

ASX Announcement

18 December 2017

The Manager
ASX Market Announcements
Australian Securities Exchange Limited
Sydney NSW 2000

By e-lodgement

PLACEMENT OF SHARES AND OPTIONS TO SOPHISTICATED INVESTORS

Asia Pacific Digital Limited (**ASX: DIG**) (**APD, Company**) has raised \$1,965,000 through a placement of 19,650,000 new fully-paid ordinary shares priced at 10 cents per share (**Placement Shares**) and 9,825,000 unlisted options (one for every two shares subscribed) (**Placement Options**) to sophisticated investors through its placement capacity under ASX Listing Rule 7.1A.

The Placement Options are exercisable at 12 cents per share until 22 December 2019 and if exercised would raise an additional \$1,179,000. The Placement Options will not be quoted on the ASX.

New shares issued under the placement will rank equally with existing shares of the Company. The placement is expected to settle on 19 December 2017, and the Placement Shares and Placement Options will be allotted on 22 December 2017.

Prior to the placement, the Company's major shareholder group continued its support by providing working capital funding of \$2m under an unsecured loan arrangement.

The Board intends undertaking a pro rata rights issue in the new calendar year to provide all shareholders with the opportunity to participate and invest in the Company's digital transformation strategy. The major shareholder group intends to participate in the rights issue which will also enable repayment of recent working capital debt financing. Further details of the proposed rights issue will be released in due course.

These arrangements, plus the successful sale of the Company's shareholding in aCommerce, which has now completed, will materially strengthen the balance sheet.

As previously announced to the market on 28 November 2017, the Company is continuing its dialogue with potential strategic partners.

For more information:

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About APD

APD serves multinational corporate clients across the Asia Pacific region who need specialist expertise to drive the digital transformation of their businesses. Services include digital strategy, technology solutions, customer experience, creative, performance marketing, social media, customer retention and analytics. The Company's 300+ digital professionals operate from offices in Manila, Kuala Lumpur, Singapore, Sydney, Melbourne and Auckland.

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