

Digimatic Group Ltd

FOR AN OFFER OF UP TO 80,000,000 SHARES AT AN ISSUE PRICE OF A\$0.20 EACH TO RAISE UP TO A\$16,000,000

This Prospectus has been issued by Digimatic Group Ltd (ARBN 605 944 198) to provide information on the offer of a minimum of 60,000,000 Shares and a maximum of 80,000,000 Shares to be issued at a price of A\$0.20 per Share to raise a total of a minimum of A\$12,000,000 and a maximum of A\$16,000,000 (before costs).

It is proposed that the Offer will close at 5.00pm (WST) on 2 December 2015. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please

consult your professional adviser(s) if you have any questions about this document.

Investment in the Shares offered pursuant to this Prospectus should be regarded as **highly speculative** in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 7 for a summary of the key risks associated with an investment in the Shares.

CORPORATE DIRECTORY

Directors

Mr Clive Tan Che Koon	Non-Executive Chairman
Mr Hui Jie Lim	Managing Director
Mr Ivan Ong Shao Kuang	Executive Director
Mr Zane Robert Lewis	Non-Executive Director

Compliance Manager (Australia)

SmallCap Corporate Pty Ltd

Suite 6, 295 Rokeby Road
Subiaco WA 6008

Company Secretary (Singapore)

Ms Amanda Sook Fun Thum

Registered and Principal Office (Singapore)

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#06-04 Edward Boustead Centre
Singapore 408832
Ph: +65 6385 5576
Email: info@digimaticgroup.com
Website: www.digimaticgroup.com

Registered Office (Australia)

C/- SmallCap Corporate Pty Ltd

Suite 6, 295 Rokeby Road
Subiaco WA 6008

Proposed Stock Exchange Listing

Australian Securities Exchange (ASX)

Proposed ASX Code: DMC

Share Registry*

Link Market Services Limited

Level 4, Central Park
152-158 St Georges Terrace
Perth WA 6000

Phone (within Australia): 1300 554 474
Phone (outside Australia): +61 1300 554 474
Fax: +61 2 9287 0303

Singaporean Collection Agent*

Tricor Barbinder Share Registration Services

80 Robinson Road #02-00
Singapore 068898

Corporate Advisor

SmallCap Corporate Pty Ltd

Suite 6, 295 Rokeby Road
Subiaco WA 6008

Lawyers (Australia)

Bellanhouse Legal

Ground Floor
11 Ventnor Avenue
West Perth WA 6005

Lawyers (Singapore)

Genesis Law Corporation

1 Coleman Street
#07-02 The Adelphi
Singapore 179803

Auditor*

Kong, Lim & Partners LLP

13A MacKenzie Road
Singapore 228676

Investigating Accountant

BDO LLP (Singapore)

21 Merchant Road #05-01
Singapore 058267

Lead Manager

Quattro Capital Management Pty Ltd

Level 1, 981 Wellington Street
West Perth WA 6005

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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Indicative Timetable

Lodgement of this Prospectus with ASIC	2 November 2015
Opening Date for the Offer	9 November 2015
Closing Date for the Offer	2 December 2015
Allotment Date	9 December 2015
Despatch of holding statements	11 December 2015
Expected date for quotation on ASX	16 December 2015

The above dates are indicative only and may change without notice. The Company reserves the right to amend the timetable at any time.

IMPORTANT INFORMATION

Prospectus

This Prospectus is dated, and was lodged with ASIC on, 2 November 2015. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with ASIC. No Shares will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within 7 days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offer.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offer.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered **highly speculative**.

CDIs

The Shares the subject of the Offer will trade on ASX in the form of CDIs. Each CDI will represent one underlying Share. The Shares offered under this Prospectus will be issued to investors in the form of CDIs so that those investors may trade the Shares on ASX and settle the transactions through CHESS. Note that in this Prospectus, the terms "Shares" and "CDIs" may be used interchangeably. Further information in respect to CDIs is detailed in Section 1.8.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.digimaticgroup.com. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered and principal office in Singapore or from the Company's Australian registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's registered and principal office in Singapore and the Company's Australian registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.digimaticgroup.com. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Shares under the Offer should complete the Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Foreign Investors

No action has been taken to register or qualify the Shares the subject of this Prospectus, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of

Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Singapore

This Prospectus will be provided to selected investors in Singapore who will be invited to participate in the Offer. Those investors should be aware that:

- this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (**MAS**) and, accordingly, statutory liability under the Securities and Futures Act of Singapore (**SFA**), Chapter 289 in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. This Offer has not been authorised or recognised by the MAS and the Shares are not allowed to be offered to any person in Singapore other than a Permitted Offeree. This Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, otherwise than to a Permitted Offeree or pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA;
- the Prospectus has been given to you on the basis that you are (i) an existing holder of Shares, (ii) an “institutional investor” (as defined in the SFA), (iii) a “relevant person” (as defined under section 275(2) of the SFA) or (iv) any other Permitted Offeree (including, in particular, under sections 272A and 272B of the SFA). In the event that you are not an investor falling within any of the aforementioned categories, please return the Prospectus immediately. You may not forward or circulate the Prospectus to any other person in Singapore; and
- the Offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Shares. The Shares may not be offered or made available for purchase in Malaysia except in an exemption from the prospectus and approval requirements of the Securities Commission of Malaysia.

Speculative Investment

The Shares offered pursuant to this Prospectus should be considered **highly speculative**. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 7 for details relating to the key risks applicable to an investment in the Shares.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Privacy Statement

To apply for Shares you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application,

IMPORTANT INFORMATION (cont.)

service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. The Corporations Act, Companies Act and taxation law requires some of this personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act and Companies Act require the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 7. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars and all references to "S\$" are references to Singapore dollars.

Time

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 11.

LETTER FROM THE CHAIRMAN

Dear Investor

On behalf of the board of Digimatic Group Ltd (**Company**), I am pleased to present this Prospectus and to invite you to become a shareholder in the Company.

The Company is based in Singapore and was recently incorporated to become the holding company of:

- (a) Wewe Media Group Pte Ltd, an internet advertising business focusing on the provision of lead generation and client acquisition services;
- (b) Digimatic Media Private Ltd (previously CPA Academy Pte Ltd), a business focusing on the provision of 'cost-per-action' (**CPA**) marketing seminars and workshops in Singapore; and
- (c) ShangCommerce Pte Ltd, a technology business focusing on assisting traditional small-to-medium enterprises move their brick-and-mortar businesses online.

The Company's strategic objective is to deliver long-term returns, revenue growth and profitability to Shareholders.

The purpose of the Offer is to raise up to A\$16,000,000 (before associated costs) by the issue of up to 80,000,000 Shares at an issue price of A\$0.20 each. The Lead Manager of the Offer is Quattro Capital Management Pty Ltd (see Section 9.1(a) for further details).

The proceeds of the Offer will be utilised to enable the Company to:

- (a) expand its existing businesses in existing markets;
- (b) grow its business in new markets;
- (c) develop and launch new products and services;
- (d) review and acquire complementary businesses or assets; and
- (e) pay for the costs of the Offer.

This Prospectus contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 7).

We look forward to welcoming you as a Shareholder should you decide to take up Shares pursuant to the Offer.

Yours faithfully

Clive Tan

Non-Executive Chairman

INVESTMENT OVERVIEW

The information below is a selective overview only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. Prospective investors should read this Prospectus in full before deciding whether to invest in the Shares the subject of the Offer.

Topic	Summary	More Information
A. COMPANY AND BUSINESS OVERVIEW		
Who is the issuer of this Prospectus?	Digimatic Group Ltd (Company), a company incorporated in, and registered under the laws of, Singapore with registration number 201505599H. The Company is registered as a "foreign company" in Australia, under the Corporations Act, having ARBN 605 944 198.	Section 2
What is the Company's business?	<p>The Company is in the business of digital marketing and e-commerce, assisting brands with timely connections to customers through various channels at competitive prices.</p> <p>The Company is the holding company of the Digimatic Group that conducts business through three separate but integrated business units:</p> <p>(a) Digimatic Media: specialising in online performance based marketing through the provision of online marketing campaign planning and execution services.</p> <p>The Group Subsidiaries which form the Digimatic Media business unit are:</p> <p>(i) Wewe Media Group Pte Ltd, which operates an internet advertising business focused on the provision of lead general and client acquisition services; and</p> <p>(ii) Digimatic Media Private Limited, which primarily operates an education business focused on the provision of 'cost-per-action' marketing seminars and workshops in Singapore.</p> <p>(b) Digimatic Solutions: a technology and platform provider for brands to initiate their e-commerce and online sales journey.</p> <p>The Group Subsidiary which forms the Digimatic Solutions business unit is ShangCommerce Pte Ltd, which operates a technology business focused on assisting traditional small-to-medium enterprises to move their brick-and-mortar businesses online.</p> <p>(c) Digimatic Ventures: the new business unit intended to assist businesses to scale to the next level through mergers and acquisitions, entrepreneurship, intrapreneurship and other forms of business development.</p>	Section 2
What products and services does the Group offer?	<p>The Group offers a range of services to various stakeholders including:</p> <p>(a) performance based marketing services;</p> <p>(b) product and service information relevant to online and mobile searches;</p> <p>(c) a highly integrated platform for sales on major online marketplaces, with comprehensive logistic and administrative support; and</p> <p>(d) marketing training seminars in Singapore.</p>	Section 2.4(a)

Topic	Summary	More Information																																																												
A. COMPANY AND BUSINESS OVERVIEW (cont.)																																																														
What markets does the Group operate in?	The Group is based in Singapore.	Section 2																																																												
What is the Company's financial position?	<p>The Company was only recently incorporated to be the holding company of the Group, and accordingly has a limited operating and financial history.</p> <p>The notionally consolidated Group has achieved the following for FY2013/14 and FY2014/15:</p> <table> <tr> <th></th><th>Notional Actual 24.06.2013 to 31.03.2014 S\$</th><th>Notional Actual 01.04.2014 to 31.03.2015 S\$</th></tr> <tr> <td>Revenue</td><td>1,931,731</td><td>5,894,707</td></tr> <tr> <td>Other income</td><td>5,186</td><td>603,636</td></tr> <tr> <td>Other items of expenses</td><td></td><td></td></tr> <tr> <td>Marketing and distribution expenses</td><td>(861,533)</td><td>(2,895,132)</td></tr> <tr> <td>Administrative expenses</td><td>(532,714)</td><td>(2,206,433)</td></tr> <tr> <td>Other operating expenses</td><td>(16,749)</td><td>(44,973)</td></tr> <tr> <td>Finance costs</td><td>(20,101)</td><td>(71,289)</td></tr> <tr> <td>Profit before income tax</td><td>505,820</td><td>1,280,516</td></tr> <tr> <td>Income tax expenses</td><td>(39,617)</td><td>(131,446)</td></tr> <tr> <td>Profit for the year</td><td>466,203</td><td>1,149,070</td></tr> <tr> <td>Other comprehensive income</td><td></td><td></td></tr> <tr> <td>Items that may be reclassified subsequently to profit or loss</td><td></td><td></td></tr> <tr> <td>Exchange differences on translation of foreign currency</td><td>(42)</td><td>37,139</td></tr> <tr> <td>Other comprehensive (loss)/income, net of tax</td><td>(42)</td><td>37,139</td></tr> <tr> <td>Total comprehensive income</td><td>466,161</td><td>1,186,209</td></tr> <tr> <td>Profit attributable to:</td><td></td><td></td></tr> <tr> <td>Members of the parent Company</td><td>466,203</td><td>1,149,070</td></tr> <tr> <td>Total comprehensive income attributable to:</td><td></td><td></td></tr> <tr> <td>Members of the parent Company</td><td>466,161</td><td>1,186,209</td></tr> </table> <p>As at the date of this Prospectus, the Group has funded its operations through security holder contributions, internally generated cash flows and security holder loans.</p>		Notional Actual 24.06.2013 to 31.03.2014 S\$	Notional Actual 01.04.2014 to 31.03.2015 S\$	Revenue	1,931,731	5,894,707	Other income	5,186	603,636	Other items of expenses			Marketing and distribution expenses	(861,533)	(2,895,132)	Administrative expenses	(532,714)	(2,206,433)	Other operating expenses	(16,749)	(44,973)	Finance costs	(20,101)	(71,289)	Profit before income tax	505,820	1,280,516	Income tax expenses	(39,617)	(131,446)	Profit for the year	466,203	1,149,070	Other comprehensive income			Items that may be reclassified subsequently to profit or loss			Exchange differences on translation of foreign currency	(42)	37,139	Other comprehensive (loss)/income, net of tax	(42)	37,139	Total comprehensive income	466,161	1,186,209	Profit attributable to:			Members of the parent Company	466,203	1,149,070	Total comprehensive income attributable to:			Members of the parent Company	466,161	1,186,209	Sections 2.4(f), 5 and 6
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INVESTMENT OVERVIEW (cont.)

Topic	Summary	More Information
A. COMPANY AND BUSINESS OVERVIEW (cont.)		
What is the Company's revenue model?	<p>The Company's main sources of revenue are:</p> <ul style="list-style-type: none"> (a) performance based marketing service fees; (b) online commerce technological solutions sales, such as platform and software sales; (c) platform transactional fees, such as sales commissions and platform maintenance fees; (d) fees from marketing and market research services, e-commerce consultancy and management of online platforms; (e) seminar enrolment fees and ongoing commissions; and (f) event, seminar and workshop organisation fees. 	Section 2.4(g)
What are the Company's key expense items?	<p>The Company expects its expenses will largely comprise:</p> <ul style="list-style-type: none"> (a) employee benefits; (b) marketing costs in providing performance based marketing services; (c) marketing and promotional costs generally; (d) event, seminar and workshop organisation costs; and (e) software development (to be outsourced). 	Section 2.4(h)
What are the Company's business objectives?	<p>In order to deliver long-term returns, revenue growth and profitability to Shareholders, the Company's strategic objectives are to:</p> <ul style="list-style-type: none"> (a) scale its current businesses; (b) expand into new markets; and (c) develop new products and e-commerce technology solutions. 	Section 2.5
How will the Company grow?	<p>Digimatic Group currently runs as a cash flow positive and sustainable business. To capture the rapidly expanding market, Digimatic Group intends to use the funds raised from the Offer for business expansion, mergers and acquisition and operational expansion. The Company's objectives are to group its existing business units organically, expand geographically to new markets, develop new synergistic technological products to sell to existing markets and grow through a merger and acquisition strategy.</p>	Section 2.5
Why is the Company seeking to raise funds?	<p>The Company is seeking to raise funds in order to:</p> <ul style="list-style-type: none"> (a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the ASX Official List; (b) expand its business; (c) develop and launch new products, services and technologies; and (d) review and acquire complementary businesses and assets. 	Sections 1.3 and 1.4

Topic	Summary	More Information
A. COMPANY AND BUSINESS OVERVIEW (cont.)		
Will the Company pay dividends?	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing businesses.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends.</p>	Section 2.6
B. INVESTMENT HIGHLIGHTS		
Large and growing markets	<p>The Group's business opportunity is being stimulated by the rapid increase in digital engagement by consumers in the Asia Pacific region. Use of the internet for information, entertainment and commerce is growing rapidly as more consumers become internet enabled, as internet infrastructure improves, as mobile internet access increases, and as more brand owners seek to interact with consumers via digital channels. There is a direct relationship between factors such as the level of internet access in a country and the proportion of advertising expenditure that goes on digital channels, as well as the proportion of commerce taken by e-commerce. Hence, as internet access increases, so does digital engagement by consumers. The Group is positioning itself to take advantage of this growth.</p>	Section 3
Clearly identified growth strategy in large markets	<p>The Group plans to expand geographically in other South East Asian countries such as Malaysia, Thailand, Indonesia and the Philippines through seeking partners with a complementary customer base and collaborating with them for additional revenue. Further expansion into European and North American markets is also planned.</p> <p>The Group plans to develop new products and other e-commerce technology solutions, including a traffic source (placing Digimatic Media on the path of vertical integration with respect to performance based marketing services) and a single platform which is intended to allow brands to reach out to customers all around the world with just one product listing that will appear across multiple online selling platforms.</p> <p>Digimatic Group also plans to develop solutions revolving around its existing customer base to cross-sell and up-sell to existing customers and to explore solutions to increase average revenue per customer.</p>	Sections 2.4, 2.5 and 3
Fast growing sector	<p>The growth of digital engagement by consumers in the Asia Pacific region is resulting in an increased flow of dollars to digital channels. There has been a rapid increase in online advertising and marketing expenditure. Online advertising and e-commerce are the two main market opportunities for the Group.</p>	Section 3

INVESTMENT OVERVIEW (cont.)

