

17 July 2017

ENTITLEMENT OFFER CLEANSING NOTICE
UNDER SECTION 708AA(2) (F) OF THE CORPORATIONS ACT 2001 (CTH) (ACT)

Background

Rewardle Holdings Limited (ACN 168 751 746) (**Rewardle** or **Company**) announced today that it will be undertaking a fully underwritten non-renounceable Entitlement Offer of approximately 134,597,106 fully paid ordinary shares (**New Shares**) on the basis of 1 New Share for every 1.4 Shares held to raise up to \$2,018,957 with a Record Date of 25 July 2017 (**Offer** or **Entitlement Offer**).

The offer price for the Entitlement Offer will be 1.5 cents per share.

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 new ordinary share in the Company for every 1.4 existing shares held at 7.00pm (AEST) on 25 July 2017 (**Record Date**) at the Offer Price (**Entitlements**).

The Entitlement Offer is fully underwritten by Executive Chairman and Founder, Ruwan Weerasooriya (Underwriter). The Underwriter agrees to fully underwrite the Offer being up to a maximum of 134,597,106 New Shares (being \$2,018,957) subject to the terms of the Underwriting Agreement.

Details of Securities to be issued

Class of Securities	Ordinary Shares
ASX Code of Securities	RXH
Expected date of issue of New Shares	11 August 2017
Total Number of New Shares to be Issued	134,597,106

Information required under section 708AA(2)(f) of the Act

For the purpose of section 708AA(7) of the Act, the Company advises:

- (a) The Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Act as notionally modified by CO 08/35.
- (b) The Company is providing this notice under section 708AA(2)(f) of the Act as notionally modified by CO 08/35.
- (c) As at the date of this notice, the Company has complied with:
 - (i) The provisions of Chapter 2M of the Act as they apply to the Company, and
 - (ii) Section 674 of the Act.

(d) As at the date of this notice, there is no information:

- (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and
- (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

A. The assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or

B. The rights and liabilities attaching to the New Shares.

(e) Information regarding the potential effect of the issue of New Shares pursuant to the Entitlement Offer on the control of the Company, and the consequences of that effect, is set out below.

The issue of New Shares will be dilutive to shareholders who do not take up their Entitlements under the Offer. The potential effect which the Offer will have on the control of the Company depends on several factors including the demand amongst Eligible Shareholders and the size of the Shortfall.

The potential effect of the Offer on the control of the Company is as follows (assuming that no Options or Performance Options are exercised prior to the Record Date):

- (i) If all eligible shareholders take up their Entitlements under the Offer, then the Offer will have no effect on the control of the Company.
- (ii) If some eligible shareholders do not take up all of their Entitlements under the Offer, then their percentage shareholding and voting power in the Company will be diluted.

In addition other eligible shareholders may be successful in applying for New Shares under the Offer which will be dilutive to eligible shareholders who do not take up all of their Entitlement.

- (iii) The percentage shareholding and voting power of ineligible shareholders will also be diluted by New Shares issued under the Offer, as a result of ineligible shareholders not being able to participate in the Offer and the relevant shares forming part of the shortfall to be dealt with at the discretion of the directors.

The effect the Entitlement Offer will have on change of control of the Company is in paragraph (e) above and the table below and is attributable to eligible shareholders successfully applying for New Shares under the Entitlement Offer.

The Directors and their associates have expressed an intention to participate in the Offer to the extent set out in the table below.

Director	Shareholding on Record Date	% Holding	Entitlement	Intention to Participate	Shareholding upon allotment of Entitlement Offer Shares	% Holding Post Entitlement Offer
Ruwan Weerasooriya *	107,500,000	57%	76,785,714	76,785,714	184,285,714	57%*
Peter Pawlowitsch	6,087,526	3%	4,348,233	4,348,233	10,435,759	3%
David Niall	Nil	Nil	Nil	N/A	Nil	Nil

The potential effect of the Offer on the control of the Company will also be affected by the operation of the Underwriting Agreement, under which the Underwriter (Ruwan Weerasooriya) has agreed to fully underwrite the Offer. As set out in the table above, Ruwan Weerasooriya intends to subscribe for all of his Entitlement. In the event all Entitlements are accepted (or Shortfall and Additional New Shares are placed) there will be no change to the substantial shareholders of the Company on completion of the Offer. However, in the event Eligible Shareholders do not take up their full Entitlement, and the Underwriter fully underwrites the Offer, the maximum potential effect on control of the Company is set out in the table below.

The actual effect on control will depend on the level of subscription by Eligible Shareholders pursuant to the Offer, as well as the extent to which the Directors allocate any Shortfall to third parties. Accordingly, whilst it is not possible to predict the actual effect, some potential effects of control on the Company that may arise as a result of the Rights Issue and Underwriting are set out in the table below. Please note this is not an exhaustive list.

Event	
Shares held by Mr Weerasooriya prior to Offer	107,500,000
Mr Weerasooriya's % holding prior to the Offer	57%
Mr Weerasooriya's % holding following the Offer assuming Eligible Shareholders take up their full Entitlements	57%
Mr Weerasooriya's % holding following the Offer assuming Eligible Shareholders take up 75% of their Entitlements	62%
Mr Weerasooriya's % holding following the Offer assuming Eligible Shareholders take up 50% of their Entitlements	66%
Mr Weerasooriya's % holding following the Offer assuming Eligible Shareholders take up 25% of their Entitlements	70%
Mr Weerasooriya's % holding following the Offer assuming Eligible Shareholders take up 0% of their Entitlements	75%
Maximum number of Shares which may be issued to Mr Weerasooriya (inclusive of his Entitlement and Underwriting)	134,597,106

The issued share capital of the Company is as follows:

Existing Shares on issue as at 17 July 2017	188,435,949 Shares
New Shares issued under the Entitlement Offer	134,597,106 New Shares
Total number of Shares after the Entitlement Offer*	323,033,055 Shares

These numbers assume that no Options or Performance Options are exercised and there is full subscription of the Entitlement Offer. The number of New Shares issued under the Offer may have to be increased if existing Option Holders exercise their options and are registered shareholders by the Record Date.

If you have any queries in relation to the Offer please contact Ian Hobson, Company Secretary on +61 8 9388 8920. Investors can view all of the Company's announcements in relation to the Offer, including the Offer Document, on the Company's website at www.rewardleholdings.com and at www.asx.com.au under the Company's ASX code RXH.