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ASX Announcement / Media Release

For immediate release – 9 October 2017

Term Sheet for Option to Acquire Fast-Growing Financial Education Company, 8VIC Global Pte. Limited

Digimatic Group Ltd. (“**DMC**” or the “**Company**”) wishes to announce that the Company has entered into a binding conditional term sheet (the “**Term Sheet**”) with 8I Holdings Limited (“**8IH**”) (a substantial shareholder of the Company) and Glorymont Ltd (“**Glorymont**”), pursuant to which the Company has agreed to enter into an option agreement which will provide the right to acquire a 100% equity interest in 8VIC Global Pte. Limited (“**8VIC Global**”), a Singaporean company which provides financial and investment education seminars, in consideration for the issue of 1,525,216,000 DMC shares at A\$0.042 each (“**Consideration Shares**”), such Consideration Shares representing 70% of the post-acquisition capital structure of the Company.

Introduction

8IH and Glorymont (collectively known as the “**Vendors**”) hold 100% of the entire legal and beneficial interest in all the issued shares (being 2,148,421 ordinary shares) in the share capital of 8VIC Global in the following proportions:

(A)	8IH	:	95% (being 2,041,000 ordinary shares)
(B)	Glorymont	:	5% (being 107,421 ordinary shares)

DMC’s current shareholding structure comprises 653,664,000 fully paid ordinary shares which trade on the Australian Securities Exchange (“**ASX**”) in the form of CHESS Depository Interests (“**CDIs**”).

DMC, 8IH and Glorymont, (collectively known as the “**Parties**”) intend to carry out the following transactions:

- I. the Vendors will transfer all their shares in 8VIC Global to DMC;
- II. concurrently with the above transfer, DMC will issue the Consideration Shares to the Vendors as consideration for the transferred 8VIC Global shares,

(collectively, the “**Transaction**” or “**Proposed Transaction**”), with the effecting of such Transaction being conditional upon the terms and conditions further described in the Term Sheet as described in further detail below.

The Term Sheet sets out the terms upon which an option agreement will be entered into to acquire 100% of the issued shares in 8VIC Global held by each of the Vendors (“**Option**”), and the documents that are required to be entered into by the Parties in order to exercise the Option and complete the Transaction (the “**Transaction Documents**”). Investors are cautioned that as the Proposed Transaction is conditional and no definitive Transaction Documents have been executed there is no guarantee it will complete. A summary of the Term Sheet is set out later in this announcement.

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Information on 8IH and 8VIC Global

8IH is a company incorporated in Singapore and listed on ASX. Its primary business focuses on investment in public listed companies and private businesses. Through 8 Capital Pte Ltd, the Group operates a licensed fund management business in Singapore.

8VIC Global, a subsidiary of 8IH, is a profitable education business, which runs education seminars on value investing. 8VIC Global is held via a 95% owned subsidiary of 8IH. The remaining 5% is held by Glorymont, an unrelated party. 8IH, together with its wholly owned subsidiary 8 Business Pte Ltd, are presently a substantial shareholder of the Company, holding 10.81% of the Company's issued capital.

8VIC Global is a leading financial education and training provider in Singapore and Malaysia. Its flagship programmes, "Millionaire Investor Program" and "Value Investing Bootcamp", focus on educating the layman on principles and techniques of value investing.

Under the main brand of Value Investing College ("VIC"), the network supports more than 8,000 graduates across Singapore, Malaysia, Taiwan, Thailand, Myanmar, Vietnam, India and Dubai. VIC is the leading Financial Education Provider (in the discipline of value investing) in Singapore and Malaysia.¹ With new offices being set up in Taiwan and Thailand, 8VIC is well advanced in its plans to position itself at the forefront of the rapidly growing Financial Education industry.

¹ Sourced from Euromonitor Report based on estimated course revenue receipts of value investing courses in calendar year 2016, research conducted in June - August 2017 in Singapore and in Malaysia.

