



Digimatic Group

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**DIGIMATIC GROUP LTD.  
ARBN 605 944 198**

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**NOTICE OF ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held at 10 Anson Road, International Plaza #10-26, Singapore 079903 on Friday, 28 July 2017 at 2pm (SST).

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*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary (Australia) by telephone on +61 8 6555 2950.***

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# **DIGIMATIC GROUP LTD.**

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## **NOTICE OF GENERAL MEETING**

Notice is hereby given that the annual general meeting of shareholders of Digimatic Group Ltd. (**Company**) will be held at 10 Anson Road, International Plaza #10-26, Singapore 079903 on Friday, 28 July 2017 at 2pm (SST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the CDI Voting Instruction Form form part of this Notice.

The Directors have determined that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 25 July 2017 at 2pm (SST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

## **AGENDA**

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### **1. Annual Financial Statement**

To consider the Annual Financial Statement of the Company and its controlled entities for the year ended 31 March 2017, which includes the Financial Reports, the Directors' Report and the Auditor's Report.

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### **2. Resolution 1 – Election of Ong Shao Kuang, Ivan as Director**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Regulation 66 of the Constitution and for all other purposes, Ong Shao Kuang, Ivan, Director, retires and being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### **3. Resolution 2 – Approval of Appointment of Auditor**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with section 205(2) of the Companies Act and for all other purposes, Kong, Lim & Partners LLP, having consented to act as the Company's auditor, is appointed as the Company's auditor effective from the date of the Meeting to hold office until conclusion of the next annual general meeting of the Company and the Directors be authorised to agree the remuneration."*

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#### 4. Resolution 3 – Approval of Directors' Fees

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution (as special business) the following:

*"That, pursuant to and in accordance with section 169 of the Companies Act and for all other purposes, to approve payment of the Directors' fees of up to S\$200,000 per annum in aggregate for the financial year ending 31 March 2018 on the terms and conditions in the Explanatory Memorandum".*

##### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a Director and any associates of a Director.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the CDI Voting Instruction Form; or
- (b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the CDI Voting Instruction Form to vote as the proxy decides.

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#### 5. Resolution 4 – Approval to Issue Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution (as special business) the following:

*"That, pursuant to and in accordance with section 161 of the Companies Act and with regard to the Listing Rules, the Directors be authorised to:*

- (a) *issue Shares (whether by way of rights issue, bonus issue or otherwise);*
- (b) *make or grant offers, agreements or options (collectively, **Instruments**) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible or exchangeable into Shares; and*
- (c) *issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution is in force,*

*provided that:*

- (a) *the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution and including Shares which may be issued pursuant to any adjustment effected under any relevant Instruments) shall not exceed such limit as may be prescribed under the Listing Rules and regulations of the ASX for the time being in force (unless such compliance has been modified by ASX, including by waiver);*
- (b) *in exercising the power to make or grant Instruments (including the making of any adjustment under any relevant Instrument), the Company shall comply with the Listing Rules and regulations of the ASX for the time being in force (unless such compliance has been modified by ASX, including by waiver) and the Constitution; and*
- (c) *unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier."*

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## 6. Resolution 5 – Approval of On-Market Share Buy-Back Mandate

To consider and, if thought fit, to pass as an ordinary resolution the following:

"That:-

- (a) *for the purposes of Section 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or acquire Shares not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined) by way of on-market purchase(s) on the ASX and in accordance with the ASX Listing Rules and the requirements of ASX (as is applicable), be and is hereby authorised and approved generally and unconditionally (**Share Buy-Back Mandate**);*
- (b) *unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:-*
  - (i) *the date on which the next Annual General Meeting of the Company is held;*
  - (ii) *the date by which the next Annual General Meeting of the Company is required by law to be held; or*
  - (iii) *the date on which purchases and acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated;*
- (c) *the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.*

*In this Resolution:-*

**"Average Closing Price"** means the volume weighted average market price of a Share for the five consecutive market days on which the Shares are transacted on the ASX immediately preceding the date of on-market purchase by the Company;

**"Maximum Percentage"** means the number of issued Shares representing three percent (3.0%) of the total number of issued ordinary shares in the capital of the Company as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

**"Maximum Price"** in relation to a Share to be purchased or acquired, means the purchase price of a Share (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed one hundred and five percent (105%) of the Average Closing Price."

BY ORDER OF THE BOARD



Clive Tan Che Koon  
Non-Executive Chairman  
Dated: 30 June 2017

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# DIGIMATIC GROUP LTD.