Topic	Summary	More Information
C. KEY RISKS		
<p>Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks and uncertainties. The risk factors set out in Section 7 and other risks applicable to all listed securities may affect the value of the Company's securities in the future. Accordingly an investment in the Company should be considered highly speculative.</p> <p>This Section summarises only some of the risks that apply to an investment in the Company and investors should refer to Section 7 for a more detailed summary of the risks.</p>		
Limited operating history	<p>The Group has a limited operating history in undertaking activities of a scale identified in Section 2. As an early stage business, the Company also has a limited financial history which may make it difficult for investors to assess its past performance. There can be no assurance that the Company will achieve profitability in the future.</p> <p>Investors should note the net asset value of the Company, based on the Pro Forma Statement of Financial Position set out in Section 5, is S\$0.018/A\$0.018 per Share (minimum subscription) and S\$0.023/A\$0.023 per Share (maximum subscription).</p>	Section 7.1(a)
Management of growth	<p>The Company has achieved growth in revenue and profitability during its limited operating history. Continued achievement of such growth is dependent on many factors and there is a risk that the Company may not be able to successfully execute its growth strategies. No assurance is given that the Company will be successful in continuing to manage growth or that the recent growth record is indicative of future growth.</p>	Section 7.1(b)
Working capital management	<p>A significant portion of the revenue generated by the existing businesses is from undertaking performance based marketing activities. The Group's role in the performance based marketing chain is of an 'affiliate', engaging traffic sources to display the advertisements it creates. Typically, the Group is required to pay its traffic sources prior to receiving payment from the CPA network and accordingly requires sufficient working capital to enable it to meet its payment commitments as and when they fall due.</p> <p>Group's ability to generate further revenue from marketing campaigns will be reduced if there is insufficient working capital because the Group will be unable to engage traffic sources if there is uncertainty around the Group's ability to comply with payment terms. Financial pressure will also be encountered if the Group has a short term cash shortage or if it experiences delayed payments or bad debts from the CPA networks (who in turn may experience delayed payments or bad debts from the ultimate client). The Group must accordingly manage its working capital carefully, to ensure that it has sufficient short term cash resources to enable it to generate desired revenue levels.</p>	Section 7.1(c)
Brand establishment and maintenance	<p>The Company believes that establishing and maintaining the Group's brand in the industries in which it operates is critical to growing its customer base and product and service acceptance. This will depend largely on the Group's ability to provide innovative and in-demand products and services. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.</p>	Section 7.1(d)

Topic	Summary	More Information
C. KEY RISKS (cont.)		
Client risks	<p>The Group relies on the revenue generated from its clients across its separate business units. There is a risk that clients paying a retainer fee could cease their contracts and the business could fail to attract further clients on both a project and retained basis.</p> <p>The Group also holds seminars on affiliate marketing. Notwithstanding that the Group conducts marketing for the seminars, it is not possible for the Group to predict the actual number of attendees at seminars and there is a risk that the level of attendees at seminars and/or the profit made from the conduct of these seminars may decrease. Further, seminar attendees may not be satisfied with the content of the seminars and request refunds or take legal action to recover the seminar fees. Disgruntled seminar attendees may also post negative feedback on the seminars online or on social media. This could have an adverse effect on attendance at future seminars.</p>	Section 7.1(e)
Short term nature of work undertaken	<p>The Group is typically involved in short term engagements with clients and only one Group Subsidiary is party to a specific major long term contract. The Group's ongoing revenue and operating performance is accordingly dependent on continuing to generate new business, either from existing clients (e.g. for new products or services) or new clients. Failure to continue to enter into new contracts may negatively affect the future financial performance of the Group.</p>	Sections 7.1(f) and 9.1(g)
Technology risk	<p>If the Group's technology network is compromised for any reason or the Company's infrastructure and systems prove insufficient and unable to keep up with evolving technologies or demand for the Group's services, the Group's ability to reliably service its clients and remain competitive may be compromised, which in turn may adversely impact on the Company's future financial performance.</p> <p>If the Group's systems or data is compromised for any reason there is a risk that the Company may become embroiled in legal action due to breaching data confidentiality agreements.</p>	Section 7.1(g)
Industry and competition risks	<p>The industry in which the Group is involved is highly competitive and is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Group will undertake all reasonable due diligence, it will have no influence or control over its competitors' activities, which may positively or negatively affect the Group's operating and financial performance.</p> <p>The Group's competition may include businesses with much higher capitalisation and substantially greater resources. These competitors may succeed in developing products and services which are either superior or additional to the Group's, resulting in the migration of existing clients and potential clients to a competitor's business. Competitors with increased access to capital could lead to the Group's business becoming uncompetitive on price or in the event of pricing competition could lead to the Group reducing gross margins and loss of market share, both of which could adversely affect the Company's future business and financial position.</p>	Section 7.1(h)

INVESTMENT OVERVIEW (cont.)

Topic	Summary	More Information
C. KEY RISKS (cont.)		
Industry and competition risks	<p>A number of third-party competitors are currently offering products and services similar to the Group's. Existing competitors, as well as new competitors entering the industry, may engage in aggressive campaigns, develop superior technology offerings or consolidate with other entities to deliver enhanced scale benefits, which may materially erode the Group's revenue, and may materially adversely impact the Company's financial performance.</p> <p>Existing clients may shift away from outsourcing certain or all functions to the Group and seek to provide these services in-house which may materially adversely impact the Group's revenue and profitability.</p> <p>Further, the cost and time for a new competitor to develop competing technology or products may not be significant, and may be substantially less than the implied market capitalisation of the Company based on the issue price of \$0.20 per Share. This may result in a heightened risk of competition to the Company. If a person or entity successfully develops and commercialises a competing product, this may have a materially adverse effect on the value and prospects of the Company and consequently on the value of your investment.</p> <p>The net asset value of the Company, based on the Pro Forma Statement of Financial Position set out in Section 5, is S\$0.018/A\$0.018 per Share (minimum subscription) and S\$0.023/A\$0.023 per Share (maximum subscription).</p>	
Insurance risk	Investors should note that the Company currently has basic insurance coverage in respect of its businesses or assets. The Company intends to insure its operations in accordance with industry practice once the Company's operations are of a sufficient magnitude. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.	Section 7.1(i)
Faults with products or services	The Group's products may have errors or defects that clients identify after they have purchased them. This could harm the Group's reputation and business. Internet-based services frequently contain undetected errors when first introduced or when new versions or enhancements are released. If that occurs, the Group could lose future sales or clients.	Section 7.1(j)
System and content integrity and hacker attacks	<p>The performance of the Group's websites is important to the reputation of the Group's businesses and their ability to attract clients. Any system failure that causes an interruption to the Group's services could materially affect its business. Prolonged system failures may reduce the attractiveness of the Group's services to clients and visitors to the websites and may damage its brand reputation and goodwill.</p> <p>Hackers could render the Group's websites unavailable through a disrupted denial of service or other disruptive attacks. Although the Group has strategies in place to deal with such attacks, these strategies may not be successful. Unavailability of Group websites could lead to a loss of revenues for the Group. Further, the Group's ability to retain existing clients or attract new clients will be compromised.</p>	Section 7.1(k)

Topic	Summary	More Information
C. KEY RISKS (cont.)		
Protection of intellectual property	<p>The Group relies on laws relating to trade secrets, copyright and trademarks to assist to protect its proprietary rights. However, there is a risk that unauthorised use or copying of the Group's software, data, specialised technology or platforms will occur or that competitors may gain access to its technology, which could harm the Group's businesses.</p> <p>There is also a risk that the Group will be unable to register or otherwise protect new intellectual property it develops in the future. Competitors may be able to work around any of the applications or other intellectual property rights used by the Group, or independently develop products or services that are not covered by the Group's intellectual property rights. This may materially adversely impact the Group's revenue, legal expenses and profitability.</p> <p>The Group uses a combination of open source and third party licensed software to develop its own software and platforms, and relies on its ability to protect its intellectual property rights adequately. Failure to do so may result in competitors gaining access to its technology, which would harm the business. The Group currently has no issued patents or trademarks and may be unable to obtain patent or trademark protection in the future. If any patents or trademarks are issued in the future they may not provide the Group with any competitive advantages, or may be challenged by third parties.</p> <p>There is a risk that the validity, ownership or authorised use of intellectual property relevant to the Group's businesses will be successfully challenged by third parties. Any litigation, whether or not it is successful, could result in significant expense to the Group and divert the efforts of its personnel. In addition, unauthorised use of the various brands of the Group in counterfeit products or services could not only result in potential revenue loss, but also have an adverse impact on its brand value and perception of product quality.</p>	Sections 7.1(l) and 7.1(m)
Domain name risk	The Group has registered various domain names for the operation of its various businesses. Should, for whatever reason, these not be renewed or the Group otherwise loses control of the domain names, traffic to those websites will be lost. This would likely adversely affect the Group's revenue.	Section 7.1(n)
Control by existing Shareholders and liquidity of Shares	Based on Minimum Subscriptions, after the Offer is completed, the 42 existing Shareholders will hold approximately 90.96% of the total Shares on issue, and will continue to be able to exert significant influence over the Company. There is a risk that the interests of the existing Shareholders may be different from the interests of investors who purchase Shares under the Offer. There is also a risk that the continued shareholding of the existing Shareholders, in particular until the end of the escrow period, may cause or contribute to a limited liquidity in the market for Shares, which could affect the market price at which other Shareholders are able to sell.	Section 7.1(o)
Decline in growth of internet penetration and usage	Internet penetration in Australia, Singapore, Thailand, Philippines, Malaysia, China and the United Kingdom has been growing. In addition, growth in online advertising is underpinned by a range of factors including migration from more traditional forms of media. There can be no guarantee that this growth will continue in the future. If Internet penetration and advertising migration does not continue to grow this may have an adverse effect on the Group's growth plan and performance.	Section 7.1(p)

INVESTMENT OVERVIEW (cont.)

Topic	Summary	More Information
C. KEY RISKS (cont.)		
Technology developments and business practice changes	The Company's success will in part depend on its ability to offer services and systems that keep pace with the continuing changes in technology, evolving industry standards and changing consumer preferences. There is a risk that the Group will not be successful in addressing these developments in a timely manner. In addition, there is a risk that new products or technologies (or alternative distribution systems) developed by third parties will supersede the products and services offered by the Group.	Section 7.1(q)
Employment recruitment risk and retention	<p>The Company's ability to effectively execute its growth strategy depends upon the performance and expertise of its staff. The Company relies on experienced managerial and highly qualified staff to develop new products and services, operate its technology platform and to direct operational staff to manage the operational, sales, compliance and other functions of its business.</p> <p>There is a risk that the Company is unable to recruit talented staff in a timeframe that meets the growth objectives of the Company resulting in delays in the development of new technology or expansion into new geographies. This would adversely impact the Group's revenue and profitability. The success of the business to date has been significantly reliant on a core team's ability and knowledge of the digital marketing sector. While the Company strives to retain its key personnel, there is always the possibility that employees will leave the business, the event of which could adversely impact the businesses operations and ability to implement its growth strategy.</p> <p>There is also a risk that Group will be unable to recruit new staff on terms of retention that are as attractive to the Group as past agreements. This would adversely impact employment costs and profitability.</p>	Section 7.1(r)
New investment opportunities	The Company may consider acquisitions and developments that may add value to the Company but which may require the payment of monies after only a limited period for due diligence and/or prior to the completion of a comprehensive due diligence process by the Company. There can be no guarantee that any proposed acquisition or development will be completed or successful. If the proposed acquisition or development is not completed, monies already advanced may not be recoverable, which could have a material adverse effect on the Company.	Section 7.1(s)
Corporate law and tax environment	<p>As a company incorporated in Singapore, the Company is not subject to many provisions of the Corporations Act. It does, however, remain subject to some provisions of the Corporations Act as a result of its registration as a foreign company in Australia and will be subject to the Listing Rules, upon listing on the ASX. The Companies Act does not provide the same level of shareholder protections as the Corporations Act.</p> <p>In addition, if there are any changes in Singaporean tax law, in particular, if Singapore imposes a dividend tax regime, this could have an adverse cash impact on Shareholders.</p>	Section 7.1(t) and 7.1(u)
Enforcement of contracts in foreign jurisdictions	From time to time, as part of its business, the Group may enter into contracts which are governed by the laws of countries other than Singapore and Australia. Should a contractual dispute result in court action or should the Company be required to enforce its rights, the procedure of the courts in the various foreign jurisdictions may be different those in Singapore and Australia.	Section 7.1(v)

Topic	Summary	More Information
D. OFFER OVERVIEW		
What is the Offer?	<p>The Offer is an initial public offering of a minimum of 60,000,000 and up to a maximum of 80,000,000 fully paid ordinary shares in the Company. The Shares being offered will represent approximately 9% of the issued capital of the Company on completion of the Offer on a minimum subscription basis and approximately 11.7% of the issued capital of the Company on completion of the Offer on a maximum subscription basis.</p> <p>Successful Applicants will receive CHESS Depositary Interests (CDIs) in respect of Shares applied for. The issue of CDIs is necessary to allow ASX trading of shares of a company incorporated in Singapore.</p>	Sections 1.1, 1.5 and 1.8
What is the Offer price?	A\$0.20 per Share.	Section 1.1
Will the Shares be listed?	<p>The Company will apply to the ASX for its admission to the official list of ASX and quotation of Shares on the ASX (expected to be under the code DMC) within seven days of the date of this Prospectus.</p> <p>Shares will trade on ASX in the form of CDIs.</p>	Section 1.9
Are there any escrow arrangements?	Yes. There are compulsory escrow arrangements under the ASX Listing Rules.	Section 1.14
What is the Offer period?	An indicative timetable for the Offer is set out on page i of this Prospectus.	Page i
Why is the Offer being conducted?	<p>The Offer is being conducted to:</p> <ul style="list-style-type: none"> (a) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the ASX Official List; and (b) raise capital for the expansion of the business in related services in existing markets, opening new markets, merger and acquisition opportunities and for working capital. 	Sections 1.3 and 1.4
Is the Offer underwritten?	No, but Quattro Capital Management Pty Ltd has been appointed as the Lead Manager.	Section 9.1(a)
What is the minimum subscription amount under the Offer?	<p>The Offer is conditional on the Company raising at least A\$12,000,000. If the Company fails to raise the Minimum Subscription within three months after the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).</p> <p>The maximum amount to be raised is A\$16,000,000.</p>	Section 1.2

INVESTMENT OVERVIEW (cont.)

Topic	Summary	More Information
E. DIRECTORS AND RELATED PARTY INTERESTS AND SUBSTANTIAL HOLDERS		
Who are the Directors?	<p>The Directors are:</p> <ul style="list-style-type: none"> (a) Mr Clive Tan Che Koon - Non-Executive Chairman (b) Mr Hui Jie Lim - Managing Director (c) Mr Ivan Ong Shao Kuang - Executive Director (d) Mr Zane Robert Lewis - Non-Executive Director 	Corporate Directory
What experience do the Directors have?	<p>Mr Tan is the co-founder and executive director of ASX-listed 8I Holdings Limited. He holds a Mechanical Engineering (Honours) degree and a Post-Graduate Diploma in Education.</p> <p>Mr Lim holds an MBA from Columbia University, London Business School and the University of Hong Kong. He has experience in startup, multinational corporations, and business and investing experience in more than 10 countries.</p> <p>Mr Ong holds a Bachelor's Degree in Business from Nanyang Technological University. His professional experience includes roles as a performance based marketer.</p> <p>Mr Lewis holds a Bachelor of Economics and has over 20 years' corporate advisory experience and leadership of small cap multinational companies.</p>	Section 4.1
What benefits are being paid to Directors?	<p>Mr Lim is engaged by the Company as the Managing Director pursuant to an executive services agreement which provides for an annual salary of S\$180,000.</p> <p>Mr Ong is engaged by the Company as the Executive Director pursuant to an executive services agreement which provides for an annual salary of S\$240,000 (inclusive of a trainer's fee of S\$80,000).</p> <p>The Non-Executive Chairman, being Mr Tan, and the Non-Executive Director, being Mr Lewis, will each receive S\$36,000 per annum.</p> <p>In addition, an entity associated with Mr Lewis will receive A\$60,000 per annum in its capacity as Australian Compliance Manager.</p>	Sections 9.1(b), 9.1(c) and 9.1(d)
What important contracts with related parties is the Company a party to?	The only important contracts that the Company has with related parties are the various agreements with each of the Directors for their engagement as Directors.	Section 9.1
What interests do Directors have in the securities of the Company?	As at the date of this prospectus, Mr Lim and Mr Ong each have an interest in 5% or more of the Shares on issue.	Section 9.5

Topic	Summary	More Information
E. DIRECTORS AND RELATED PARTY INTERESTS AND SUBSTANTIAL HOLDERS (cont.)		
Substantial holders	<p>Based on the information known as at the date of this Prospectus, and assuming the Minimum Subscription is achieved, on Admission the following persons will have an interest in 5% or more of the Shares on issue:</p> <ul style="list-style-type: none"> (a) Champion Star United Inc – 23.38% (b) Aden Ventures Limited – 13.56% (c) 8 Business Pte Ltd – 9.98% (d) Ivan Ong – 9.17% (e) Summerhill Group Pte Ltd – 5.58% 	Section 9.10
F. KEY DIFFERENCES BETWEEN SINGAPOREAN AND AUSTRALIAN COMPANY LAW		
<p>As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of Shares in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Companies Act and ACRA. Although there are similarities between the two jurisdictions from a company law perspective, there are differences with respect to operation of certain laws and regulations concerning shares of publicly listed companies including but not limited to:</p> <ul style="list-style-type: none"> (a) corporate procedures; (b) transactions requiring Shareholder approval; (c) Shareholders' right to requisition meetings, vote and appoint proxies; (d) takeovers; (e) substantial Shareholders reporting; (f) related party transactions; (g) protection of minority Shareholders - oppressive conduct; and (h) "two-strikes" rule. <p>For a more detailed description of differences of the above, please refer to Section 9.3.</p>		
G. APPLICATIONS AND OTHER INFORMATION		
Who is eligible to participate in the Offer?	The Offer is open to all investors with a registered address in Australia and certain qualifying investors with a registered address in Singapore to whom such offers can lawfully be made under the Singapore Securities and Futures Act (Chapter 289).	Sections 1.12 and 1.13
How do I apply for Shares?	Applications under the Offer can be made by completing the Application Form, in accordance with the instructions accompanying the Application Form.	Section 1.7

INVESTMENT OVERVIEW (cont.)

Topic	Summary	More Information
G. APPLICATIONS AND OTHER INFORMATION (cont.)		
What are CDIs?	<p>The issue of CDIs instead of Shares is necessary because, under Singaporean law, except for systems expressly provided for under the Companies Act, uncertificated electronic share trading systems such as ASX's CHESS system are not recognized and are incapable of transferring the ownership in shares of Singapore companies. CDIs are frequently used for trading shares of companies incorporated outside of Australia, and trade in a similar way to ordinary shares, of Australian incorporated companies.</p> <p>Each CDI will represent an interest in one Share.</p> <p>CDIs give a holder similar, but not identical, rights to a holder of Shares. More details regarding CDIs are contained in Sections 1.7. References in this Prospectus to "Shares" include references to "CDIs", as applicable.</p>	Section 1.8
What is the allocation policy?	<p>The Directors, in conjunction with the Lead Manager, will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.</p> <p>There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.</p>	Section 1.10
What is the cost of the Offer?	<p>Assuming A\$12,000,000 is raised by the Offer, the expenses of the Offer are estimated to be approximately A\$1,595,000.</p> <p>Assuming A\$16,000,000 is raised by the Offer, the expenses of the Offer are estimated to be approximately A\$1,597,000.</p>	Section 9.9
H. FURTHER INFORMATION		
How can I obtain further information?	<p>Further information can be obtained by reading this Prospectus and consulting your professional advisors. You can also contact the Australian Compliance Manager Mr Zane Lewis on +61 (0)400 007 900 or the Digimatic Group Ltd office on +65 6385 5576 for further details.</p>	Section 1.21

1. DETAILS OF OFFER

1.1 The Offer

This Prospectus invites investors to apply for up to 80,000,000 Shares at an issue price of A\$0.20 each to raise A\$16,000,000 (before associated costs).

The Offer is subject to a minimum subscription of A\$12,000,000 (refer to Section 1.2 for further details).