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The key programmes of 8VIC Global are as follows:

Programmes	Description	Offering Regions
 <p>MIP</p>	The programme focuses on introducing the concept of Value Investing methodology and investment in public markets	Singapore and Malaysia
 <p>Value Investing Bootcamp</p>	The programme focuses on introducing the concept of Value Investing and the use of different financial tools	Singapore, Malaysia, Taiwan, Thailand, Myanmar, India and Vietnam
 <p>REITS</p>	<p>This is one of the two programmes that is offered under Value Investing Elite Program (EIP).</p> <p>The programme focuses on introducing the concept of investing in REITs as a vehicle for investors who do not like risk and want to generate passive income to supplement their lifestyle.</p>	Singapore and Malaysia
 <p>Options Mastery Program</p>	<p>This is one of the two programmes that is offered under Value Investing Elite Program (EIP).</p> <p>The programme (OMP) focuses on introducing options trading on stocks, combining fundamental analysis, technical analysis and the use of three Option strategies to generate regular monthly income.</p>	Singapore and Malaysia
 <p>VIS</p>	The annual event focuses on encouraging the mutual exchange of experience and ideas in Value Investing among participants	Singapore

8VIC Global delivered excellent results in financial year ended 31 March 2017 reaching nearly 8,000 individuals through its various programmes. This translated to S\$10.7million in revenue, and S\$3.6million in profit.

As of 31 March 2017, 8VIC Global's flagship programmes Millionaire Investor Program ("MIP") saw attendance of more than 5,400 participants; and the Value Investing Bootcamp ("VIB") of more than 2,500 participants. The two flagship programmes were conducted in Singapore, Malaysia, Taiwan, Thailand, Myanmar, India, Vietnam, Dubai and China. REITs Program (Real Estate Investment Trusts Program) saw a steady increase of participation with over 1,200 REITs Program graduates, up from 951 graduates as compared to the year before.

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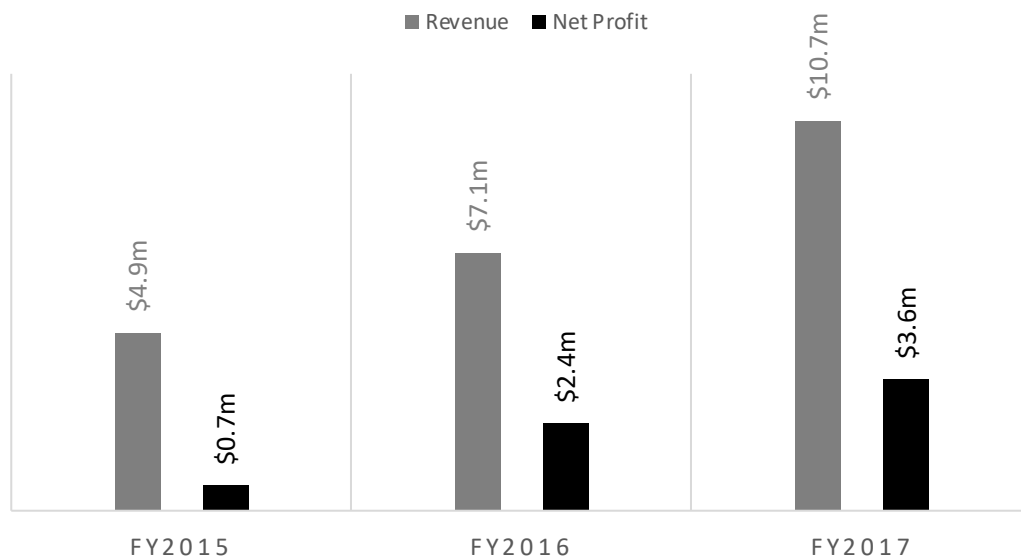
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In early 2017, 8VIC Global also concluded its 6th annual Value Investing Summit (“VIS”). The two-day signature event, which took place in the Singapore Expo on 14th – 15th January 2017, was attended by over 1,200 attendees from across the Asia-Pacific, including Malaysia, Thailand, Indonesia, Philippines, China, Cambodia, and Australia.