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 10 Anson Road, International Plaza, #10-26, Singapore 079903 on Friday, 28 July 2017 at 2pm (SST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Financial Statement
Section 4	Resolution 1 – Election of Ong Shao Kuang, Ivan as Director
Section 5	Resolution 2 – Approval of Appointment of Auditor
Section 6	Resolution 3 – Approval of Directors' Fees
Section 7	Resolution 4 – Approval to Issue Shares
Section 8	Resolution 5 – Approval of On-Market Share Buy-Back Mandate
Schedule 1	Definitions and Interpretation

A CDI Voting Instruction Form is located at the end of this Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 2.1 CDIs

A CDI Voting Instruction Form is attached to the Notice. This is to be used by CDI Holders to direct CDN on how to vote at the Meeting, as CDI Holders are not entitled to vote in person at the Meeting.

CDI Voting Instruction Forms must be received by Link Market Services Limited, the Company's share registry, no later than 2pm (SST) (4pm (AEST)) on Tuesday, 25 July 2017.

The CDI Voting Instruction Form provides further details on voting at the Meeting.

CDI Holders are welcome, and encouraged, to attend the Meeting, despite not being able to vote in person.

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### 3. Annual Financial Statement

The Annual Financial Statement must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Financial Statement.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Financial Statement which is available online at [www.digimaticgroup.com](http://www.digimaticgroup.com);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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#### **4. Resolution 1 – Election of Ong Shao Kuang, Ivan as Director**

Regulation 66 of the Constitution states that at any annual general meeting (subsequent to the first annual general meeting) of the Company, one-third of the Directors for the time being shall retire from Office, while Regulation 69 provides that a retiring director may offer himself for re-election. In addition, Listing Rule 14.5 states that an entity which has directors must hold an election of directors each year. Mr Ong Shao Kuang, Ivan will retire from office and, being eligible, will seek election or re-election as a Director.

The biographical details for Mr Ong Shao Kuang, Ivan is as follows:

Mr Ong Shao Kuang, Ivan

Mr Ivan Ong started his online entrepreneurial journey at the age of 21 after graduating from Nanyang Technological University with a Bachelor of Business.

Mr Ong is the founder of Digimatic Media Private Ltd (founded as 'CPA Academy Pte Ltd'). With just a laptop and S\$1,000 in his bank account, he has since turned the business into a 10 man company with revenue of more than S\$1,500,000 in 2015.

Mr Ong is a specialist in the arena of Internet advertising and focuses on assisting Internet companies with lead generation and advertising campaigns across all countries in the world.

Throughout his entrepreneurial journey as a digital marketer, Mr Ong has amassed wide experience and knowledge in the digital advertising space and, via CPA Academy, has helped hundreds of ordinary people embark on this online advertising journey.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

The Board (excluding Mr Ong) supports the election of Mr Ong and recommends that Shareholders vote in favour of Resolution 1.

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## **5. Resolution 2 – Approval of Appointment of Auditor**

The current auditors, Kong, Lim & Partners LLP, Certified Public Accountants were appointed as auditors of the Company on 20 June 2014. Section 205(2) of the Companies Act states:

“(2) A company shall at each annual general meeting of the company appoint a person or persons to be the auditor or auditors of the company, and any auditor or auditors so appointed shall, subject to this section, hold office until the conclusion of the next annual general meeting of the company.”

Resolution 2 therefore seeks to appoint Kong, Lim & Partners LLP as auditors of the Company until the conclusion of the next annual general meeting of the Company.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

The Board supports the appointment of Kong, Lim & Partners LLP as auditors of the Company and recommends that Shareholders vote in favour of Resolution 2.

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## **6. Resolution 3 – Approval of Directors' Fees**

Section 169 of the Companies Act requires that Directors' fees for the year ending 31 March 2018 be approved by Shareholders.

Shareholders previously set the maximum aggregate Directors' fees for the financial year ending 31 March 2017 at S\$200,000.

Resolution 3 therefore seeks approval for the proposed maximum aggregate non-executive Directors' fees of S\$200,000 for financial year ended 31 March 2018. The total amount of non-executive Directors' fees payable includes superannuation contributions made by the Company for the benefit of non-executive Directors and any fees which a non-executive Director agrees to sacrifice on a pre-tax basis.

No securities were issued to a non-executive Director under Listing Rule 10.11 or 10.14 with Shareholder approval at any time within the last 3 years.

The proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year. However, the Board considers that it is reasonable and appropriate to establish this amount as this will provide the Company with the flexibility to attract appropriately qualified Directors and to act quickly if the circumstances require it.

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

A voting exclusion statement is included in the Notice for Resolution 3.

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## **7. Resolution 4 – Approval to issue Shares**

Section 161 of the Companies Act requires that the issue of any new Shares or other securities in the Company be approved by Shareholders.

Resolution 4 therefore seeks approval for the Directors to be empowered to issue Shares or convertible securities in the Company from the date of the Meeting to the conclusion of the next

annual general meeting of the Company or the date by which next annual general meeting for the Company is required by law to be held, whichever is the earlier.

This authority will, unless revoked or varied at a general meeting of the Company, expire at the conclusion of the next annual general meeting of the Company.

Resolution 4 is not seeking approval for:

- (e) the issue of securities in the Company pursuant to the requirements of ASX Listing Rule 7.1 or Listing Rule 7.1A; or
- (f) the issue of securities to related parties, pursuant to the requirements of ASX Listing Rule 10.11.

Resolution 4 will therefore be subject to the Listing Rules, in particular:

- (a) Listing Rule 7.1, which provides that the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period;
- (b) Listing Rule 10.11, which provides that the Company must not issue new securities to a related party without Shareholder approval; and
- (c) Listing Rule 10.14 which provides that the Company must not issue new securities under an employee share plan to a Director or an associate of a Director without Shareholder approval.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

The Board recommends that Shareholders vote in favour of Resolution 4.

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## **8. Resolution 5 – Approval of On-Market Share Buy-Back Mandate**

### **8.1 General**

The Company is incorporated in Singapore and, pursuant to the Constitution and the Companies Act, has the ability to buy-back its Shares. Accordingly, the Company seeks Shareholder approval in accordance with section 76E of the Companies Act to buy-back and cancel or hold as treasury shares 19,609,920 Shares (being up to a maximum of 3% of the total number of Shares on issue) through an on-market buy-back.

The Company expects that pursuant to ASX Listing Rule 7.36, the Company will be required to undertake the on-market buy back in accordance with the ASX Listing Rules and the applicable provisions of the Corporations Act, as if it were an entity subject to the requirements of the Corporations Act. This is consistent with ASX's treatment of other ASX-listed Singaporean incorporated entities undertaking buy-backs.

The Company notes that, in complying with section 76E of the Companies Act, the Company will comply with section 257C(1) of the Corporations Act for on-market buy-backs, which states that shareholder approval is required for a buy-back if a company proposes to buy-back more than 10% of the smallest number of shares on issue during the last 12 months.

In addition, the Company will also comply with all applicable provisions under the ASX Listing Rules, including but not limited to, ASX Listing Rule 7.33 and ASX Listing Rule 3.8A.

This Explanatory Memorandum sets out information that is material to the Shareholders' decision on how to vote on the buy-back resolution, including the reasons for the buy-back, the applicable terms, the financial implications and the possible advantages and disadvantages of the on-market buy-back.



## 8.2 Reasons for buy-back

The Company's goal is to manage its capital so as to achieve the most efficient capital structure and optimise returns to Shareholders. On 29 May 2017, the Company reported cash and cash equivalents and fixed deposits of S\$3,613,270 and S\$8,000,000 in its financial year ended 31 March 2017.

The Board is of the view that the allocation of part or all of the Company's surplus funds into an on-market buy-back of Shares will be more value accretive to Shareholders than having the funds remain in situ.

The Board believes that an on-market buy-back of Shares at an appropriate value is an appropriate course for the Company and its Shareholders.

An on-market buy-back gives Shareholders the choice whether to hold or sell their Shares over the buy-back period, whereas under other alternatives (such as an equal capital reduction or off-market equal access buy-back) Shareholders may not be given such flexibility. Further the on-market Share buy-back is simpler to implement than other forms of capital return.

The Company has decided, as part of its capital management program, that an on-market buy-back is an expedient, effective and cost efficient way for the Company to enhance shareholder value.

## 8.3 Advantages and disadvantages of the buy-back

The general advantages of an on-market buy-back include the following:

- (a) purchases on-market can be tailored to changing market conditions;
- (b) the Company has complete flexibility to adjust the volume of Shares bought and can stop buying at any time; and
- (c) implementation of an on-market buy-back is simple and cost effective.