All Shares offered under this Prospectus will rank equally with the existing Shares on issue. Refer to Section 8.1 for details of the rights attaching to Shares.

Successful Applicants will receive CHESS Depository Interests (**CDIs**) in respect of Shares applied for. The issue of CDIs is necessary to allow ASX trading of securities of a company incorporated in Singapore. CDIs give a holder similar, but not identical rights, to a holder of Shares. Refer to Section 1.8 for further details of CDIs. Note that references in this Prospectus to “Shares” include references to “CDIs” as appropriate.

1.2 Minimum Subscription

The minimum subscription under the Offer is A\$12,000,000 (being 60,000,000 Shares) (**Minimum Subscription**).

None of the Shares offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

1.3 Purpose of Prospectus

The purpose of this Prospectus is to:

- (a) raise up to A\$16,000,000 pursuant to the Offer (before associated costs of the Offer);
- (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company’s application for admission to the Official List; and
- (c) position the Company to seek to achieve the objectives detailed in Section 2.

1. DETAILS OF OFFER (cont.)

1.4 Funding Allocation

The following table shows the intended use of funds in the two year period following admission of the Company to the Official List:

Item	A\$12,000,000 raised	%	A\$16,000,000 raised	%
Cash reserves as at 31 March 2015	\$1,558,154	-	\$1,558,154	-
Funds raised from the Offer	\$12,000,000	-	\$16,000,000	-
Total Funds available	\$13,558,154	-	\$17,558,154	-
Business and product expansion, including:				
• scaling in marketing, sales and operational staff to acquire new customers in existing and new markets and geographical expansion	\$5,000,000	37%	\$6,475,000	37%
• development and launch of new products, technologies and services	\$1,000,000	7%	\$1,295,000	7%
Review and acquisition of complementary businesses and assets	\$3,000,000	22%	\$3,885,000	22%
Loan repayments ¹	\$374,000	3%	\$374,000	2%
Dividend payment to Wewe Media founder ²	\$199,000	1%	\$199,000	1%
Cash reserves and working capital ³	\$2,390,154	18%	\$3,733,154	21%
Estimated expenses of the Offer	\$1,595,000	12%	\$1,597,000	9%
Total Funds allocated	\$13,558,154	100%	\$17,558,154	100%

Note:

1. See Section 9.1(f) for further information.
2. See Section 9.2(c) for further information.
3. All corporate administration expenses and other operating overheads, including but not limited to salaries and fees payable to Directors, will be satisfied from the funds allocated to "cash reserves and working capital" detailed above.

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 7), actual expenditure levels may differ significantly from the above estimates.

The Board believes that the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

1.5 Capital Structure

On the basis that the Company completes the Offer on the terms in this Prospectus, the Company's capital structure will be as follows:

	A\$12,000,000 raised	A\$16,000,000 raised
Shares on issue as at the date of this Prospectus	603,664,000	603,664,000
Shares issued under the Offer	60,000,000	80,000,000
Total	663,664,000	683,664,000

1.6 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Sections 2.1 and 2.5 for further information in respect to the Company's proposed activities.

1.7 How to Apply

Accompanying and forming part of this Prospectus is an Application Form for use if you wish to apply for Shares under the Offer. To participate in the Offer, the Application Form must be completed and received, together with the Application Monies, in accordance with the instructions on its reverse side. Completed Application Forms should be returned to the Company, together with the Application Monies in full, prior to 5.00pm (WST) on the Closing Date at the relevant address as follows:

In the case of Applicants applying from within Australia :

By Post	By Hand
Digimatic Group Ltd C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235	Digimatic Group Ltd C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138

In the case of Permitted Offerees applying from within Singapore (refer to Section 1.13):

By Post	By Hand
Digimatic Group Ltd C/- Tricor Barbinder Share Registration Services 80 Robinson Road #02-00 Singapore 068898	Digimatic Group Ltd C/- Tricor Barbinder Share Registration Services 80 Robinson Road #11-02 Singapore 068898

Applicants resident in Australia should make their cheques or bank drafts payable in A\$, based on an issue price of A\$0.20 per Share.

1. DETAILS OF OFFER (cont.)

Applicants resident in Singapore should make their cheques payable in S\$. To meet ASX requirements, Shares must be issued for A\$0.20 per Share. Application Monies provided by Permitted Offerees will be converted to Australian dollars by the Company prior to the allocation of Shares. The number of Shares that Permitted Offerees may be allocated by Directors will be determined by the prevailing exchange rate on the Closing Date as quoted by the Reserve Bank of Australia. For that reason, Permitted Offerees will not know the number of Shares they may receive at the time of submitting their Application Form. Refer to Section 1.10 for the Company's allocation policy.

All cheques or bank drafts should be made payable to "Digimatic Group Ltd" and be crossed "Not Negotiable".

Applications from Australian resident applicants must be for a minimum of 10,000 Shares (i.e. A\$2,000) and, thereafter, in multiples of 2,500 Shares (i.e. A\$500). Applications for less than the minimum accepted Application of 10,000 Shares will not be accepted. Applications from Permitted Offerees must be for a minimum of S\$2,500 and, thereafter, in multiples of S\$500. Applications for less than S\$2,500 will not be accepted.

An original completed and lodged Application Form (or a paper copy of the Application Form from the Electronic Prospectus), together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

1.8 CHESS and CDIs

Successful Applicants should note that, as the Company is incorporated and registered in Singapore, they will be issued with CDIs instead of Shares under this Prospectus. This is because, under Singapore law, except for systems expressly provided for in the Companies Act, electronic share trading systems such as ASX's CHESS system are not recognised and are incapable of transferring the ownership in shares of Singapore companies.

CDIs issued pursuant to this Prospectus will allow beneficial title to the Shares to be held and transferred. CDIs are electronic depository interests or receipts issued and are units of beneficial ownership in securities registered in the name of CHESS Depository Nominees Pty Ltd (**CDN**). CDN is a wholly owned subsidiary of ASX. The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder. The Shares underlying the CDIs issued pursuant to this Prospectus will be registered in the name of CDN for the benefit of CDI Holders. Each CDI represents one underlying Share.

CDN receives no fees from investors for acting as the depository nominee in respect of CDIs.

CDI Holders have the same economic benefits of holding the underlying Shares. CDI Holders are able to transfer and settle transactions electronically on ASX.

With the exception of voting rights, the CDI Holders are generally entitled to equivalent rights and entitlements as if they were the legal owners of Shares. CDI Holders will receive notices of general meetings of Shareholders. As CDI Holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of the Company on the instruction of the CDI Holders on a poll, not on a show of hands. CDI Holders are entitled to give instructions for one vote for every underlying Share held by CDN. Refer to Sections 8.2 and 8.3 for further information about CDIs.

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Operating Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of CDI Holders.

The Company will not issue certificates of title to CDI Holders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of CDIs issued to them, in much the same way as the holder of shares in an Australian incorporated ASX-listed entity would receive a holding statement in respect of shares. A holding statement will also provide details of a CDI Holder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of CDIs held by CDI Holders. CDI Holders may also request statements at any other time (although the Company may charge an administration fee).

Prior to Admission, the Company will procure that existing Shareholders are allowed to convert their existing Shares into CDIs to enable them to trade on ASX. Upon conversion of those Shares into CDIs the share certificates which were previously issued in respect of those Shares will cease to have effect as documents of title.

1.9 ASX Listing and Official Quotation

Within 7 days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

1.10 Allotment

Application Monies will be held in trust for Applicants until the allotment of the Shares. Any interest that accrues will be retained by the Company. No allotment of Shares under this Prospectus will occur unless:

- (a) the Minimum Subscription is achieved (refer to Section 1.2); and
- (b) ASX grants conditional approval for the Company to be admitted to the Official List (refer to Section 1.9).

The Directors, in conjunction with the Lead Manager, will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Subject to the matters in Section 1.9, Shares under the Offer are expected to be allotted on the Allotment Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

1.11 Risk Factors of an Investment in the Company

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 7 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1. DETAILS OF OFFER (cont.)

1.12 Overseas Applicants

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

1.13 Qualifying Singapore Applicants

This Prospectus will be accessible to selected investors in Singapore who will be invited to participate in the Offer. Those investors should be aware that:

- (a) this Prospectus has not been registered as a prospectus with MAS and, accordingly, statutory liability under SFA, Chapter 289 in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The Offer is not authorised or recognised by the MAS and the Shares are not allowed to be offered to any person in Singapore other than a Permitted Offeree. This Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, otherwise than to a Permitted Offeree and in accordance with the conditions of any applicable provisions of the SFA;
- (b) the Prospectus has been given to you on the basis that you are:
 - (i) an existing holder of Shares;
 - (ii) an "institutional investor" (as defined in the SFA);
 - (iii) a "relevant person" (as defined under section 275(2) of the SFA); or
 - (iv) any other Permitted Offeree (including, in particular, under sections 272A and 272B of the SFA); and
- (c) the Offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

If you are not an investor falling within any of the categories detailed in Section 1.13(b) above, please return the Prospectus immediately. You should not forward or circulate the Prospectus to any other person in Singapore.

1.14 Restricted Securities

The Company anticipates all existing Shares will be classified as restricted securities by ASX in accordance with the ASX Listing Rules. The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.

During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

None of the Shares issued pursuant to the Offer are expected to be restricted securities.

1.15 Underwriting

The Offer is not underwritten.

1.16 Lead Manager

Quattro Capital Management Pty Ltd has been appointed as Lead Manager to the Offer on the terms and conditions summarised in Section 9.1(a) of this Prospectus.

1.17 Commission

The Company reserves the right to pay a commission of up to 6% (exclusive of GST) of amounts subscribed through any Australian financial services licensee in respect of any Applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payment will be made subject to the receipt of a proper tax invoice from the Australian financial services licensee.

1.18 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

1.19 Currency and Exchange Rates

The functional currency of certain financial information relating to the Company is in S\$ and, in certain Sections, these amounts have been converted to A\$. For the purposes of converting the issue price of Shares from A\$ to S\$, and for converting S\$ denominated amounts to A\$, an exchange rate of A\$1.00:S\$1.0097 (being the equivalent of S\$1.00:A\$0.9904) has been used, unless indicated otherwise.

1.20 Paper Copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Application Form to investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the Australian Compliance Manager Mr Zane Lewis on +61 400 007 900 and requests from qualifying Singaporean resident investors should be directed to the Digimatic Group Ltd office on +65 6385 5576.

1.21 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Australian Compliance Manager Mr Zane Lewis on +61 400 007 900 and enquiries from qualifying Singaporean resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Digimatic Group Ltd Office on +65 6385 5576.

2. COMPANY OVERVIEW

2.1 Company and Business Overview

The Company is a public company which is incorporated in, and registered under the laws of, Singapore. The Company is in the business of digital marketing, assisting brands with timely connections to customers through various channels and at competitive pricing (for the purposes of this Prospectus, 'brands' include companies or organisations that supply goods or services to consumers). The Company is the holding company of the Group that presently conducts:

- (a) an internet advertising business focusing on the provision of lead generation and client acquisition services;
- (b) an education business focusing on the provision of 'cost-per-action' (**CPA**) marketing seminars and workshops in Singapore; and
- (c) a technology business focusing on assisting traditional small-to-medium enterprises move their brick-and-mortar businesses online.

The Group was established in August 2015 and currently employs 33 people.

2.2 Capital Structure of the Company

As at the date of this Prospectus, the capital structure of the Company, and particulars of its current Shareholders, is as follows:

Shareholder	Shares	% of current issued Share capital
Hui Jie Lim ¹	20,000,000	3.31
Ivan Ong ²	60,830,000	10.08
Champion Star United Inc ³	155,140,000	25.7
Aden Ventures Limited ⁴	90,000,000	14.91
8 Business Pte Ltd ⁵	66,251,000	10.97
Summerhill Group Pte Ltd ⁶	37,060,000	6.14
Remaining ShangCommerce vendors ⁷	60,254,000	9.98
Remaining DMPL vendors ⁶	52,319,000	8.67
Wewe Media vendors ⁸	8,400,000	1.39
Non-related party Shareholders	53,410,000	8.85
Shares on issue as at the date of this Prospectus	603,664,000	100

Notes:

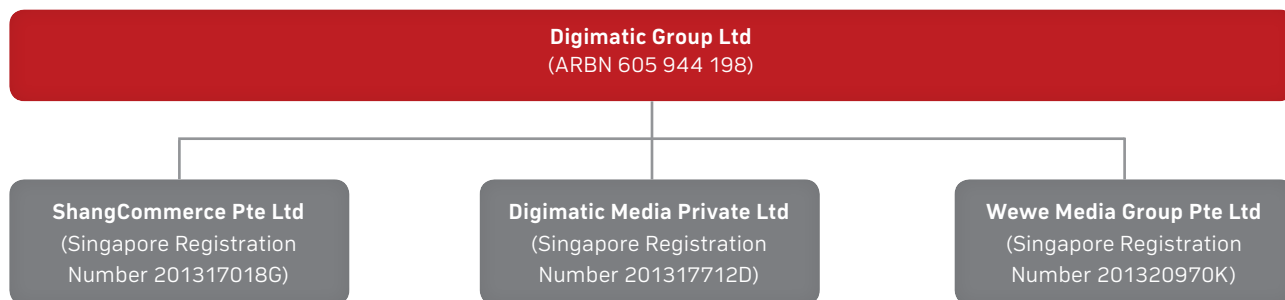
1. Hui Jie Lim is a Director. Shares were acquired as part of the acquisition of ShangCommerce Pte Ltd (see Section 9.2(a) for further details).
2. Ivan Ong is a Director. Shares were acquired as part of the acquisition of DMPL (see Section 9.2(b) for further details).
3. 86,820,000 shares acquired as part of acquisition of DMPL (see Section 9.2(b) for further details) and 68,320,000 acquired from 8I Business Pte Ltd.
4. 22,500,000 shares acquired as part of acquisition of DMPL (see Section 9.2(b) for further details), 27,500,000 acquired for A\$0.0001 per Share pursuant to the exercise of an option, 20,000,000 acquired from Ivan Ong and 20,000,000 acquired from non-related party shareholder.
5. Acquired as part of acquisition of DMPL (see Section 9.2(b) for further details). 8 Business Pte Ltd is a wholly owned subsidiary of 8I Holdings Ltd, of which Non-Executive Chairman Mr Clive Tan is an executive director and Mr Zane Lewis is also a non-executive director.
6. Acquired as part of acquisition of DMPL (see Section 9.2(b) for further details).
7. Acquired as part of acquisition of ShangCommerce Pte Ltd (see Section 9.2(a) for further details).
8. Acquired as part of acquisition of Wewe Media (see Section 9.2(c) for further details).

The Company does not have on issue any other class of securities. Refer to Section 8.1 for a summary of the rights attaching to Shares.

2.3 Corporate Structure

The Company was incorporated on 3 March 2015 to become the holding company of the Group.

The following diagram details the corporate structure of the Group:



As detailed above, the Company is the holding company of the following Singaporean incorporated and registered 100% owned subsidiaries (together the **Group Subsidiaries**):

- (a) Wewe Media Group Pte Ltd: the entity that operates the online advertising business engaged in performance based marketing (for further information see Section 2.4(c)(i));
- (b) Digimatic Media Private Limited (previously CPA Academy Pte Ltd): the entity that primarily operates CPA training seminars and event organisation business (for further information see Section 2.4(c)(ii)); and
- (c) ShangCommerce Pte Ltd: the entity that operates the e-tailing business (for further information see Section 2.4(d)(i)).




See Section 9.2 for a summary of the terms of the various acquisition agreements entered into by the Company to create the existing corporate structure.

2. COMPANY OVERVIEW (cont.)

2.4 Business of the Company

(a) Overview

The Company's business units are as follows:

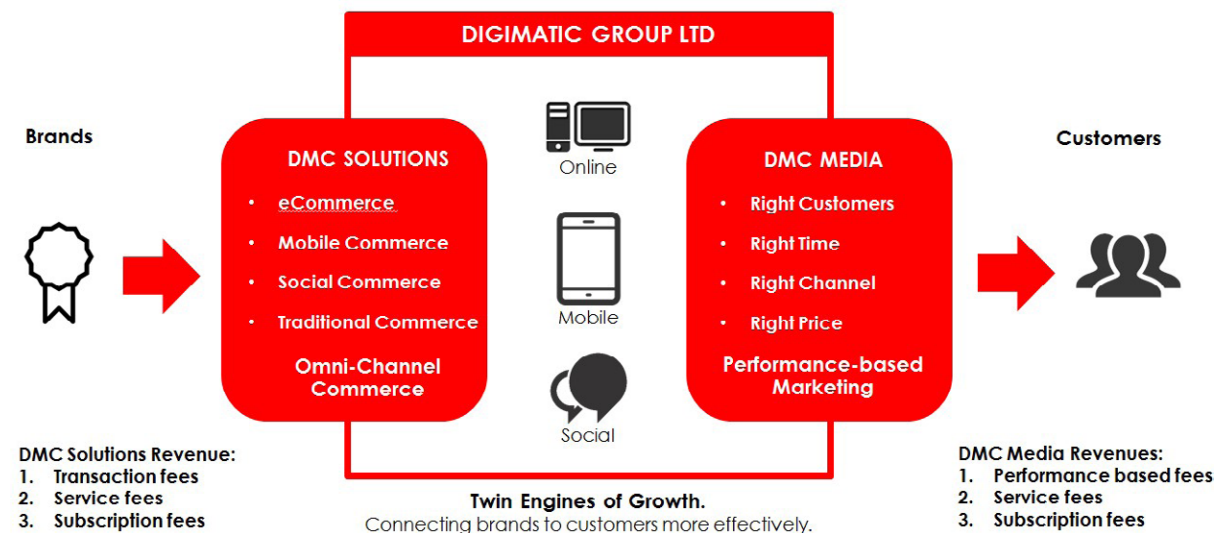
Business Unit	Description	Group Subsidiary
 Digimatic Media	<p>Online marketing specialists and training academy that assists brands and individuals with the opportunity to achieve business and financial success.</p> <p>Digimatic Media specialises in online performance based marketing, and provides online marketing campaign planning and execution services.</p> <p>Digimatic Media also manages a training academy that provides businesses and individuals with the opportunity to achieve financial stability and success via performance based marketing.</p>	DMPL, Wewe Media
 Digimatic Solutions	<p>Platform and technology provider for brands to market and manage their products and services to a global audience.</p> <p>Digimatic Solutions offer brands a comprehensive range of online and offline platforms and solutions to reach out to their target audiences with products or services tailored to their customers' needs.</p> <p>For example, Digimatic Solutions assist traditional brick and mortar businesses create an online presence, by setting up and maintaining online e-stores or by providing a channel to allow those businesses to sell their products on major online market places in the world.</p>	ShangCommerce
 Digimatic Ventures	<p>Digimatic Ventures is the new arm of the business formed to assist businesses to scale to the next level through M&A, entrepreneurship, intrapreneurship and other forms of business developments in the local or global context.</p> <p>Digimatic Ventures will be focused on seeking, structuring and acquiring companies or businesses with a strategic and synergistic value-add to the Group.</p>	

The Group provides a range of services to various stakeholders, as set out below.