The VIS is a platform for serious value investors to network, share, be kept abreast on value investing ideas, and enhance their knowledge on key value investing concepts. It is the biggest gathering of value investors in Singapore, and the first large-scale value investing event in Asia since its inauguration in 2012. The keynote speaker for the 6th annual VIS was Ms. Lauren Templeton, the Founder and President of Templeton & Phillips Capital Management, LLC, and the niece of the late Sir John Templeton, a billionaire investment guru and philanthropist. In addition to the insightful presentations and panel discussions with the experts, the VIS also featured the first annual Inter-Varsity Stock Research Challenge. The objective was to promote the study of value investing among tertiary students, and allow them to advance their analytical skills, and gain exposure and recognition in the community of value investors.

For the three (3) financial years ended 31 March 2015, 2016 and 2017, the revenue of 8VIC and its subsidiaries amounted to approximately S\$4.9 million, S\$7.1 million and S\$10.7 million, respectively. The net profit for the same periods, amounted to approximately S\$0.7 million, S\$2.4 million and S\$3.6 million, respectively.

8VIC REVENUE AND NET PROFIT



In the balance sheet as at 30 September 2017, cash at bank totalled S\$1.6 million. The company’s liabilities include unearned revenue of approximately S\$4.0 million. The unearned revenue represents revenue received from customers but not yet recognised to the profit or loss due to service not yet rendered as at reporting date.

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Rationale for the Proposed Acquisition of 8VIC Global

The Board (other than Mr. Clive Tan who is also an executive director of 8IH) is of the view that it is in the best interests of the Company to undertake the Proposed Transaction for the following reasons:

- a) The Company believes that the Proposed Transaction would present an opportunity for the Company to synergize with the businesses of 8VIC Global. Currently, 8VIC Global is a profitable business engaged in the running of finance-related seminars and conferences. At the same time, the greater part of the Company's business revenue is derived from one of its wholly-owned subsidiaries which offers the marketing and provision of similar and synergistic seminars and conferences. The Proposed Transaction will capitalize on and strengthen the business fundamentals of the Company and will add significant value and growth potential to both the Company and 8VIC Global;
- b) The Proposed Transaction will allow the Company to acquire a profitable business with healthy operating cash flows which will add to the bottom line of DMC;
- c) The Proposed Transaction is likely to raise the profile of the Company and generate more investor interest in the Company.

Subject to the Proposed Transaction proceeding, post-completion of the acquisition of 8VIC Global, the Company will, amongst other things:

- a) appoint Ms. Pauline Teo Puay Lin, the director and Chief Executive Officer of 8VIC Global, as an executive director of the Company;
- b) focus on integrating the new education business into the Company; and
- c) continue to focus on its existing core business sectors in events and digital marketing, affiliate advertising and creative consulting.

If the Proposed Transaction completes on the terms outlined in this announcement, DMC will own 100% of 8VIC and 8IH's controlling interest in DMC will increase from 10.8% to 69.7%. 8VIC Global together with its subsidiaries will become the wholly owned subsidiaries of DMC. In accordance with accounting standards, due to 8IH's significant holding post-Transaction, DMC will be consolidated into the 8IH group.

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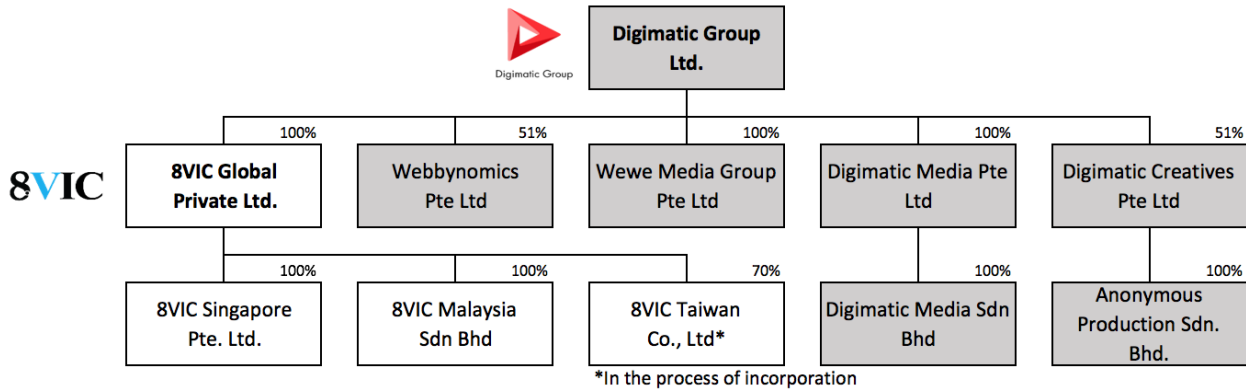