Shareholders should also be aware that, among other things, some of the disadvantages of the buy-back include:

- (a) the Company's net assets will be reduced by the amount expended on the buy-backs; and
- (b) the buy-backs may provide some liquidity in the Shares in the short term however may result in reducing the liquidity in the Shares in the long term due to a smaller number of Shares on issue for trading.

## 8.4 Regulatory Requirements

Regulation 6A of the Constitution and Sections 76B and 76E of the Companies Act, allow the Company to buy-back its own shares through on-market Share buy-backs.

Section 76E of the Companies Act, which relates specifically to on-market Share buy-backs, provides as follows:

### ***“Authority for market acquisition***

**76E.—(1)** *A company shall not make a purchase or acquisition of its own shares on a securities exchange (referred to in this section as a market purchase) unless the purchase or acquisition has been authorised in advance by the company in general meeting.*

- (2) *The notice specifying the intention to propose the resolution to authorise a market purchase must -*
  - (a) *specify the maximum number of shares or the maximum percentage of ordinary shares authorised to be purchased or acquired;*
  - (b) *determine the maximum price which may be paid for the shares;*
  - (c) *specify a date on which the authority is to expire, being a date that must not be later than the date on which the next annual general meeting of the company is or is required by law to be held, whichever is the earlier; and*
  - (d) *specify the sources of funds to be used for the purchase or acquisition including the amount of financing and its impact on the company's financial position.*
- (3) *The authority for a market purchase may be unconditional or subject to conditions and must state the particulars referred to in subsection (2)(a), (b) and (c).*
- (4) *The authority for a market purchase may, from time to time, be varied or revoked by the company in general meeting but the variation must comply with subsections (2) and (3).*
- (5) *A resolution to confer or vary authority for a market purchase under this section may determine the maximum price for purchase or acquisition by —*
  - (a) *specifying a particular sum; or*
  - (b) *providing a basis or formula for calculating the amount of the price in question without reference to any person's discretion or opinion."*

Under the Singapore Code on Take-overs and Mergers ("**Take-over Code**"), there may be take-over implications and obligations arising from Share buy-backs as follows:

- (a) **Obligation to make a Take-over offer**

When the Company purchases or acquires its shares, any resulting increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him (as defined in the Take-over Code) will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**TC Rule 14**"). Consequently, a Shareholder or group of Shareholders acting in concert may obtain or consolidate effective control of the Company and become obliged to make an offer under TC Rule 14.

- (b) **Effect of TC Rule 14 and Appendix 2 of the Take-over Code ("**TC Appendix 2**")**

In general terms and in relation to the proposed Share Buy-Back Mandate in Resolution 1, the effect of TC Rule 14 and TC Appendix 2 are as follows:

- (i) Unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under TC Rule 14 if, as a result of the Company purchasing or acquiring Shares, (i) the voting rights of such Directors and their concert parties would increase to 30% or more, or (ii) in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.
- (ii) Under TC Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a takeover offer under TC Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

Based on the interests of substantial Shareholders as at 1 June 2017 (“**Latest Practicable Date**”), the substantial Shareholders would not become obliged to make a take-over offer for the Company under TC Rule 14 as a result of the purchase or acquisition by the Company of the maximum limit of 3% of its issued Shares (excluding Shares held in treasury) as at the Latest Practicable Date.

Shareholders are reminded that those who are in doubt as to their obligations, if any, to make an offer under the Take-over Code as a result of the purchases or acquisitions by the Company of Shares pursuant to the proposed Share buy-back mandate, should consult their professional advisers.

Resolution 5 seeks approval of the Shareholders for the proposed Share buy-back mandate.

Resolution 5 will be approved if more than 50% of votes cast at the Meeting on the Resolution are in favour of the Resolution.

## **8.5 Number of Shares subject to buy-back**

As at 1 June 2017, the Company has 653,664,000 Shares on issue and seeks to buy-back up to 19,609,920 Shares, representing 3% of the total issued share capital as at the date of this notice. If the buy-back is fully completed, the Company will have 634,054,080 Shares on issue (excluding treasury shares).

The Company will offer to buy-back Shares on-market through transactions on the ASX.

Since an on-market buy-back involves shares being acquired at the market price of shares at that time, it is not possible to anticipate the value (and therefore the number) of shares that may actually be bought back and cancelled or held as treasury shares. As a result, the Company is not required to buy-back a specific number of Shares or a minimum specified value of Shares over any period.

The Company reserves the right not to buy-back any Shares at all.