Who uses the Group?	How does the Group help them?
Consumers	Digimatic Media provides consumers with product and service information that are relevant to their searches through online and mobile channels.
Advertisers	Digimatic Media provides performance based marketing services to advertisers.
Merchants	Business owners/merchants are provided with a highly integrated platform that allows them to sell on major online market places in the world with comprehensive logistic and administrative support.
Individuals	Digimatic Media has educated over 1,200 individuals through its training seminars held in Singapore and Malaysia on performance based CPA marketing strategies.

(b) **Business model**

The Company's business model is diagrammatically set out below



Combined, Digimatic Media and Digimatic Solutions assist brands (i.e. merchants) with the creation and maintenance of an online and/or mobile presence, together with the tools to market the brands' products or services via performance based marketing.

Under this model, the Group will generate revenue through the creation of online platforms, the provision of managed services to operate those platforms, and managing the online marketing needs of brands.

Further details of each business unit are set out below.

(c) **Digimatic Media**

Digimatic Media specialises in online performance based marketing, providing online marketing campaign planning and execution services.

Online marketing and advertising utilises the internet to deliver promotional marketing messages to consumers. Messages can be delivered through webpage display and banner advertising, mobile device advertising (e.g. pop ups in apps), search engine marketing, social media marketing and email marketing.

Digimatic Media's mission is to generate the right traffic on the right product at the right time, with each successful online action generating revenue.

Digimatic Media also manages a training academy that provides businesses and individuals with the opportunity to achieve financial stability and success via performance based marketing.

Information on the two Group Subsidiaries which form the Digimatic Media business unit is set out below.

(i) **Wewe Media**

(A) **History**

Wewe Media was established on 1 August 2013 as an Internet advertising business, with the aim to provide clients with lead generation and client acquisition services.

Started as a one man team by founder Mr Tan Wei Wen, Wewe Media expanded to a team of 7 in 2015 and as at 31 March 2015 has generated approximately US\$424,860 net profit before tax since incorporation (equivalent to S\$584,820 based on exchange rate of US\$1.3765:S\$1 as at 31 March 2015).

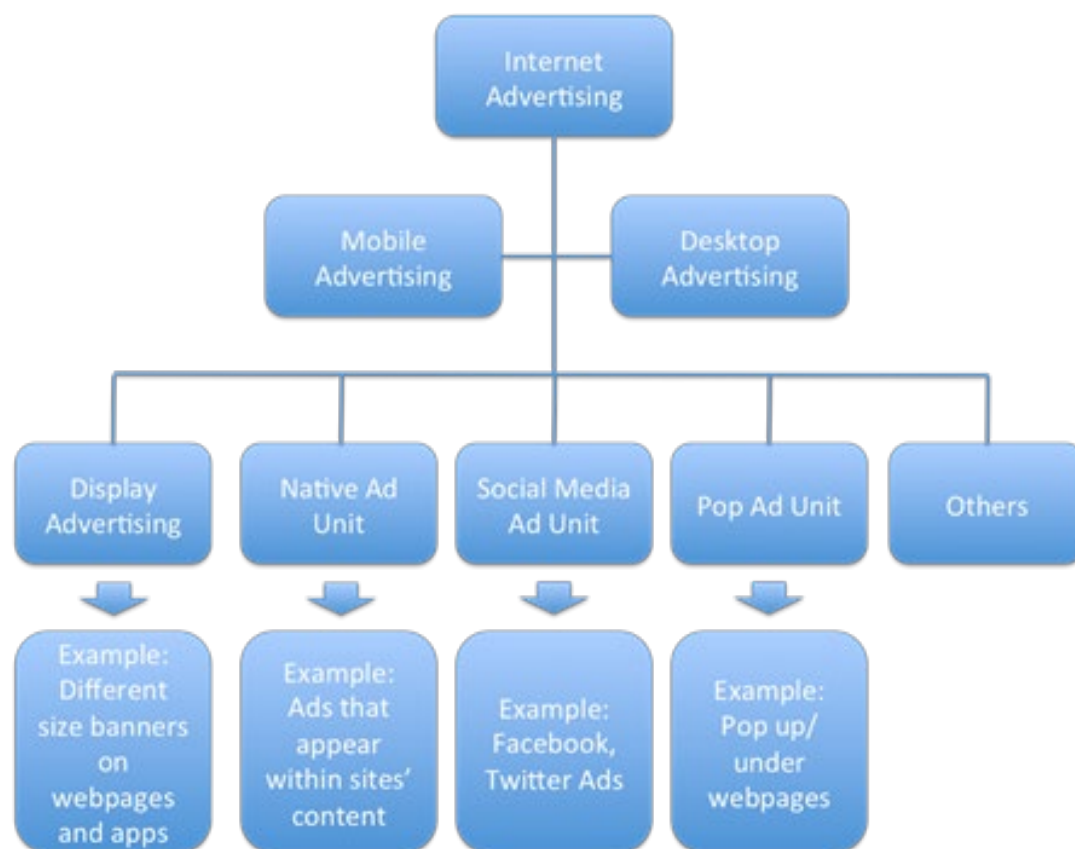
In conjunction with the Wewe Media Agreement (see Section 9.2(c) for a summary), Wewe Media acquired the business of Clix Solutions Pte Ltd, an entity engaged in the same business as Wewe Media. In consideration of a cash payment by Wewe Media of approximately S\$108,000, with effect from 13 July 2015 Clix Solutions Pte

2. COMPANY OVERVIEW (cont.)

Ltd transferred to Wewe Media all existing funds deposited by Clixs Solutions with its traffic sources (totalling approximately S\$108,000). Clixs Solutions Pte Ltd is not a related party of the Company or any Group Subsidiary.

(B) Business model

Internet advertising can be broken down into mobile advertising and desktop advertising as set out below.



Wewe Media has two teams with each team specialising in either mobile advertising or desktop advertising. This structure helps Wewe Media reach out to a wider base of clients as different clients have different objectives.

Wewe Media operates on a performance-based business model where clients (advertisers) only pay on a per lead/ sale basis. This means that Wewe Media only generates revenue if a pre-agreed result is achieved. These pre-agreed results vary and include the:

- (1) purchase of a product or service;
- (2) installation of an app on a consumer's tablet or smartphone;
- (3) subscription or registration for a service; and
- (4) completion of an online form (known as 'lead generation' or 'client acquisition' as the completion of the form generates a sales lead for the client to follow up the consumer).

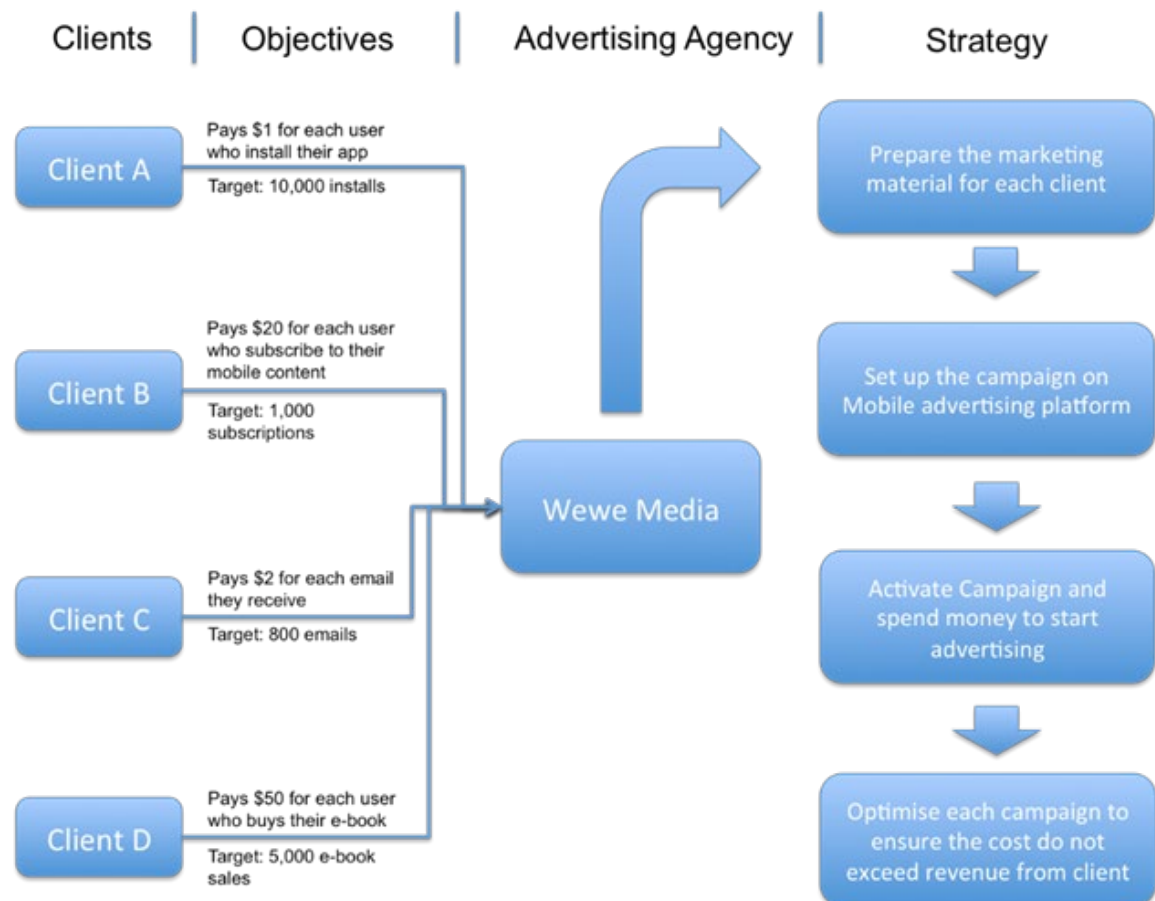
The achievement of a pre-agreed result is known as a 'conversion'.

As every client has its own marketing requirements and objectives, Wewe Media will craft customised marketing campaigns for each client.

The revenue ultimately received by Wewe Media varies significantly based on the particular advertising campaign. Factors including the value of the conversion to the client, the conversion point determined by the client (for example, 'leads' will generally create less commission than for sales) and the nature of the target consumer all contribute in determining the amount a client is willing to pay for each successful conversion.

For example, the price a client is willing to pay for the successful installation of an app can range from a few cents to tens of dollars, depending on the geography, handset and demographic of the consumer being targeted. By way of further example, commissions on customer registrations or 'leads' can range from a few dollars to a few hundred dollars, depending on the industry and the long term value to the client.

(C) Flowchart of day-to-day operations of Wewe Media



(D) Wewe Media's role in performance based marketing

The form of performance based marketing undertaken by Wewe Media is known as CPA marketing. CPA is an acronym for 'cost-per-acquisition' or 'cost-per-action'. It is an online advertising model where an advertiser (client) only pays for each successful specific action (i.e. the conversions referred to in Section (B) above).

CPA marketing involves a number of parties:

- (1) Client – otherwise known as the advertiser, this is the party wanting to promote its product or service.
- (2) CPA Network – functions as an intermediary entity between affiliates and clients. They have access to a range of clients who approach the CPA network with their advertising needs. Typically a client will create an offer that the CPA network places on its website. Affiliates then determine which offers they want to undertake marketing campaigns for.

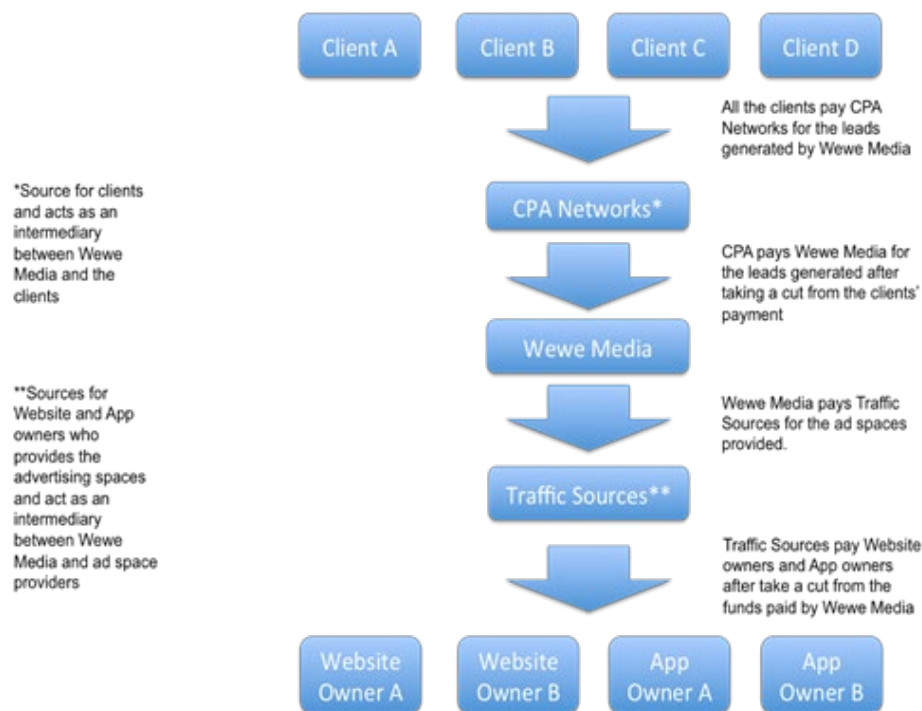
CPA networks typically have access to a large network of affiliates, and make it easy for affiliates to access a range of clients that would otherwise be difficult to engage.

CPA networks are responsible for tracking conversions and ensuring affiliates are paid for them. CPA networks typically retain a percentage of the commission payable by the client for each conversion.

2. COMPANY OVERVIEW (cont.)

- (3) Affiliates - are the parties that create and deploy the marketing campaigns to promote the products and services of clients to the ultimate consumers. Affiliates create website banners, pop-up advertisements and in-text advertisement and then find a traffic source for the relevant advertisement to be displayed. Affiliates must ensure the revenue generated from conversions is more than the costs paid for traffic and overheads in creating the marketing campaign.
- (4) Traffic Source – are the parties that provide the advertising space for the affiliate to place the advertisement. They act as an intermediary between affiliates and the ad space providers (for example, website owners or app owners). Affiliates pay traffic sources to place advertisements. Typically traffic sources charge a fee per click received on the advertisement (i.e. not on successful conversions – it may take several hundreds or thousands of clicks before a consumer makes a conversion). The selection of an appropriate traffic source or sources by the affiliate is important to ensure enough traffic is pushed towards the affiliates advertisements.
- (5) Website/App Owners – provide the space where the advertisements appear.

Wewe Media fulfils the role of 'affiliate' in the CPA marketing process. The diagram below demonstrates where Wewe Media fits into the CPA marketing process.



In order to generate revenue, affiliates such as Wewe Media need to ensure the cost of advertising paid to traffic sources is lower than the revenue generated. This is further explained in the case study below.

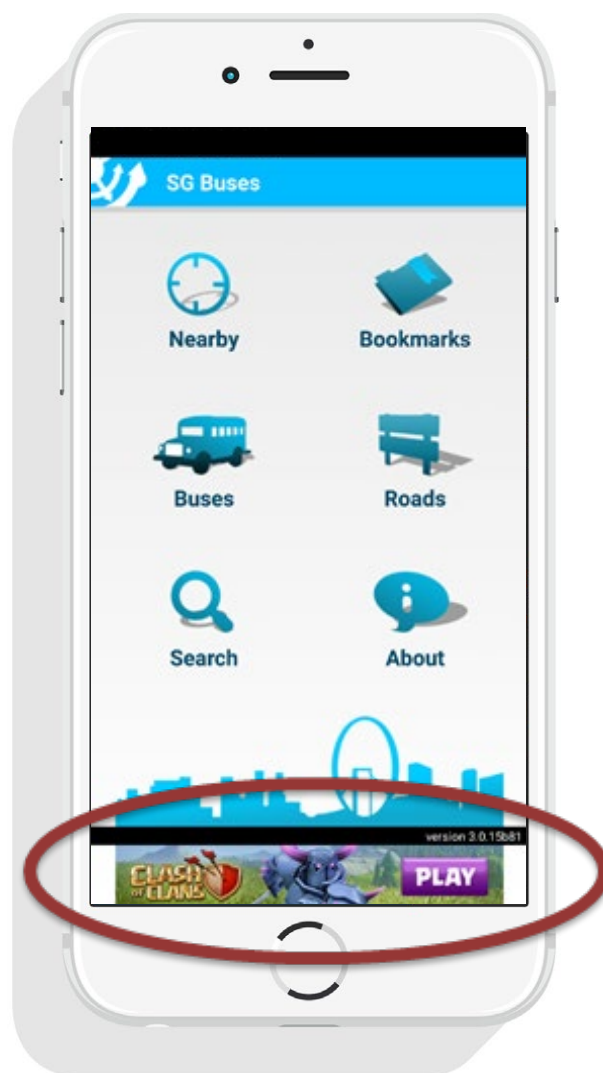
(E) Simplified Case Study

Client A has created a new gaming app and wants to acquire users to install the app and play the game. Client A approaches a CPA Network and informs them that he is willing to pay \$1 to the CPA Network per app install.

The CPA Network approaches Wewe Media and informs them that Client A wants to pay \$0.80 per app install, thus keeping a commission of \$0.20 per app install. In other cases the CPA Network will place the 'job' on its website for affiliates to review and bid for the job.

Wewe Media creates the relevant advertisement, which could be a banner, pop-up ad or in-text ad. It then approaches a traffic source to place the advertisement and offers to pay the traffic source \$0.005 for each click generated on the banner.

The traffic source displays the banners on their network of publishers (e.g. App Owner A in the flowchart above). A typical banner shown on an app may look like the one to the right:



When a user clicks on the banner and installs Client's A app, the CPA Network will pay Wewe Media \$0.80.