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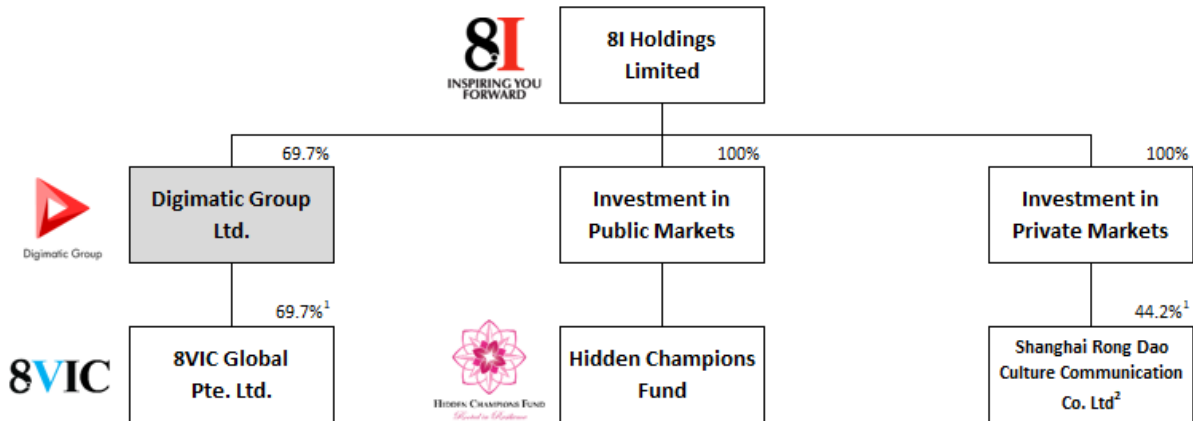
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The corporate structure of DMC after the Proposed Transaction will be as follows:



The corporate structure of 8IH after the Proposed Transaction will be as follows:



¹Effective interest percentage

²An entity, acquired on 30 June 2017, carrying on financial education business in the People's Republic of China under different management and with different programmes to that of 8VIC Global's

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Capital structure of DMC post-Transaction

In conjunction with the Proposed Acquisition, the Company will also seek shareholder approval to consolidate its issued share capital on a 50 to 1 basis (**Consolidation**).

A table setting out the capital structure of the Company post-Acquisition is set out below:

Holder	Number of Shares Pre-Consolidation	Number of Shares Post-Consolidation	% holding
Existing holders (less 8IH)	583,026,290	11,660,526	26.76
8IH	1,519,592,910	30,391,858	69.74
Unrelated vendors	76,260,800	1,525,216	3.50
TOTAL	2,178,880,000	43,577,600*	100

*Subject to rounding

Summary of the Term Sheet

The Company has entered a conditional binding term sheet to enter into an option agreement which shall provide the right to acquire 100% of the issued capital of 8VIC Global from the Vendors.