## **8.6 Buy-back Price**

The Shares will be bought back at the quoted selling price of the Shares on the ASX. In accordance with ASX Listing Rule 7.33, the price payable by the Company to buy-back Shares cannot be more than 5% above the volume weighted average market price per share for the last 5 days on which trades were recorded before the day of the buy-back.

It should be noted that the Company cannot give any assurance as to the likely average price per share to be paid by the Company under the on-market buy-back.

It will be a matter for Shareholders to determine with reference to their own individual circumstances (after taking independent advice, if appropriate) whether they want to sell their Shares on the ASX and, if so, the price at which they are prepared to sell their Shares.

## **8.7 Timing**

If Resolution 5 is approved, it is intended that the on-market buy-backs (if any) will be undertaken at such time(s) as the Directors in their discretion may decide within the period set out in paragraph (b) of Resolution 5.

## **8.8 Financial implications of the buy-back**

The buy-back will be funded from the Company's available cash reserves.

The Directors have determined that the buy-back will not materially prejudice the Company's ability to pay its creditors.

As at 31 March 2017, the Company had net assets of S\$15,004,405, including S\$11,613,270 of cash reserves available as a source of funding the buy-back. The actual amount of the buy-back to be funded will not be determined until the completion of the buy-back program.

The exact impact on earnings per Share of any buy-back cannot be determined until the buy-back is completed and will depend on the number of Shares bought back, the volume-weighted average buy-back price and the source of funds used to fund the buy-back program.

A buy-back may decrease the ASX trading volumes and liquidity in the Shares. It is not however possible to determine the extent of any potential decrease in liquidity at this time.

Whilst it is not possible to anticipate the total actual amount that the Company will expend on paying for the Shares, the buy-back is not expected to adversely affect net assets of the Company.

## **8.9 Effect on control of the Company**

It is not expected that there will be any effect on control of the Company following the buy-back.

## **8.10 Tax implications**

Approval of Resolution 5 will not result in any tax implications for Shareholders if they do not sell their Shares. However, if a Shareholder chooses to participate in the buy-back by selling their Shares then that Shareholder should obtain specific tax advice on the treatment of the sale of their Shares taking into account their particular circumstances.

## **8.11 Directors' holdings**

The Directors have the following interests in the Company at the date of this Explanatory Memorandum:

<b>Name</b>	<b>Number of Shares Held</b>	<b>Voting Interest</b>
Ivan Ong Shao Kuang	60,830,000	9.3060%
Zane Robert Lewis	10,000	0.0015%

The following table shows the relevant voting interest that each Director would have if the Company bought back all 3.0% of the issued Shares under the proposed Share buy-back mandate and if no Directors' Shares or Shares in which the Directors have an interest were sold:

<b>Names</b>	<b>Voting Interest</b>
Ivan Ong Shao Kuang	9.5938%
Zane Robert Lewis	0.0015%

The Directors may participate in the buy-back program.

## **8.12 Directors' recommendation**

The Directors recommend that Shareholders vote in favour of the buy-back resolution.

The Chairman intends to vote all available proxies in favour of Resolution 5.

## **8.13 No other material information**

Other than as set out in this Explanatory Memorandum, and other than information previously disclosed to Shareholders, there is no other information that is known to the Directors which may reasonably be expected to be material to making a decision by Shareholders on whether or not to vote in favour of Resolution 5.

## Schedule 1 – Definitions and Interpretation

### 1. Definitions

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

**A\$** means Australian dollars.

**AEST** means Australian Eastern Standard Time.

**Annual Financial Statement** means the Directors' Report, the Financial Reports and the Auditor's Report in respect to the financial period ended 31 March 2017.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

**ASX Settlement Rules** means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

**Auditor's Report** means the auditor's report on the Financial Reports.

**Board** means the board of Directors from time to time.

**CDI** means CHESS Depository Interests issued by CDN, where each CDI represents a beneficial interest in one Share.

**CDI Voting Instruction Form** means the CDI voting instruction form attached to the Notice.

**CDN** means CHESS Depository Nominees Pty Ltd (ABN 75 071 346 506) (AFSL 254514), in its capacity as depository of the CDIs under the ASX Settlement Rules.

**Chairperson** means the person appointed to chair the Meeting.

**Companies Act** means the Companies Act (Cap.50) of Singapore.

**Company** means Digimatic Group Ltd. ARBN 605 944 198.

**Constitution** means the constitution of the Company as may be amended, modified or supplemented from time to time.

**Director** means any director of the Company and **Directors** means all of them.

**Directors' Report** means the annual directors' report of the Company and its controlled entities.

**Explanatory Memorandum** means this explanatory memorandum.

**Financial Reports** means the annual financial reports of the Company and its controlled entities.

**Listing Rules** means the official listing rules of the ASX.

**Meeting** means the general meeting of the Company to be held at 10 Anson Road, International Plaza #10-26, Singapore 079903 on Friday, 28 July 2017 at 2pm (SST).