As a basic example, using the figures above, and assuming there are 100,000 clicks on the banner but only 1,000 installs of Client A's app, the total cost of the campaign (excluding overheads) will be \$500 (paid by Wewe Media to the traffic source) and total revenue will be \$800 (paid by the CPA network to Wewe Media), as set out below:

Cost per click	Clicks	Total cost	No. of installs	Revenue per install	Total revenue	Difference (not including overheads)
\$0.005	100,000	\$500	1,000	\$0.80	\$800	+\$300

The above example is a simplified version of how an affiliate generates revenue through CPA marketing. It is important to note that each marketing campaign is different, and that losses will result when a campaign is not managed correctly. For example, a pop-up advert may be so popular it generates hundreds of thousands of clicks, but these may not translate to conversions, causing a loss as click costs exceed revenue from conversions.

Using the example above, and assuming there were still only 1,000 installs but an increase in clicks to 200,000, a loss of \$200 (not including overheads) would result, demonstrated below:

Cost per click	Clicks	Total cost	No. of installs	Revenue per install	Total revenue	Difference (not including overheads)
\$0.005	200,000	\$1,000	1,000	\$0.80	\$800	-\$200

(F) Digimatic Media's plans for Wewe Media

Following completion of the listing, the Company plans to expend funds on growing the core business of Wewe Media by expanding the size of the team to provide more lead generation and client acquisition services to a larger client base.

2. COMPANY OVERVIEW (cont.)

In addition, the Company plans to explore and generate organic mobile traffic to supplement the current traffic sources used for advertising campaigns. With this expansion, Wewe Media will have better control over advertising costs and have an additional stream of revenue from selling ad spaces.

Finally, the Company will explore the feasibility of creating a separate app design unit. Wewe Media's current exposure allows the team to have a strong understanding of the app market and the advertising technique for app installs.

(ii) Digimatic Media Private Ltd

(A) History

Having been a successful affiliate for more than 8 years, Mr Ivan Ong established Digimatic Media Private Ltd (**DMPL**) (then CPA Academy Pte Ltd) on 1 July 2013 to provide CPA marketing seminars and workshops in Singapore.

Commencing as a one man team, DMPL has expanded to a team of 10 in 2015 and as at 31 March 2015 has generated approximately S\$734,000 net profit before tax since incorporation.

(B) Business model

(1) Seminar/Workshop offerings

DMPL is primarily engaged in providing CPA marketing seminars and workshops via its training academy, CPA Profits Academy (**Academy**). Today, these are run in Singapore, and have previously been held in Malaysia.

The flagship product of the Academy currently offered is the 'CPA Super Affiliate Workshop'. The CPA Super Affiliate Workshop is currently priced at S\$3,888 per person for a three day course where attendees learn how to become an affiliate in CPA marketing. The course focuses on desktop advertising.

The Academy's workshops have grown in size from 19 attendees in August 2013 to a high of 80 attendees in March 2014. The workshops average approximately 55 attendees per workshop, with 8-10 seminars presently conducted annually (subject to demand). The current size of the graduate network is over 1,200.

Speakers at the workshops are generally paid a commission based on the revenue generated by the workshop they speak at.

Whilst it may seem counterintuitive to teach others how to become affiliates in CPA marketing when the business of Wewe Media is that of an affiliate in CPA marketing, DMPL receives commissions from CPA networks based on the affiliate marketing activities of the Academy's students. Since February 2015, the Academy's students have generated approximately S\$1,360,348 in revenue for participating CPA networks, with commission payments of approximately S\$13,603 being made to DMPL.

Revenue generated from seminar/workshop offerings and the software offering described below represented approximately 87.4% of DMPL's revenue for the year ended 31 March 2015.

(2) Software offering

In addition to the workshop offering, DMPL offers subscriptions to PPVTools, software for beginner affiliates. The software provides a comprehensive research tool that assists affiliates with their research, and is designed to save beginner affiliates time. Additionally, the software helps to create simple landing pages for affiliates to promote their offers more effectively.

The software is offered to all seminar attendees at various discounted prices depending on the length of the subscription. Currently attendees can choose from a monthly subscription fee of US\$37/month, yearly subscription fee of US\$370/year or a lifetime subscription fee of S\$997. Recent data collected from the last five seminars shows approximately 64% of seminar attendees purchase a lifetime subscription following completion of the seminars. The general public can choose from a monthly subscription fee of US\$87/month, yearly subscription fee of US\$870/year or a lifetime subscription fee of US\$1,997. DMPL pays a 30% commission to the assignor of the software on revenues earned from the software less expenses paid in relation to those revenues.

Although DMPL owns the intellectual property in PPVTools, it has not yet registered any patents for PPVTools as patent protection is expensive to develop, obtain and maintain. Additionally, patent protection

is often difficult to obtain for software. DMPL however strives to protect its intellectual property rights through Singaporean law protections for trade secrets and copyright. DMPL may investigate further the possibility of attempting to protect its intellectual property through patent filings in the future.

Revenue generated from PPV Tools subscriptions combined with the seminar/workshop offerings described above represented approximately 84.7% of DMPL's revenue for the year ended 31 March 2015.

(3) Affiliate business

DMPL recently commenced undertaking its own CPA marketing activities as an affiliate in the same way Wewe Media does. For a detailed description of the CPA marketing process please see Section 2.4(c)(i)(D).

(4) Event/seminar organisation services and referrals

DMPL also provides event/workshop/seminar organisation services. Generally DMPL is responsible for the organisation and promotion of the seminar/workshop. DMPL's fees are typically a percentage of the revenue collected, after deducting specific costs and charges.

Revenue generated from event/seminar organisation services and referrals represented approximately 15.3% of DMPL's revenue for the year ended 31 March 2015.

(C) Digimatic Media's plans for DMPL

(1) Expansion of current activities

Following completion of the listing, the Company plans to expend funds on expanding the seminar offerings into Malaysia and Indonesia, including new seminar offerings. The Company will also expend funds on investigating the creation of an online syllabus to enable DMPL to market their seminars worldwide.

The Company will expend funds on building other internet marketing utility software to expand the software offering outside of CPA marketing.

With respect to event/seminar organisation, the Company plans on expending funds to target other seminar businesses in South East Asia, leveraging off the customer lists DMPL has to assist those other seminar businesses with organising and expanding their seminar offerings.

As the affiliate business offers the same services as Wewe Media, it is planned to merge the units together and expend funds on expanding the size of the team to provide more lead generation and client acquisition services to a larger client base.

(2) Trafficpedic

Finally, the Company plans to expend funds on investigating the creation of a traffic platform for Asian Internet traffic to be known as 'Trafficpedic'. DMPL's current exposure to CPA marketing has provided its team with a strong understanding of the traffic source market.

At present, Asian Internet traffic is generally restricted to large traffic networks such as Google and Facebook. This means local and regional businesses are challenged in reaching their target audiences. The lack of traffic sources has meant that current advertising solutions are costly.

If Digimatic Media were to be successful in creating a traffic platform, it would help Digimatic Media in taking steps to become a vertically integrated performance based marketing business, by being both an affiliate and a traffic source (see Section 2.4(c)(i)(D) above for further information).

(d) Digimatic Solutions

Digimatic Solutions is the technology and platform provider for brands to initiate their e-commerce and online sales journey.

(i) ShangCommerce

(A) History

Established in June 2013 by Mr Hui Jie Lim and Mr Phillip Wong, ShangCommerce is a technology company with the aim of helping traditional small-to-medium enterprises (merchants) move their brick-and-mortar businesses online.

2. COMPANY OVERVIEW (cont.)

ShangCommerce now employs 13 people and since incorporation has attracted 70 merchants and created 21 live platforms.

In addition, ShangCommerce was one of only three eCommerce companies approved by the Infocomm Development Authority of Singapore (IDA) under the Call For Collaboration for eCommerce initiative started by the IDA to provide a framework for eCommerce in Singapore.

The IDA approved a grant for approximately S\$100,000 for the development of the integration between ShangCommerce eCommerce platforms and specific logistics partners.

The ultimate goal of this integration work was to provide an automated communication bridge between three parties: merchants selling their items online, customers buying the items and the logistics partner delivering the item. The integration allows merchants to assign the delivery of an order to a logistics partner, receive the approval from the logistics partner that they will perform the delivery and enable the logistics partner to update every step of the way up to delivery. Merchants can check on the status of deliveries electronically, and customers are automatically informed via email through ShangCommerce's system.

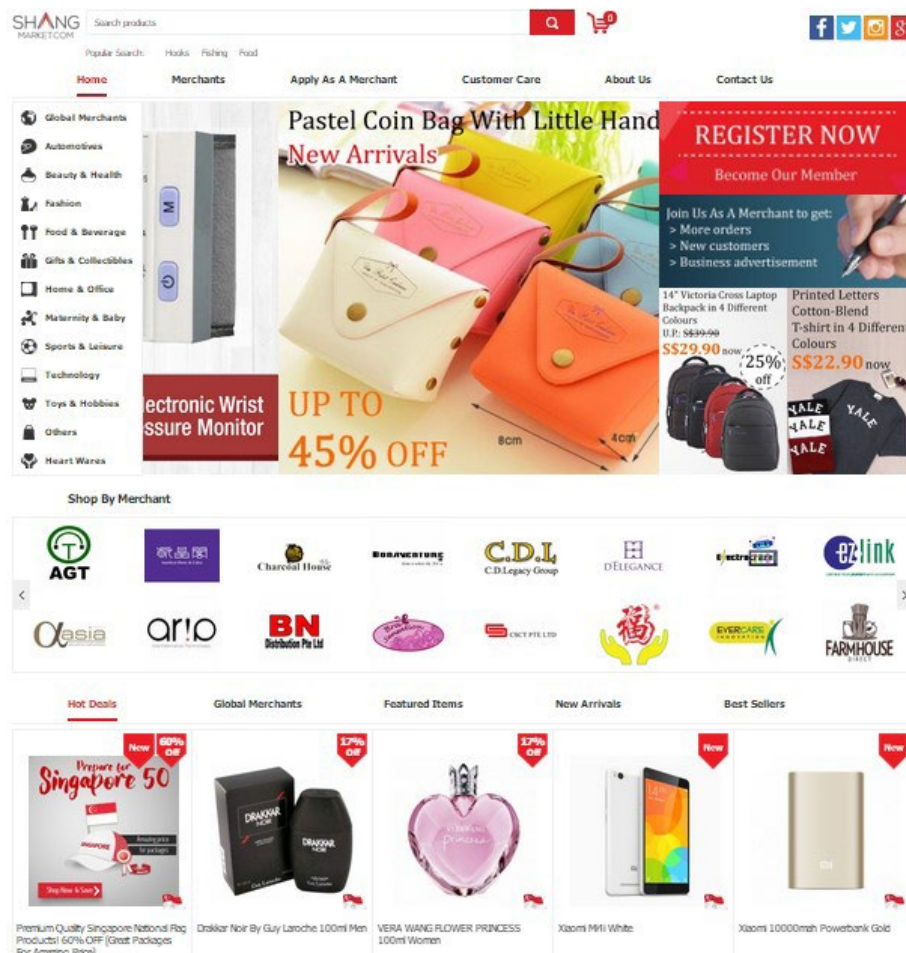
The integration has been performed and is up and running. ShangCommerce has not yet claimed the grant funds allocated by the IDA but plans to do so in December 2015. There is no guarantee all of the grant funds will be paid.

(B) Business model

ShangCommerce comprises four business units, effectively covering all online and offline requirements for any modern day business. This allows business owners to make fast decisions through a streamlined and centralised control platform.

- (1) ShangPlatform: ShangCommerce has its own online marketplace, ShangMarket.com. Brands pay fees to ShangCommerce for their products to be included on the website.

As at 30 June 2015, ShangMarket.com had products from over 50 merchants.



- 2) ShangTechnology: builds e-stores and websites for brands. This enables brands to have an online business-to-consumer or business-to-business sales channel.

Revenue is generated when each e-store and website is developed, with ongoing revenue coming from subsequent maintenance and upgrades. Commission fees on each sale performed through the platform may apply.

To date, this arm of the business has created 20 different e-stores for merchants.

- (3) ShangServices: provides managed services to help brands with limited resources for online platform management. Services include operations management such as product listing, organising promotions and conducting online marketing campaigns, through to warehousing and delivery. Other services include software development analysis, design, and testing. Each managed service is generally charged on a monthly basis.

ShangCommerce is party to a development services agreement with an entity involved in the provision of IT solutions to retail and banking industries, pursuant to which ShangCommerce has agreed to set up a development centre in the Philippines to perform software development analysis and design (see Section 9.1(g) for further details).

- (4) ShangBrands: this is the consulting arm of the business to assist brands with e-commerce adoption.

(C) Digimatic Solutions' plans for ShangCommerce

Following completion of the listing, the Company plans to expend funds on scaling the existing businesses by expanding the size of its team to acquire more merchants/brands.

The Company also plans to expend funds on the development of new products to assist brands to reach out to a wider audience. One such product under development is 'ShangGlobal', a single platform with the objective of allowing brands to reach out to customers all around the world with just one product listing that will appear across multiple online selling platforms. The concept involves developing a single backend operation to handle the population of a brand's products to several global and regional online marketplaces. If successful, ShangCommerce is also aiming to provide statistical and analytical data on the performance of the various products across the various marketplaces.

(e) Digimatic Ventures

Digimatic Ventures is intended to be the merger and acquisition arm of the Company focussed on sourcing entities or businesses to complement the existing Group businesses and strengthen the overall Group offering. Digimatic Ventures will also provide consulting services to other businesses to assist them to scale to the next level through entrepreneurship and intrapreneurship.

Digimatic Ventures has already commenced reviewing complementary businesses and assets. New acquisitions may be made for cash, Company securities (including but not limited to fully paid ordinary shares, options or performance shares) or a combination of both. Digimatic Ventures may also choose to first provide short or long term financing to potential complementary businesses combined with the provision of consulting services before making acquisition decisions.

Any potential new acquisition will be assessed carefully by Digimatic Ventures and acquisition decisions will only be made where in the Board's view assets or businesses are complementary to the Group's existing businesses and have the potential to create shareholder value.

2. COMPANY OVERVIEW (cont.)

(f) Historical Performance

Prospective investors should note that the Group has a limited operating history. Whilst the figures below demonstrate revenue is being generated and the Group Subsidiaries have achieved profit, due to the Group's infancy the operations of the Group are inherently uncertain and the figures below should not be used as a guide as to future performance of the Group. An investment in the Company should accordingly be considered highly speculative.

Further information on the Group's financial position is in Sections 5 and 6.

Based on the Group Subsidiary audited accounts for the financial years ended 31 March 2014 and 31 March 2015, the Group Subsidiaries' key financial information is set out below:

Financial year ended 31 March 2015 (S\$)	Revenue	Other income	Expenses	Profit before tax	Profit after tax
Wewe Media*	3,416,880	20,214	2,877,495	559,599	519,571
DMPL	1,813,501	32,610	1,651,399	194,712	191,666
ShangCommerce	666,710	30,287	690,942	6,595	6,595
Total	5,897,091	83,651	5,219,836	760,906	717,832

Financial year ended 31 March 2014 (S\$)	Revenue	Other income	Expenses	Profit/(Loss) before tax	Profit/(Loss) after tax
Wewe Media*	950,983	197	933,919	17,261	15,986
DMPL	981,427	4,990	446,900	539,517	501,175
ShangCommerce	0	0	50,945	(50,945)	(50,945)
Total	1,932,410	5,187	1,431,764	505,833	466,216

*Wewe Media accounts prepared in US\$. Figures have been converted into S\$ based on average exchange rates of US\$1:S\$1.2889 and US\$1:S\$1.2618 for year 2015 and 2014 respectively (Source: MAS Exchange Rate).

**Figures above based on individual audited accounts for each Group Subsidiary for financial years ended 31 March 2014 and 31 March 2015. See note 7 of Appendix 3 to the Investigating Accountant's Report in Section 6 with respect to a waiver of a loan from shareholders of ShangCommerce post-31 March 2015. Inclusion of this waiver of loan as other income increases profit before tax and profit after tax per the notional consolidated statement of profit and loss as set out in Appendix 1 to the Investigating Accountant's Report.

(g) Sources of revenue

The Group's revenue will be generated from different sources across its business units. The main sources of revenue for the Group are as follows:

- (i) fees for the provision of performance based marketing services (as outlined in Section 2.4(c)(i)(D));
- (ii) sale of technological solutions specifically focussed on online commerce, such as the creation of online platforms and e-stores connecting brands to consumers and the sale of software subscriptions (e.g. PPVTools and other software when developed);
- (iii) transactional fees received from platforms operated including ShangMarket.com and various e-stores (i.e. sales commissions and platform maintenance fees);
- (iv) fees from services provided to large enterprises in marketing, market research, eCommerce consultancy from traditional retailing to e-retailing and managing online platforms;
- (v) fees from seminar enrolments and ongoing commissions; and
- (vi) fees from event/seminar/workshop organisation.

(h) Sources of expenses

The Company expects its expenses will largely comprise:

- (i) employee benefits;
- (ii) marketing costs in providing performance based marketing services;
- (iii) marketing and promotional costs generally;
- (iv) software development (intended to be outsourced); and
- (v) payments for the organisation of events/seminars/workshops.

2.5 Strategy of the Company

The Company's strategic objective is to deliver long-term returns, revenue growth and profitability to Shareholders. The Company has identified and is pursuing a range of business strategic priorities as set out below:

Strategic Priority	Description
Scaling existing businesses	<p>The Company is aiming to deepen its presence in existing markets by scaling its current businesses and increasing its customer base by acquiring more small-to-medium enterprises as clients.</p> <p>The Company will also aim to achieve revenue growth by targeting larger enterprises in Singapore and increasing the number of partners it works with in providing current products and services (for example, the Company will look to partner with other seminar providers to increase seminar offerings).</p>
New market growth	<p>The Company aims to expand its offerings into other countries in South East Asia, Europe and North America, opening up new revenue streams.</p>
New products	<p>The Company plans to develop new products and other e-commerce technology solutions, including a traffic source (which if successful would place Digimatic Media on the path of vertical integration with respect to performance based marketing services).</p>

2.6 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing businesses.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

3. INDUSTRY OVERVIEW

The Group supports brands to market to customers primarily through digital channels, including through performance-based digital advertising. The Group also provides platforms that enable clients primarily located in Singapore to transact with customers, including via e-commerce, mobile commerce and traditional commerce channels.

3.1 Digital engagement by consumers

Since 2000, the proportion of individuals who access the internet has increased from 6% in 2000 to just below 41% in 2014. Around 3 billion individuals globally therefore have internet access.

