their voting power in the Company from 20% or below to more than 20% in which case the fractional Rights will be rounded down.

The Company will apply to ASX for quotation of the New Shares.

Further details of the Rights are set out in the Information Booklet lodged with ASX on 23 October 2018, which will be dispatched to Eligible Shareholders, together with a personalised Entitlement and Acceptance Form, by no later than 30 October 2018 in order for Eligible Shareholders to exercise their Rights under the Rights Issue.

Use of Proceeds from the Rights Issue

The Company will use the proceeds from the Rights Issue for working capital purposes to expand manufacturing facilities in Malaysia, manage inventory and receivables in USA, and fund general operating expenses in the Group, including expenses incurred in connection with the Rights Issue

Further details of the Rights Issue and use of proceeds from the Rights Issue are set out in the Information Booklet.

Important dates of the Rights Issue

The indicative timetable for the Rights Issue is as follows:

Date*	Event
Tue 23 October 2018	Announcement of the Placement
	Issue of Shares under the Placement
	Cleansing Notice in respect of Placement and Appendix 3B lodged with ASX
	Announcement of the Rights Issue
	Cleansing Notice in respect of Rights Issue, Information Booklet and Appendix 3B lodged with ASX
Fri 26 October 2018	Ex-date commences
Mon 29 October 2018	Record Date for Rights Issue (7:00pm AEDT)
Tue 30 October 2018	Dispatch of Information Booklet and Entitlement and Acceptance Form to Eligible Shareholders
	Rights Issue opens
Thu 8 November 2018	Last day to extend the offer closing date
Tue 13 November 2018	Rights Issue closes (5:00pm AEDT)
Wed 14 November 2018	Quotation on a deferred settlement basis
Fri 16 November 2018	The Company notifies ASX of under-subscriptions
Tue 20 November 2018	Issue of shares under Rights Issue – Deferred settlement trading ends
	Dispatch of holding statements
Wed 21 November 2018	New Shares expected to commence trading on the ASX

The above dates are indicative only and the Company reserves the right to vary any or all of the dates and times, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules, and any other applicable laws.

Eligibility to participate in the Rights Issue

A person is eligible to participate in the Rights Issue if they are a registered holder of shares in the Company on the Record Date and have an address on the Company's share register in Australia or New Zealand ("**Eligible Shareholder**").

The Company has determined, pursuant to Rule 7.7.1(a) of the Listing Rules of the Australian Securities Exchange ("**Listing Rules**"), that it would be unreasonable to make offers under the Information Booklet to shareholders with registered addresses outside of Australia and New Zealand ("**Ineligible Shareholders**"), having regard to the small number of such shareholders and the costs of complying with legal and regulatory requirements in each of those jurisdictions.

Accordingly, in compliance with Rule 7.7.1(b), the Company wishes to advise you that, as your registered address is in a place outside Australia or New Zealand, you are deemed to be an Ineligible Shareholder and therefore not eligible to participate in the offer to subscribe for New Shares under the Rights Issue.

Purpose of this letter

This letter is to inform you about the Rights Issue, and to explain why you will not be able to subscribe for New Shares under the Rights Issue. This letter is **not** an offer to issue New Shares to you, **nor** an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

Should you have any questions in relation to the above matters, please contact me on +61 (0) 411 110 901 or send email to the Company Secretary, Edmond Tern, at etern@secosgroup.com.au.

On behalf of the Board of SECOS, we thank you for your continued support.

Yours faithfully,

Richard Tegoni
Executive Chairman
+61 (0) 411 110 901
r.tegoni@secosgroup.com.au