**Notice** means this notice of annual general meeting.

**Regulation** means the regulations in the Constitution.

**Resolution** means any resolution detailed in the Notice as the context requires.

**S\$** means Singapore dollars.

**Schedule** means a schedule to the Notice.

**Section** means a section of this Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company or a CDI, as applicable.

**Shareholder** means a holder of a Share (including CDN in its capacity as depositary of the CDIs under the ASX Settlement Rules), or holder of a CDI, as applicable.

**SST** means Singapore Standard Time, being the time in Singapore.

## 2. Interpretation

In the Notice and this Explanatory Memorandum, headings and words in bold are for convenience only and do not affect the interpretation of the Notice and this Explanatory Memorandum and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in the Notice or this Explanatory Memorandum have a corresponding meaning;
- (d) a term not specifically defined in the Notice or this Explanatory Memorandum has the meaning given to it (if any) in the Companies Act;
- (e) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (g) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:
  - (i) which ceases to exist; or
  - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- (h) **“include”** and **“including”** are not words of limitation.



Digimatic Group

ARBN 605 944 198

## LODGE YOUR INSTRUCTION



### ONLINE

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



### BY MAIL

Digimatic Group Ltd  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

## CDI VOTING INSTRUCTION FORM

### DIRECTION TO CHESS DEPOSITARY NOMINEES PTY LTD

I/We being a holder of CHESS Depositary Interests (CDIs) of Digimatic Group Ltd (**Company**) hereby direct CHESS Depositary Nominees Pty Ltd (**CDN**) to vote the shares underlying my/our CDI holding at the Annual General Meeting of stockholders of the Company to be held at **2pm (SST) on Friday, 28 July 2017 at 10 Anson Road, International Plaza #10-26, Singapore 079903**, and at any adjournment or postponement of that Meeting, in accordance with the following directions. By execution of this CDI Voting Instruction Form the undersigned hereby authorises CDN to appoint such proxies or their substitutes in their discretion to vote in accordance with the directions set out below.

### VOTING INSTRUCTIONS

Voting instructions will only be valid and accepted by CDN if they are signed and received no later than 72 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Election of Ong Shao Kuang, Ivan as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of On-Market Share Buy-Back Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval of Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval to Issue Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you do not mark the "For", "Against" or "Abstain" box your vote will not be counted.

### SIGNATURE OF CDI HOLDERS – THIS MUST BE COMPLETED

CDI Holder 1 (Individual)

Sole Director and Sole Company Secretary

Joint CDI Holder 2 (Individual)

Director/Company Secretary (Delete one)

Joint CDI Holder 3 (Individual)

Director

This form should be signed by the CDI Holder in accordance with the instructions overleaf.

DMC PRX17021

## HOW TO COMPLETE THIS CDI VOTING INSTRUCTION FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's CDI register. If this information is incorrect, please make the correction on the form. CDI Holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your CDIs using this form.**

### DIRECTION TO CHESSE DEPOSITARY NOMINEES PTY LTD

Each CHESSE Depositary Interest (CDI) is evidence of an indirect ownership in the Company's shares of common stock (Shares). The underlying Shares are registered in the name of CHESSE Depositary Nominees Pty Ltd (CDN). As holders of CDIs are not the legal owners of the Shares, CDN is entitled to vote at the Meetings of stockholders on the instruction of the registered holders of the CDIs.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either holder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with Link. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** with respect to an Australian company, where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. With respect to a U.S. company or other entity, this form may be signed by one officer. Please give full name and title under the signature.

### LODGEMENT OF A CDI VOTING INSTRUCTION FORM

This CDI Voting Instruction Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2pm (SST) on Tuesday, 25 July 2017**, being not later than 72 hours before the commencement of the Meeting. Any CDI Voting Instruction Form received after that time will be invalid.

CDI Voting Instruction Forms may be lodged using the reply paid envelope or:



#### ONLINE

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

Login to the Link website using the holding details as shown on the CDI Voting Instruction Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, stockholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the CDI Voting Instruction Form).



#### BY MAIL

Digimatic Group Ltd  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* in business hours (Monday to Friday, 9:00am–5:00pm)



### COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



#### ONLINE

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

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).