The Group's operations are currently based in Singapore, with the Group seeking to expand into new markets in South East Asia. Despite the rapid growth that has already occurred in internet access in Asia Pacific, there is still significant potential for further growth. For example, statistics show that in 2014, 51% of individuals still did not use the internet in China, 82% in India and 83% in Indonesia. This compares with only 10-15% of individuals generally not using the internet in developed countries (for example, 10% in Japan and 15% in Australia). This suggests that there is still very significant growth potential in internet access, particularly in emerging markets in Asia Pacific.

Digital engagement is also being encouraged by the take-up of internet-connected mobile devices (such as smartphones and tablets) which enable users to access the internet on the move, and which therefore provide additional opportunities for online services such as digital advertising and e-commerce. In Q1 2015, there were approximately 7.2 billion mobile cellular services globally, with Asia Pacific accounting for 3.7 billion, or approximately 51% of the global total.

Use of the internet for information, entertainment and commerce is growing rapidly as more consumers become internet-enabled, as internet infrastructure improves, as mobile internet access increases, and as more brand owners seek to interact with consumers via digital channels.

There is a direct relationship between factors such as the level of internet access in a country and the proportion of advertising expenditure that goes on digital channels, as well as the proportion of commerce taken by e-commerce. Hence, as internet access increases, so does digital engagement by consumers.

3.2 Digital engagement by businesses

Digital engagement by consumers in Asia Pacific is driving businesses in the region to increasingly adopt digital channels for communication and commerce with consumers. For example, organisations are increasingly using online channels to advertise and promote their products and services, indicated by the increased growth in online advertising expenditure. A 2014 survey by the Chief Marketing Officer Council indicated that 46% of marketing officers in Asia Pacific plan to spend 10% to 20% of their marketing budget on digital activities, a higher proportion than in Europe (41%). Use of online channels for commerce is also growing, as businesses use online channels to transact with consumers.

3.3 Online advertising markets

Online advertising (also known as internet or digital advertising) is a form of advertising in which promotional messages are delivered to consumers over the internet, and can be viewed on any device on which the internet can be accessed, such as a laptop, PC, tablet or smartphone.

(a) Size and growth of online advertising

Globally, online advertising was estimated to account for 25% of advertising expenditure in 2013, and online is now the second largest advertising platform globally, after TV. In Singapore, online advertising expenditure was estimated to represent 15% of total advertising expenditure in 2014, somewhat behind other markets such as the United Kingdom, China, Australia, United Arab Emirates, USA and Japan, and indicating that Singapore still has significant growth potential for online advertising.

b) Mobile online advertising

Mobile advertising incorporates advertising delivered to mobile devices via formats designed for the specific device. This is the fastest growing format of online advertising and is being stimulated by rapid adoption of smartphones and tablets globally. Global mobile online advertising expenditure has grown from 4% of total online advertising expenditure in 2010 to an estimated 14% in 2014.

Advertising placed on mobile devices can elicit relatively high response rates. Research undertaken by Google indicates that approximately 40% of smartphone users notice adverts on their smartphone all or most of the time, and an average of 24% of these take some action, such as clicking on the advert. 58% of smartphone users conduct a search on their smartphone at least once a day. Given the high usage of mobile devices, many major online publishers are increasing their focus on driving traffic to the mobile channel, which drives up mobile advertising expenditure.

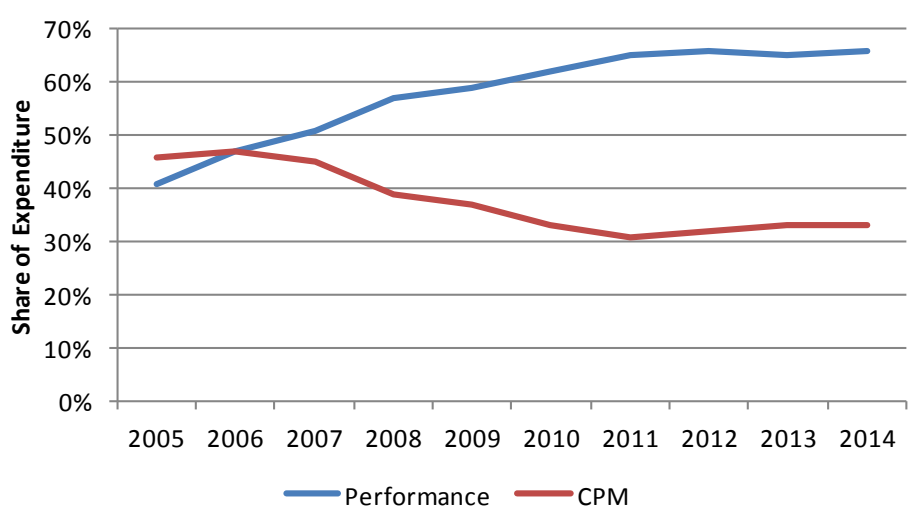
(c) Performance-based online advertising

Online advertising can involve different pricing models for advertisers, which can be broadly categorised into:

- (i) impression-based pricing (such as cost per thousand impressions (**CPM**)), where an advertiser pays based on the number of times that an advertisement is displayed; and
- (ii) performance-based pricing (such as cost per acquisition, cost per click or cost per lead), where advertisers pay for measurable results received from the advertising medium used.

Over recent years, the use of performance-based pricing models for online advertising has grown rapidly at the expense of impression-based pricing, as illustrated in the figure below:

Figure 1: Online Advertising Expenditure by Pricing Model, USA, 2005-2014



Source: Interactive Advertising Bureau (IAB), Advertising Expenditure Report, 2014

3. INDUSTRY OVERVIEW (cont.)

3.4 Retail and e-commerce markets

As well as advertising, digital channels are being used for commerce at a rapidly increasing rate in Asia Pacific. E-commerce can include both services as well as tangible physical goods. More and more brands are now using e-commerce to interact with consumers, often to complement other existing channels such as physical ('bricks and mortar') stores.

(a) Commerce value chain

The typical commerce value chain incorporates four main stages: information, agreement, transaction and delivery. Digital channels can be used at all stages of the value chain, however offline channels can also be used, and a growing number of consumers use both online and offline channels as part of a single commerce process (for example, gathering information online, but then transacting in-store).

This use of a mixture of channels by consumers has led to the emergence of an "omni-channel" business model, i.e. an approach that seeks to provide customers with a seamless commerce experience across both online and offline channels, and is driving many brand owners to invest in platforms that enable an omni-channel experience to be offered to customers.

(b) Size of e-commerce

In 2013, the global value of retail e-commerce sales was estimated at \$1,233 billion, with an estimated \$345 billion attributable to Asia Pacific. In Singapore, e-commerce sales were estimated at \$2.7 billion in 2014.

Asia Pacific also has the highest number of individual online buyers, estimated at 460 million in 2013 (less than 15% of the population, compared to Europe (49%) and North America (almost 60%)).

(c) Market drivers for e-commerce

As well as the general factors which are stimulating digital engagement by consumers, the following more specific factors are also encouraging take-up of digital channels as part of the commerce process, particularly in Asia Pacific:

- (i) increased cross-border e-commerce;
- (ii) innovation in delivery services; and
- (iii) innovation in payment processes.

3.5 Opportunities for the Group

The recent growth of online advertising markets and the size of the e-commerce market present growth opportunities for the digital marketing and e-commerce industries in which the Group operates. In providing brand enablement services to clients, primarily through digital channels, the Group is aiming to benefit from the growing use of digital channels by both consumers and organisations in Asia Pacific.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

4.1 Directors' Profiles

The names and details of the Directors in office at the date of this Prospectus are:

(a) Mr Clive Tan Che Koon – Non-Executive Chairman

Clive Tan was appointed Non-Executive Chairman on 1 September 2015 and is the co-founder of the 8I Group and is based in Singapore.

Mr Tan graduated from the Nanyang Technological University in Mechanical Engineering (Honours) and also studied at University of Technology, Sydney on an academic exchange program. He also holds a Post-Graduate Diploma in Education from the National Institute of Education.

Mr Tan commenced his professional career as a secondary school teacher in Singapore. While teaching, his interest in investing was triggered and he started investing. Soon after, he started his first business (Curious Minds Childcare Pte Ltd) with his wife in taking over a childcare centre, beginning his entrepreneurial journey.

Mr Tan is currently an executive director of 8I Holdings Limited (ASX:8IH).

(b) Mr Hui Jie Lim – Managing Director and Chief Executive Officer

Mr Hui Jie Lim has been involved in various businesses endeavours spanning across Training and Education, Marketing and Advertising, Telecommunications, Retail and Software Development.

Moving into the corporate environment for a period of time, Mr Lim successfully started a new business unit within a multi-national corporation where he successfully grew the unit throughout Asia.

Mr Lim is the co-founder of ShangCommerce Pte Ltd. With the changing environment of the retail industry, Mr Lim's core competencies lie in Offline2Online and Online2Offline technologies to streamline, innovate and disrupt, offering a suite of end to end solutions covering hardware, software and services.

Mr Lim obtained his MBA via the EMBA-Global Asia programme across 3 major financial cities of the world, with the course conducted by Columbia University, London Business School and the University of Hong Kong. He also holds a Bachelor of Business and Commerce (specialising in Management and Marketing) from Monash University (Singapore) where he graduated with the Monash Golden Key Award.

(c) Mr Ivan Ong – Executive Director and Chief Marketing Officer

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 Profits Academy, has helped hundreds of ordinary people embark on this online advertising journey.

(d) Mr Zane Robert Lewis – Non-Executive Director and Compliance Manager

Mr Zane Lewis was appointed Non-Executive Director in 16 October 2015. He is the Compliance Manager in Australia.

Mr Lewis holds a Bachelor of Economics from the University of Western Australia and has over 20 years of corporate advisory in Australia, Europe and the USA. Mr Lewis is a founding director of corporate advisory firm SmallCap Corporate Pty Ltd and has undertaken various corporate advisory roles with ASX and London Stock Exchange (AIM) listed companies as well as unlisted public companies.

Mr Lewis is also Non-Executive Director of the following ASX listed companies: 8I Holdings Limited, APAC Coal Limited, GRP Corporation Limited and Company Secretary at ASX listed companies Lion Energy Limited, APAC Coal Limited and GRP Corporation Limited.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE (cont.)

4.2 Senior Management

Other than the Directors, the Company's other key senior management members are set out below.

(a) Ms Chung Pit Lee – Chief Financial Officer

Ms Chung Pit Lee holds an Honours Degree in Applied Accounting from the University of Oxford Brookes and has over 14 years of finance and accounting experience in Singapore. She is a fellow member of the Association of Chartered Certified Accountants and member of the Institute of Singapore Chartered Accountants.

(b) Mr Denis Koh – Chief Information Officer

Denis graduated with a degree in Mechanical Engineering from Nanyang Technological University, a diploma in Production Engineering from Singapore Polytechnic and has completed an MBA (International Business) at the University of Technology in Sydney, Australia. He started his professional career in logistics with Federal Express and KLM Royal Dutch Airlines and went on to found a consulting company specialising in Microsoft Dynamics. He was previously the retail practice lead for Wincor Nixdorf Asia Pacific with expertise in information technology and supply chain management in the retail industry.

4.3 ASX Corporation Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Recommendations).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at www.digimaticgroup.com.

(a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of the two Executive Directors (one of whom is a significant Shareholder) and two Non-Executive Directors (one of whom the Company considers independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) Identification and management of risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) Remuneration arrangements

The remuneration of any Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as options).

Directors are also entitled to be paid reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

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.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) Securities trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

(h) Diversity policy

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

4. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE (cont.)

(i) Audit and risk

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

(j) External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

4.4 Departures from Recommendations

Following admission to the Official List, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

Principles and Recommendations	Explanation for Departure
2.1 The board of a listed entity should have a nomination committee.	<p>The Company does not comply with Principle 2.1. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.</p> <p>Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.</p>
2.4 Majority of the board of a listed entity should be independent directors	<p>The Board considers that only Mr Zane Lewis is an independent director, notwithstanding he is also a non-executive director of ASX-listed 8I Holdings Limited which will hold up to 9.98% of the Company's issued capital upon commencement of trading (based on Minimum Subscription). The Board does not believe that Mr Lewis' independence is compromised due to the nature of his position as an independent non-executive director of a substantial holder of the Company.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional independent non-executive Directors.</p> <p>The Board considers that in the current phase of its operations, Shareholders are better served by Directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations grow, and may appoint additional independent directors as it deems appropriate.</p> <p>The Board believes that the individuals on the Board can make, and do make, quality and independent judgements in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.</p>

Principles and Recommendations	Explanation for Departure
2.5 The chair of the board of a listed entity should be an independent director.	<p>Mr Tan currently holds the position of Non-Executive Chairman and is also an Executive Director of ASX-listed 8I Holdings Limited which will hold up to 9.98% of the Company's issued capital upon commencement of trading (based on Minimum Subscription). By virtue of his position as an executive director of a substantial holder the Board believes that Mr Tan cannot be considered independent.</p> <p>While the Board considers the importance of independence at the head of the Company, the existing structure is considered appropriate. The Board considers that, at this stage of the Company's development, Mr Tan is able to bring quality and independent judgement to all relevant issues, and the Company benefits from his experience and business relationships.</p>
4.1 The board of a listed entity should have an audit committee of at least three members that are non-executive.	<p>The full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional non-executive Directors to satisfy this recommendation.</p>
7.1 The board of a listed entity should have a risk committee.	<p>The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.</p>
8.1 The board of a listed entity should have a remuneration committee of at least three members, a majority of whom are independent	<p>The Board as a whole performs the function of the Remuneration committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.</p> <p>The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of additional independent non-executive Directors to satisfy this recommendation.</p>

5. FINANCIAL INFORMATION

5.1 Introduction

This Section details the Historical Financial Information and Pro Forma Financial Information of the Company (collectively, the **Financial Information**). The basis for preparation and presentation is detailed below.

The Financial Information was prepared by management and was adopted by the Directors. The Directors are responsible for the inclusion of all Financial Information in this Prospectus. BDO LLP has prepared an Investigating Accountant's Report in respect of the Financial Information. A copy of the report, together with an explanation of the scope of BDO LLP's work, is in Section 6.

The Historical Financial Information and Pro Forma Financial Information has been prepared in accordance with the measurement and recognition criteria (but not the disclosure requirements) of the Singapore Accounting Standards and the significant accounting policies detailed in Appendix 3 of the Investigating Accountant's Report in Section 6. The Historical Financial Information comprises financial information of the Company which has been extracted from the financial statements of the Group Subsidiaries as at the financial year ended 31 March 2015. The Historical and Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with the Australian Accounting Standards and the Corporations Act.

The Historical Financial Information and Pro Forma Financial Information below are based on past performance, and are not a guide to future performance.

Financial statements prepared in future periods will be prepared in accordance with Singapore Accounting Standards, whilst the audits of those financial statements will be conducted in accordance with the Singapore Standards on Auditing.

5.2 Historical Financial Information

The historical financial information for the Company in this Section 5 comprises:

- (a) Notional Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Company for the financial period ended 31 March 2014 and the financial year ended 31 March 2015, based on the audited accounts of the Group Subsidiaries for those financial periods;
 - (b) Notional Consolidated Statement of Financial Position of the Company as at 31 March 2015, based on the audited accounts of the Group Subsidiaries for that financial year; and
 - (c) selected notes to the above information,
- (collectively, the Historical Financial Information).

5.3 Pro forma Financial Position

The pro forma financial information of the Company (following the completion of the Offer) on the following pages comprises:

- (a) the unaudited Pro Forma Consolidated Statement of Financial Position of the Company as at 31 March 2015, which assumes completion of Offer on both a Minimum and Maximum Subscription basis and includes certain other pro forma transactions as detailed in the accompanying notes; and
 - (b) selected notes to the above information,
- (collectively, the **Pro Forma Financial Information**).

5.4 Financial Information

(a) Historical Notional Consolidated Statements of Profit and Loss and Other Comprehensive Income

Summarised below is the Company's Notional Consolidated Statement of Profit and Loss and Other Comprehensive Income for the financial period ended 31 March 2014 and the financial year ended 31 March 2015. The Notional Consolidated Statement of Comprehensive Income illustrates what the financial performance of the Company would have been had it owned the Group Subsidiaries from 24 June 2013.

For the basis of preparation and additional information in relation to the statements detailed below (including the notes to the statements) refer to Appendix 3 of the Investigating Accountant's Report in Section 6.

	Appendix 3 – Investigating Accountant's Report	Notional Actual	Notional Actual
	Note	24.06.2013 to 31.03.2014	01.04.2014 to 31.03.2015
		S\$	S\$
Revenue	6	1,931,731	5,894,707
Other income	7	5,186	603,636
Other items of expenses			
Marketing and distribution expenses		(861,533)	(2,895,132)
Administrative expenses		(532,714)	(2,206,433)
Other operating expenses		(16,749)	(44,973)
Finance costs	8	(20,101)	(71,289)
Profit before income tax	9	505,820	1,280,516
Income tax expenses	10	(39,617)	(131,446)
Profit for the year		466,203	1,149,070
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign currency		(42)	37,139
Other comprehensive (loss)/income, net of tax		(42)	37,139
Total comprehensive income		466,161	1,186,209
Profit attributable to:			
Members of the parent Company		466,203	1,149,070
Total comprehensive income attributable to:			
Members of the parent Company		466,161	1,186,209

5. FINANCIAL INFORMATION (cont.)

(b) Historical and Pro Forma Statement of Financial Position

The Pro Forma Statement of Financial Position detailed below (in both Singaporean and Australian dollars) has been prepared to illustrate the effect of the Offer and assumes completion of certain other pro forma transactions as if they had occurred on 31 March 2015.