The Parties agree to enter into the Transaction Documents (including an option agreement and a definitive share sale agreement which will set out the terms of the acquisition if the Option is exercised) within 45 days of the date of the Term Sheet (or such other period as may be agreed). The Term Sheet provides that the Transaction Documents shall include the following key items:

- (a) Structure of the Transaction
 - (i) The Vendors are to transfer 2,148,421 ordinary shares in 8VIC Global (being the entire issued share capital of 8VIC Global) ("**Transferred Shares**") to DMC;

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- (ii) Concurrently with the above transfer, DMC is to issue 1,525,216,000 of its CDIs at a deemed issue price of A\$0.042 each (such CDIs being the “**Consideration Shares**” which will represent 70% of the enlarged share capital of DMC post issuance for a deemed value of approximately A\$64 million and such issue price being the “**Consideration Share Price**”) pro-rata to the Vendors as consideration for the Transferred Shares and in the amounts set out below:

Vendor	Consideration Shares	Percentage of enlarged share capital
8IH	1,448,955,200	66.50%
Glorymont	76,260,800	3.50%
Total	1,525,216,000	70.00%

If a share consolidation of DMC’s shares/CDIs takes place (“**Share Consolidation**”), the Parties agree to make the relevant amendments to the Transaction and/or the Transaction Documents such that the percentages of the enlarged share capital of DMC to be held by 8IH and Glorymont post-Transaction are the same or substantially the same as the percentages set out in the table above.

The Transaction Documents shall provide that completion of the Transaction shall be conditional on the satisfaction of the following key conditions precedent including:

- (i) the Vendors and/or parties acting in concert with them not being required to make any offer (under the Singapore Code on Take-overs and Mergers or otherwise) for shares in DMC held by the other shareholders of DMC upon the Vendors’ acquisition of shares in DMC pursuant to the Transaction;
- (ii) all relevant board and/or shareholders’ resolutions of the Parties having been obtained (including, where applicable, (aa) resolutions by the shareholders of DMC approving the acquisition of 8VIC Global shares from the Vendors, the issuance of the Consideration Shares and waiving their right to receive a general offer for their shares in DMC from the Vendors and parties acting in concert with them (such waiver, the “**Whitewash Resolution**”) and (bb) resolutions by the shareholders of 8IH and Glorymont approving the disposal of 8IH’s shares and Glorymont’s shares in 8VIC Global respectively;
- (iii) the obtaining of various confirmations/approvals from the relevant authorities such as ASX and Singapore Securities Industry Council in relation to the Transaction; and
- (iv) such other usual and customary conditions precedent for transactions of this nature.

Completion of the Proposed Transaction is subject to approval by DMC shareholders, satisfactory mutual due diligence and satisfaction of all regulatory requirements.

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Extraordinary General Meeting (“EGM”)

In the event the Company executes the proposed option agreement, given that 8IH, together with its subsidiary 8 Business Pte Ltd, is currently a substantial shareholder of the Company, holding 10.8% of the Company’s issued capital, and the deemed value of the Consideration Shares (S\$64 million) is more than 5% of the equity interests of the Company, the Company must obtain Shareholder approval for the Proposed Transaction under ASX Listing Rule 10.1. In accordance with ASX Listing Rule 10.1, the notice of meeting will contain a report from an independent expert opining on the fairness and reasonableness of the Proposed Transaction to the Company’s independent shareholders. Further, as a result of the Whitewash Resolution under Singaporean requirements the notice of meeting will also be required to include a report from an independent financial advisor pursuant to which an opinion on the recommendation the independent directors can give the independent shareholders will be provided.

Should the Option be exercised, the Company expects that an EGM will be held in early-mid November 2017 to seek DMC shareholders’ approval of the Proposed Transaction, Proposed Share Consolidation and Whitewash Resolution.

ENDS

About Digimatic Group Ltd.

Digimatic Group Ltd. (ASX: DMC) is a Leading Digital Performance Marketing Agency that Empowers Brands to connect their customers in the most effective way. Founded as a small group of like-minded digital marketers, DMC is rapidly becoming one of the leading Digital Performance Marketers in this region.

Driving this growth, is the continuous development of their Advertising Technology (AdTech) platform to enhance marketing performance through machine learning, measurable ROI for their clients, and the integration of Creative Technology like Virtual Reality (VR) and Augmented Reality (AR) to their offering. DMC will continue to be a disruptive innovator that will ride on digital transformation trends towards being a leading global company.

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