Presented in S\$

		A\$12.0 million Raised	A\$16.0 million Raised
	Notional Actual	Notional Pro Forma Consolidated	Notional Pro Forma Consolidated
	31.03.2015	as at 31.03.2015	as at 31.03.2015
	S\$	S\$	S\$
ASSETS			
Non-current assets			
Plant and equipment	48,362	48,362	48,362
Intangible assets	1,024,435	1,024,435	1,024,435
Total non-current assets	1,072,797	1,072,797	1,072,797
Current assets			
Cash and cash equivalents	1,573,268	12,082,412	16,119,698
Inventories	30,610	30,610	30,610
Trade and other receivables	658,704	658,704	658,704
Total current assets	2,262,582	12,771,726	16,809,012
TOTAL ASSETS	3,335,379	13,844,523	17,881,809
EQUITY AND LIABILITIES			
Equity			
Contributed equity	2,054,017	13,345,598	17,384,262
Accumulated losses	(526,405)	(1,308,842)	(1,310,220)
Total equity	1,527,612	12,036,756	16,074,042
Current liabilities			
Trade and other payables	1,459,683	1,459,683	1,459,683
Provision for taxation	172,324	172,324	172,324
Total current liabilities	1,632,007	1,632,007	1,632,007
Non-current liabilities			
Deferred tax liabilities	175,760	175,760	175,760
TOTAL LIABILITIES	1,807,767	1,807,767	1,807,767
TOTAL EQUITY AND LIABILITIES	3,335,379	13,844,523	17,881,809

Presented in A\$

		A\$12.0 million Raised	A\$16.0 million Raised
	Notional Actual	Notional Pro Forma Consolidated	Notional Pro Forma Consolidated
	31.03.2015	as at 31.03.2015	as at 31.03.2015
	S\$	A\$	A\$
ASSETS			
Non-current assets			
Plant and equipment	48,362	47,897	47,897
Intangible assets	1,024,435	1,014,593	1,014,593
Total non-current assets	1,072,797	1,062,490	1,062,490
Current assets			
Cash and cash equivalents	1,573,268	11,966,339	15,964,840
Inventories	30,610	30,316	30,316
Trade and other receivables	658,704	652,376	652,376
Total current assets	2,262,582	12,649,031	16,647,532
TOTAL ASSETS	3,335,379	13,711,521	17,710,022
EQUITY AND LIABILITIES			
Equity			
Contributed equity	2,054,017	13,217,389	17,217,255
Accumulated losses	(526,405)	(1,296,268)	(1,297,633)
Total equity	1,527,612	11,921,121	15,919,622
Current liabilities			
Trade and other payables	1,459,683	1,445,660	1,445,660
Provision for taxation	172,324	170,669	170,669
Total current liabilities	1,632,007	1,616,329	1,616,329
Non-current liabilities			
Deferred tax liabilities	175,760	174,071	174,071
TOTAL LIABILITIES	1,807,767	1,790,400	1,790,400
TOTAL EQUITY AND LIABILITIES	3,335,379	13,711,521	17,710,022

(c) **Preparation of the Notional Consolidated Pro Forma Statements of Financial Position**

The Notional Consolidated Pro Forma Statement of Financial Position has been prepared to demonstrate the impact of the capital raising pursuant to this Prospectus of A\$12,000,000 and A\$16,000,000 respectively.

The 31 March 2015 Notional Consolidated Statement of Financial Position of the Company has been adjusted to reflect the impact of the following proposed transactions or transactions which have taken place subsequent to 31 March 2015:

- (i) as part of the pre-Offer restructure of the Group (refer to Section 2.3), in consideration for the acquisition of the Group Subsidiaries, the Company issued 522,754,000 Shares to the vendor shareholders of the Group Subsidiaries;

5. FINANCIAL INFORMATION (cont.)

- (ii) the issue of 37,500,000 Shares at A\$0.0001 per Share upon exercise of options to raise A\$3,750;
- (iii) the issue pursuant to this Prospectus of:
 - (A) 60,000,000 Shares at A\$0.20 per Share, raising A\$12,000,000; and
 - (B) 80,000,000 Shares at A\$0.20 per Share, raising A\$16,000,000.
- (iv) the entry into a loan agreement with a facility of S\$1,000,000 of which S\$250,000 has been drawn down as at the date of this Prospectus (see Section 9.1(f));
- (v) the estimated costs of the Offer of:
 - (A) (minimum subscription) A\$1,595,541 of which A\$541,700 was expensed through the income statement and A\$1,053,841 was set off against the issued share capital;
 - (B) (maximum subscription) A\$1,597,040, of which A\$543,065 was expensed through the income statement and S\$1,053,975 was set off against the issued share capital; and
- (vi) an applied exchange rate of A\$1.00 to S\$1.0097 (extracted from Monetary Authority Singapore as at 31 August 2015).

(d) Cash and cash equivalents adjustments to the Notional Consolidated Pro Forma Statements of Financial Position

- (i) A\$12.0 million raised pursuant to the Offer

	Notional Pro Forma Consolidated	Notional Pro Forma Consolidated
	31.03.2015	31.03.2015
	S\$	A\$
Cash at bank and on hand	12,082,412	11,996,339
The movements in cash and cash equivalents are as follows:		
Actual – Digimatic 31 March 2015	1,573,268	1,558,154
Share options exercised on 31 July 2015	3,762	3,726
Issue of shares pursuant to prospectus (assume 60 million shares issued at A\$0.20 each)	12,116,400	12,000,000
Costs of the offer	(1,611,018)	(1,595,541)
	12,082,412	11,966,339

- (ii) A\$16.0 million raised pursuant to the Offer

	Notional Pro Forma Consolidated	Notional Pro Forma Consolidated
	31.03.2015	31.03.2015
	S\$	A\$
Cash at bank and on hand	16,119,698	15,964,839
The movements in cash and cash equivalents are as follows:		
Actual – Digimatic 31 March 2015	1,573,268	1,558,154
Share options exercised on 31 July 2015	3,762	3,726
Issue of shares pursuant to prospectus (assume 80 million shares issued at A\$0.20 each)	16,155,200	16,000,000
Costs of the offer	(1,612,532)	(1,597,041)
	16,119,698	15,964,839

(e) Issued capital adjustments to the Notional Consolidated Pro Forma Statements of Financial Position

(i) A\$12.0 million raised pursuant to the Offer

	Notional Actual	Notional Pro Forma Consolidated	Notional Pro Forma Consolidated
	31.03.2015	31.03.2015	31.03.2015
	No. of Shares	S\$	A\$

Ordinary issued and paid up share capital:

Initial shares on issues	43,410,000	179,728	178,001
Share issued to vendor shareholders - fair value of acquisition	522,754,000	1,874,289	1,856,283
Share options exercised on 31 July 2015	37,500,000	239,245	236,947
Share issued pursuant to current prospectus (assume 60 million shares issued at A\$0.20 each)	60,000,000	12,116,400	12,000,000
Cash costs of the Offer		(1,064,064)	(1,053,842)
	663,664,000	13,345,598	13,217,389

(ii) A\$16.0 million raised pursuant to the Offer

	Notional Actual	Notional Pro Forma Consolidated	Notional Pro Forma Consolidated
	31.03.2015	31.03.2015	31.03.2015
	No. of Shares	S\$	A\$

Ordinary issued and paid up share capital:

Initial shares on issues	43,410,000	179,728	178,000
Share issued to vendor shareholders - fair value of acquisition	522,754,000	1,874,289	1,856,283
Share options exercised on 31 July 2015	37,500,000	239,245	236,947
Share issued pursuant to current prospectus (assume 80 million shares issued at A\$0.20 each)	80,000,000	16,155,200	16,000,000
Cash costs of the Offer		(1,064,200)	(1,053,975)
	683,664,000	17,384,262	17,217,255

6. INVESTIGATING ACCOUNTANT'S REPORT



2 November 2015

The Directors
Digimatic Group Ltd.
82 Ubi Avenue 4
#06-04
Edward Boustead Centre
Singapore 408832

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

BDO LLP ('BDO') has been engaged by Digimatic Group Ltd. ('Digimatic' or 'the Company') to prepare this Investigating Accountant's Report ('Report') to report on certain financial information of Digimatic for inclusion in a Prospectus to be dated on or about 28 October 2015. Broadly, the Prospectus will offer up to 80,000,000 ordinary shares at an issue price of A\$0.20 each to raise up to A\$16,000,000 (Singapore dollar equivalent to S\$16,155,200) before costs ('the Offer'). The Offer is subject to a minimum subscription level of 60,000,000 ordinary shares to raise A\$12,000,000 (Singapore dollar equivalent to S\$12,116,400) before costs. Expressions defined in the Prospectus have the same meaning in this Report.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Background

Digimatic is a public Company which was incorporated in the Republic of Singapore on 3 March 2015 as CPA Digital Media Group Ltd. On 19 May 2015, the Company changed its name to Digimatic Group Ltd. Digimatic is the parent company of the Digimatic Group of companies, the earliest of which was founded in June 2013. All three of the 100% controlled companies of Digimatic are incorporated in Singapore.

The controlled companies of Digimatic are;

- (a) Digimatic Media Private Limited (formerly known as CPA Academy Pte. Ltd.) - an education business focusing on the provision of 'cost-per-action' (CPA) marketing seminars and workshops in Singapore;
- (b) ShangCommerce Pte. Ltd. (formerly known as Shang Market Pte. Ltd.) - a technology business focusing on assisting traditional small-to-medium enterprises move their brick-and-mortar businesses online; and
- (c) Wewe Media Group Pte. Ltd. - an internet advertising business focusing on the provision of lead generation and client acquisition services.



The Group's strategic objective is to deliver long-term returns, revenue growth and profitability to shareholders. Further information about Digimatic Group and its future plans can be found in section 2 of the Prospectus.

Digimatic's proposed capital structure following completion of the transaction based on a maximum Capital Raising of A\$16,000,000 (Singapore dollar equivalents to of S\$16,155,200) and a minimum Capital Raising of A\$12,000,000 (Singapore dollar equivalents to of S\$12,116,400) is as follows:

Maximum subscription

Initial shares on issue	43,410,000
Shares issued to vendor shareholders - fair value of acquisition	522,754,000
Share options exercised on 31 July 2015	37,500,000
Shares issued pursuant to the current prospectus (80,000,000 shares issued at A\$0.20 each)	80,000,000
Total shares on issue at completion of the offer	683,664,000

Minimum subscription

Initial shares on issue	43,410,000
Shares issued to vendor shareholders - fair value of acquisition	522,754,000
Share options exercised on 31 July 2015	37,500,000
Shares issued pursuant to the current prospectus (60,000,000 shares issued at A\$0.20 each)	60,000,000
Total shares on issue at completion of the offer	663,664,000

3. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Singapore Financial Reporting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Singapore Companies Act, Cap 50.

You have requested BDO to review the following historical financial information (together the 'Historical Financial Information') of Digimatic included in the Prospectus:

- the historical Notional Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period from 24 June 2013 to 31 March 2014 and the year ended 31 March 2015; and
- the historical Notional Consolidated Statement of Financial Position as at 31 March 2015.

The Historical Financial Information presented has been notionally consolidated for the financial period from 24 June 2013 to 31 March 2014 and the financial year ended and as at 31 March 2015 because Digimatic did not acquire the Digimatic Group of companies until after that date. The acquisition by Digimatic of the Digimatic Group did not result in a substantive change to the operations of the Digimatic Group or its assets and liabilities. Hence the presentation of notionally consolidated financial information reflects the historical financial performance and financial position of Digimatic and its newly acquired subsidiaries.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Singapore Financial

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)



Reporting Standards and the Company's adopted accounting policies. The Historical Financial Information has been extracted from the financial reports of:

- (a) Digimatic Media Private Limited (formerly known as CPA Academy Pte. Ltd.) for the period from 1 July 2013 to 31 March 2014 and the year ended 31 March 2015 which was audited by Kong, Lim & Partners LLP, Public Accountants and Chartered Accountants, Singapore in accordance with Singapore Standards of Auditing. Kong, Lim & Partners LLP, Public Accountants and Chartered Accountants, Singapore issued an unmodified audit opinion on the financial report.
- (b) ShangCommerce Pte. Ltd. (formerly known as Shang Market Pte. Ltd.) for the period from 24 June 2013 to 31 March 2014 and the year ended 31 March 2015 which was audited by Kong, Lim & Partners LLP, Public Accountants and Chartered Accountants, Singapore in accordance with Singapore Standards of Auditing. Kong, Lim & Partners LLP, Public Accountants and Chartered Accountants, Singapore issued an unmodified audit opinion on the financial report.
- (c) Wewe Media Group Pte. Ltd. for the period from 1 August 2013 to 31 March 2014 and the year ended 31 March 2015, which was audited by Kong, Lim & Partners LLP, Public Accountants and Chartered Accountants, Singapore in accordance with Singapore Standards of Auditing. Kong, Lim & Partners LLP, Public Accountants and Chartered Accountants, Singapore issued an unmodified audit opinion on the financial report.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of Digimatic included in the Prospectus:

- the historical Notional Pro Forma Consolidated Statement of Financial Position as at 31 March 2015.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Digimatic, after adjusting for the effects of the subsequent events described in Section 7 of this Report and the pro forma adjustments described in Note 5, Appendix 3 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Singapore Financial Reporting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Note 5, Appendix 3 of this Report, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Digimatic to illustrate the impact of the event(s) or transaction(s) described in Section 7 and Note 5, Appendix 3 of the Report on Digimatic's financial position as at 31 March 2015. As part of this process, information about Digimatic's financial position has been extracted by Digimatic from the financial statements for the year ended 31 March 2015.

Please refer to Appendix 3 Note 3.1 for details of the Business Combination accounting.

4. Directors' responsibility

The Directors of Digimatic are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal

3



controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

5. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with Singapore Standard on Review Engagements SSRE 2400 *Engagement to Review Historical Financial Statements*. We have also considered the requirements of Singapore Standard on Assurance Engagements SSAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Singapore Financial Reporting Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

6. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the historical Notional Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period from 24 June 2013 to 31 March 2014 and the year ended 31 March 2015; and
 - the historical Notional Consolidated Statement of Financial Position as at 31 March 2015,
- is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 3 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the historical Notional Pro Forma Consolidated Statement of Financial Position of Digimatic as at 31 March 2015,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 3 of this Report.

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)



7. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 March 2015:

- On 25 May 2015, the Company granted share options to various option holders to subscribe up to 37,500,000 ordinary shares of the Company at A\$0.0001 per option share. The options are valid for five months from the date of grant.

Subsequently on 31 July 2015, the entire share options granted have been fully exercised in cash for A\$3,750 (Singapore dollar equivalents to S\$3,762).

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Digimatic not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

8. Assumptions Adopted in Compiling the Notional Pro Forma Consolidated Statement of Financial Position

The historical Notional Pro Forma Consolidated Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 March 2015, the subsequent events set out in Section 7, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 80,000,000 ordinary shares at an offer price of A\$0.20 each to raise A\$16,000,000 (Singapore dollar equivalent to of S\$16,155,200) before costs based on a maximum subscription, or the issue of 60,000,000 ordinary shares at an offer price of A\$0.20 each to raise A\$12,000,000 (Singapore dollar equivalent to of S\$12,116,400) before costs based on a minimum subscription, pursuant to the Prospectus; and
- Cost of the Offer are estimated to be S\$1,612,532, of which S\$548,332 was expensed through the income statement and S\$1,064,200 was set off against the issued share capital based on the maximum subscription; or S\$1,611,018, of which S\$546,954 was expensed through the income statement and S\$1,064,064 was set off against the issued share capital based on the minimum subscription.

9. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.



10. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 3 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO LLP
Public Accountants and
Chartered Accountants

A handwritten signature in blue ink that reads 'BDO LLP'.

Singapore

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

Appendix 1

NOTIONAL CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Summarised below is the Digimatic Group Ltd.'s (the "Company") notional consolidated statement of profit or loss and other comprehensive income for the financial period from 24 June 2013 to 31 March 2014 and financial year ended 31 March 2015. The notional consolidated statement of comprehensive income illustrates what the financial performance of the Company would have been had it owned Digimatic Media Private Limited (formerly known as CPA Academy Pte. Ltd.), ShangCommerce Pte. Ltd. (formerly known as Shang Market Pte. Ltd.) and Wewe Media Group Pte. Ltd. (the "Group") from 24 June 2013.

		Notional Actual	
		24.06.2013 to 31.03.2014 S\$	01.04.2014 to 31.03.2015 S\$
	Note		
Revenue	6	1,931,731	5,894,707
Other income	7	5,186	603,636
Other items of expenses			
Marketing and distribution expenses		(861,533)	(2,895,132)
Administrative expenses		(532,714)	(2,206,433)
Other operating expenses		(16,749)	(44,973)
Finance costs	8	(20,101)	(71,289)
Profit before income tax	9	505,820	1,280,516
Income tax expenses	10	(39,617)	(131,446)
Profit for the year		466,203	1,149,070
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign currency		(42)	37,139
Other comprehensive (loss)/income, net of tax		(42)	37,139
Total comprehensive income		466,161	1,186,209
Profit attributable to:			
Members of the parent Company		466,203	1,149,070
Total comprehensive income attributable to:			
Members of the parent Company		466,161	1,186,209

To be read in conjunction with the accounting policies set out in Appendix 3

NOTIONAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Notional Actual 31.03.2015 S\$	Notional Pro Forma Minimum Subscription of A\$12,000,000 31.03.2015 S\$	Notional Pro Forma Maximum Subscription of A\$16,000,000 31.03.2015 S\$
ASSETS				
Non-current assets				
Plant and equipment	12	48,362	48,362	48,362
Intangible assets	13	1,024,435	1,024,435	1,024,435
Total non-current assets		1,072,797	1,072,797	1,072,797
Current assets				
Cash and cash equivalents	15	1,573,268	12,082,412	16,119,698
Inventories	16	30,610	30,610	30,610
Trade and other receivables	17	658,704	658,704	658,704
Total current assets		2,262,582	12,771,726	16,809,012
TOTAL ASSETS		3,335,379	13,844,523	17,881,809
EQUITY AND LIABILITIES				
Equity				
Contributed equity	18	2,054,017	13,345,598	17,384,262
Accumulated losses	19	(526,405)	(1,308,842)	(1,310,220)
Total equity		1,527,612	12,036,756	16,074,042
Current liabilities				
Trade and other payables	20	1,459,683	1,459,683	1,459,683
Provision for taxation		172,324	172,324	172,324
Total current liabilities		1,632,007	1,632,007	1,632,007
Non-current liabilities				
Deferred tax liabilities	21	175,760	175,760	175,760
TOTAL LIABILITIES		1,807,767	1,807,767	1,807,767
TOTAL EQUITY AND LIABILITIES		3,335,379	13,844,523	17,881,809

To be read in conjunction with the accounting policies set out in Appendix 3

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

Appendix 3

NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. General corporate information

1.1 Domicile and activities

The Company was incorporated in the Republic of Singapore on 3 March 2015 as CPA Digital Media Group Ltd under the Singapore Companies Act, Chapter 50 (the "Act") as a public company limited by shares. The Company's name was changed to Digimatic Group Ltd. on 19 May 2015.

The address of the Company's registered office (and as of 1 November 2015 the principal place of business) is 82 UBI Avenue 4, #06-04, Edward Boustead Centre, Singapore 408832 and the principal place of business is UB. ONE, 81 Ubi Avenue 4, #02-17, Singapore 408830.

The Company is the holding company of the Group whose principal activities are those of internet advertising, conducting internet advertising seminars and provision of e-commerce services.

1.2 Restructuring exercise

I. Incorporation of the Company

The Company was incorporated in the Republic of Singapore on 3 March 2015 as a public company limited by shares and designated as the listing vehicle of Digimatic Media Private Limited (formerly known as CPA Academy Pte. Ltd.) ("CPA").

II. Acquisition of CPA and subsequent acquisition of businesses by the Company

- (1) The Company acquired 100% interest in the share capital of CPA with the issuance of 434,100,000 new shares pursuant to a share swap agreement dated 23 May 2015. Accordingly, this acquisition does not meet the definition of a business under FRS 103 *Business Combination*, as the Company was incorporated as the listing vehicle and therefore did not represent a business, while CPA had all of the inputs, processes and outputs to constitute a business.
- (2) The Company further issued 80,254,000 new shares pursuant to another share swap agreement dated 29 May 2015 to acquire 100% interest in the share capital of ShangCommerce Pte. Ltd. (formerly known as Shang Market Pte. Ltd). This transaction falls within the definition of business combination under FRS 103 *Business Combination*.
- (3) The Company further issued 8,400,000 new shares pursuant to a further share swap agreement dated 20 July 2015 to acquire 100% interest in the share capital of Weve Media Group Pte. Ltd. This transaction falls within the definition of business combination under FRS 103 *Business Combination*.

2. Basis of preparation

The notional financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each subsidiary are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The notional consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("S\$") which is the functional currency of the Company and the presentation currency for the notional consolidated financial statements.

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. Basis of preparation (Continued)

The preparation of notional financial statements in compliance with FRS requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the notional financial statements are disclosed in Note 3.

In the current financial period, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial period. The adoption of these new/revised FRS and INT FRS did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the, except as detailed below:

FRS 110 Consolidated Financial Statements and FRS 27 (Revised) Separate Financial Statements

FRS 110 introduces a single new control model, as the basis for determining which entities are consolidated in the Group's financial statements. Under FRS 110, control exists when the Group has:

- power over an investee;
- exposure, or rights, to variable returns from the investee; and
- the ability to use its power over an investee to affect the Group's returns from the investee.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 prescribes comprehensive disclosure requirements for all types of interests in other entities. It requires an entity to disclose information that helps users to assess the nature and financial effects of relationships with subsidiaries, associates, joint arrangements and unconsolidated structured entities. As the new standard affects only disclosure, there is no effect on the Group's financial position or performance.

FRS 113 Fair Value Measurement

FRS 113 provides a single source of guidance on fair value measurement and fair value disclosure requirements when fair value measurement and/or disclosure is required by other FRSs. It also provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope.

The adoption of FRS 113 does not have any material impact on any of the Group's fair value measurements, therefore there has been no material impact on the financial position or financial performance of the Group. The Group has included the additional required disclosures in the financial statements.

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

Appendix 3

NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective

At the date of authorisation of these statements, the following FRS and INT FRS that may be relevant to the Group were issued but not yet effective:

		Effective date (annual years beginning on or after)
FRS 16 and FRS 38 (Amendments)	: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
FRS 27 (Amendments)	: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
FRS 109	: <i>Financial Instruments</i>	1 January 2018
FRS 110 and FRS 28 (Amendments)	: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
FRS 115	: <i>Revenue from Contracts with Customers</i>	1 January 2017
Improvements to FRSs (January 2014)		
- FRS 16 (Amendments)	: <i>Property, Plant and Equipment</i>	1 July 2014
- FRS 24 (Amendments)	: <i>Related Party Disclosures</i>	1 July 2014
- FRS 103 (Amendments)	: <i>Business Combinations</i>	1 July 2014
- FRS 103 (Amendments)	: <i>Business Combinations</i>	1 July 2014
Improvements to FRSs (November 2014)		
- FRS 107 (Amendments)	: <i>Financial Instruments: Disclosures</i>	1 January 2016

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group and the Company expect that the adoption of the above FRS and INT FRS in future years, if applicable, will have no material impact on the financial statements of the Group and the Company in the year of initial adoption, except as discussed below.

FRS 109 Financial Instruments

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments - fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

FRS 109 Financial Instruments (Continued)

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

FRS 115 Revenue from Contracts with Customers

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

3. Summary of significant accounting policies

3.1 Basis of consolidation

The notional financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

Appendix 3

NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. Summary of significant accounting policies (Continued)

3.1 Basis of consolidation (Continued)

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value, of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Restructuring exercise described in Note 1.2, Section II (1)

The notional financial statements of CPA for the financial period from 24 June 2013 to 31 March 2014 and financial year ended 31 March 2015 for the restructuring exercise as described in Note 1.2, Section II (1) were prepared using the continuation accounting principles as if the CPA businesses had been operating under the Company as a single economic enterprise from the beginning of the earliest comparative period covered or the dates of commencement of the businesses. The assets and liabilities are brought into the combined financial statements at their existing carrying amounts.

Restructuring exercise described in Note 1.2, Section II (2) and (3)

The acquisitions of subsidiaries ShangCommerce Pte. Ltd. and Wewe Media Group Pte.Ltd. are accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is remeasured subsequently to fair value through profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date.

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. Summary of significant accounting policies (Continued)

3.1 Basis of consolidation (Continued)

Restructuring exercise described in Note 1.2, Section II (2) and (3) (Continued)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3.2 Intangible assets

Brand name

Brand name was acquired through business combinations, and measured at fair value as at the date of acquisition. Subsequently, brand name is carried at cost less accumulate impairment losses, if any. Brand name has indefinite economic useful life as there is no expiry date, and it is expected to generate cash flow throughout the Company's lifetime.

Brand name is assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Source code

Source code was acquired through business combinations, and measured at fair value as at the date of acquisition. Subsequently, source code is carried at cost less accumulate impairment losses, if any. Source code has indefinite economic useful life as there is no expiry date, and it is expected to generate cash flow throughout the Company's lifetime.

Source code is assessed for impairment whenever there is an indication that the intangible asset may be impaired.

3.3 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is presented net of estimated customer returns, other similar allowances and sales related taxes.

Rendering of service

Revenue from rendering of services is recognised over the period the services are performed.

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

Appendix 3

NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. Summary of significant accounting policies (Continued)

3.3 Revenue recognition (Continued)

Programme fees

Programme fees are recognised over the period of programme. Amounts of fees relating to future periods are included in unearned revenue.

Commission income

Commission income is recognised when the corresponding service is provided.

3.4 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial period. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other s and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial .

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the notional financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial period.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. Summary of significant accounting policies (Continued)

3.4 Taxes (Continued)

Deferred tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

Good and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Inland Revenue Authority of Singapore (IRAS).

3.5 Foreign currency transactions and translations

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of financial period, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting the notional consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign exchange reserve.

On disposal of a foreign operation, the accumulated foreign exchange reserve relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

Appendix 3

NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. Summary of significant accounting policies (Continued)

3.6 Plant and equipment

All items of plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure on an item of plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

Plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

	Years
Furniture and fittings	1 - 5 years
Computers and software	1 - 3 years
Office equipment	3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial period.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

3.7 Impairment of non-financial assets

At the end of the financial period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. Summary of significant accounting policies (Continued)

3.7 Impairment of non-financial assets (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.8 Share options

The Company has issued share options prior to the listing. The fair value of the options granted is recognised as an expense through the income statement with a corresponding increase in equity. The fair value is measured at the grant date and spread over the vesting period during which the holder becomes unconditionally entitled to the options. The fair value of the options granted is measured using relevant valuation methodology, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant holders become fully entitled to the award ("vesting date"). The amount recognised as an expense is subsequently adjusted to reflect the actual number that vest.

3.9 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

All financial assets are initially recognised at fair value, plus transaction costs.

Loans and receivables

Non-derivative financial assets which have fixed or determinable payments which are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's loans and receivables in the statements of financial position comprise trade and other receivables, and cash and bank balances.

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

Appendix 3

NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. Summary of significant accounting policies (Continued)

3.9 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of financial period. Financial assets are impaired where there is objective evidence that the estimated future cash flows of the assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly, with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

Financial liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. Summary of significant accounting policies (Continued)

3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials, and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.11 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand, demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

3.13 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial period in which they are declared payable. Final dividends are recorded in the financial period in which dividends are approved by shareholders.

3.14 Leases

Operating leases

Rentals payable under operating leases (net of any incentives received from lessors) are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. Summary of significant accounting policies (Continued)

3.15 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the law of the country in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 3, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

4.1 Critical judgements in applying the entity's accounting policies

The management is of the opinion that there is no critical judgement (other than those involving estimates) that has a significant effect on the amounts recognised in the notional financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of loans and receivables

The Group assesses at the end of each reporting year whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's receivable at the end of the reporting year is disclosed in Note 17 to the financial statements.

5. The preparation of the notional consolidated pro-forma statement of financial position

As at 31 March 2015 the notional consolidated Statement of Financial Position of Digimatic Group has been adjusted to reflect the impact of the following proposed transactions or transactions which have taken place subsequent to 31 March 2015:

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. The preparation of the notional consolidated pro-forma statement of financial position (Continued)

- 5.1 The issue pursuant to this Prospectus of up to 80,000,000 ordinary shares at an issue price of A\$0.20 each to raise A\$16,000,000 (Singapore dollar equivalent to S\$16,155,200) before costs based on a maximum subscription, or 60,000,000 ordinary shares to raise A\$12,000,000 (Singapore dollar equivalent to S\$12,116,400) before costs based on a minimum subscription;
- 5.2 37,500,000 share options were exercised on 31 July 2015 for a cash consideration of S\$3,762; and
- 5.3 Costs of the Offer are estimated to be S\$1,612,532, of which S\$548,332 was expensed through the income statement and S\$1,064,200 was set off against the issued share capital based on the maximum subscription; or S\$1,611,018, of which S\$546,954 was expensed through the income statement and S\$1,064,064 was set off against the issued share capital based on the minimum subscription.

6. Revenue

	Notional Actual	
	24.06.2013 to 31.03.2014 S\$	01.04.2014 to 31.03.2015 S\$
Commission	950,305	3,414,496
Service income	-	666,710
Programme fees	981,426	1,813,501
	<u>1,931,731</u>	<u>5,894,707</u>

7. Other income

	Notional Actual	
	24.06.2013 to 31.03.2014 S\$	01.04.2014 to 31.03.2015 S\$
Tax credit from IRAS	186	72,229
Charity donation received	-	10,000
Students deposit forfeited	4,990	-
Others	10	1,407
Waiver of loan from shareholders	-	520,000
	<u>5,186</u>	<u>603,636</u>

Waiver of loan from shareholders pertains to a loan of S\$520,000 extended to ShangCommerce by shareholders and subsequently waived in June 2015 in consideration for receipt of Digimatic Shares as part of ShangCommerce share swap agreement.

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

8. Finance costs

	Notional 24.06.2013 to 31.03.2014 S\$	Actual 01.04.2014 to 31.03.2015 S\$
Bank charges	20,101	71,289

9. Profits before tax

In addition to the charges and credits disclosed elsewhere in the notes to the notional financial statement, the above includes the following charges:

	Notional 24.06.2013 to 31.03.2014 S\$	Actual 01.04.2014 to 31.03.2015 S\$
Commission	239,721	740,281
Depreciation	7,245	25,866
Employee benefits expenses (including directors)		
- salaries, bonus and other benefits	142,194	764,875
- defined contribution plans	11,593	116,940
Seminar expenses	42,349	138,110
Professional fees	29,747	56,110
Rental expenses	14,500	83,500
Speaker's fee	15,000	92,205

10. Income tax expense

	Notional 24.06.2013 to 31.03.2014 S\$	Actual 01.04.2014 to 31.03.2015 S\$
Current income tax		
- current financial period	37,033	132,548
Deferred tax		
- current financial period	2,584	(1,102)
Total income tax expenses recognised in profit or loss	39,617	131,446

NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

10. Income tax expense (Continued)

Reconciliation of effective income tax rate

Profit before income tax	505,820	1,280,516
Income tax calculated at Singapore's statutory income tax rate of 17%	85,989	217,688
Tax effect of non-deductible expenses for income tax purposes	959	201
Tax effect for income not subject to income tax	(3,650)	(20,054)
Deferred tax assets not recognised	10,429	14,755
Tax exemption	(34,000)	(75,232)
Enhance tax deduction	(20,110)	(3,949)
Utilisation of capital allowance	-	(1,963)
	<u>39,617</u>	<u>131,446</u>

At the end of the reporting period, the Group has unutilised tax losses of approximately S\$159,743 (2014: S\$72,949) respectively, that are available for offset against future taxable profits of the Group in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provision of the tax legislation.

11. Key management personnel compensation

The totals of remuneration paid to key management personnel (KMP) of the Group during the year are as follows:

	Notional Actual 24.06.2013 to 31.03.2014 S\$	01.04.2014 to 31.03.2015 S\$
Directors' salaries	14,983	25,595
Director's fee	40,000	59,806
Pension costs - defined contribution plan	2,398	15,880
Commission	-	256,743
	<u>57,381</u>	<u>358,024</u>

12. Plant and equipment

	Notional Actual as at 31.03.2015 S\$	Notional Pro Forma as at 31.03.2015 Minimum Subscription of A\$12,000,000 S\$	Notional Pro Forma as at 31.03.2015 Maximum Subscription of A\$16,000,000 S\$
Plant and equipment			
At cost	81,818	81,818	81,818
Accumulated depreciation	(33,456)	(33,456)	(33,456)
Carrying amount	<u>48,362</u>	<u>48,362</u>	<u>48,362</u>

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12. Plant and equipment (Continued)

	Computers and software S\$	Furniture and fittings S\$	Office equipment S\$	Total S\$
Cost				
Balance at 1 April 2014	26,020	9,148	5,786	40,954
Additions during the year	38,762	334	674	39,770
Exchange difference	1,052	42	-	1,094
Balance at 31 March 2015	65,834	9,524	6,460	81,818
Accumulated depreciation				
Balance at 1 April 2014	3,431	1,403	2,411	7,245
Depreciation for the year	18,969	3,072	3,825	25,866
Exchange difference	335	10	-	345
Balance at 31 March 2015	22,735	4,485	6,236	33,456
Net carrying amount				
Balance at 31 March 2015	43,099	5,039	224	48,362

13. Intangible assets

	Notional Actual as at 31.03.2015 S\$	Notional Pro Forma as at 31.03.2015 Minimum Subscription of A\$12,000,000 S\$	Notional Pro Forma as at 31.03.2015 Maximum Subscription of A\$16,000,000 S\$
At fair value	1,024,435	1,024,435	1,024,435
Accumulated amortisation	-	-	-
Carrying amount	1,024,435	1,024,435	1,024,435
	Brand name S\$	Source code S\$	Total S\$
Cost			
Balance at 1 April 2014	-	-	-
Additions during the year	541,116	483,319	1,024,435
Balance at 31 March 2015	541,116	483,319	1,024,435
Accumulated amortisation			
Balance at 1 April 2014 and 31 March 2015	-	-	-
Net carrying amount			
Balance at 31 March 2015	541,116	483,319	1,024,435

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

14. Controlled entities

	Country of Incorporation	Percentage Owned (%)*	
		Notional Actual	Notional Pro Forma
Digimatic Media Private Limited ⁽¹⁾	Singapore	-	100%
ShangCommerce Pte. Ltd. ⁽²⁾	Singapore	-	100%
Wewe Media Group Pte. Ltd. ⁽³⁾	Singapore	-	100%

* All the subsidiaries are audited by KONG, LIM & PARTNERS LLP, Public Accountants and Chartered Accountants, Singapore, who issued unmodified audit opinions.

⁽¹⁾ As at 23 May 2015, the Company issued 434,100,000 of its ordinary shares to acquire 100% equity interest in Digimatic Media Private Limited (formerly known as CPA Academy Pte. Ltd.), a private limited company incorporated in Singapore. The principal activities of Digimatic Media Private Limited are those of providing training courses, lead generation marketing, and conducting online lead generation for clients.

⁽²⁾ As at 29 May 2015, the Company issued 80,254,000 of its ordinary shares to acquire 100% equity interest in ShangCommerce Pte. Ltd. (formerly known as Shang Market Pte. Ltd.), a private limited company incorporated in Singapore. The principal activities of ShangCommerce Pte. Ltd. are those providing technology and platforms for brands to initiate e-commerce and online sales.

⁽³⁾ As at 27 August 2015, the Company issued 8,400,000 of its ordinary shares to acquire 100% equity interest in Wewe Media Group Pte. Ltd, a private limited company incorporated in Singapore. The principal activities of Wewe Media Pte. Ltd. are those of internet advertising with the aim to provide clients with lead generation and client acquisition services.

15. Cash and cash equivalents

	Notional Actual 31.03.2015 S\$	Notional Pro Forma 31.03.2015 S\$	Notional Pro Forma 31.03.2015 S\$
		Minimum Subscription of A\$12,000,000	Maximum Subscription of A\$16,000,000
Cash at bank and on hand	1,573,268	12,082,412	16,119,698
The movements in cash and cash equivalents are as follows:			
		S\$	S\$
Actual - Digimatic 31 March 2015		1,573,268	1,573,268
Share options exercised on 31 July 2015		3,762	3,762
Issue of shares pursuant to the Prospectus		12,116,400	16,155,200
Cash costs of the Offer		(1,611,018)	(1,612,532)
		12,082,412	16,119,698

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

16. Inventories

	Notional Actual 31.03.2015 S\$	Notional Actual 31.03.2015 S\$ Minimum Subscription of A\$12,000,000	Notional Pro Forma 31.03.2015 S\$ Maximum Subscription of A\$16,000,000
Merchandise stated at the lower of cost and/or net realisable value	30,610	30,610	30,610

17. Trade and other receivables

	Notional Actual 31.03.2015 S\$	Notional Pro Forma 31.03.2015 S\$ Minimum Subscription of A\$12,000,000	Notional Pro Forma 31.03.2015 S\$ Maximum Subscription of A\$16,000,000
Trade receivables			
- Billed	320,254	320,254	320,254
- Unbilled	237,643	237,643	237,643
	557,897	557,897	557,897
Other receivables			
- Deposits	25,750	25,750	25,750
- Prepayments	54,074	54,074	54,074
- Other receivables	20,983	20,983	20,983
	100,807	100,807	100,807
	658,704	658,704	658,704

Subject to the necessary resolution being passed, dividends amounting to S\$535,182 was declared by Wewe Media on 31 March 2015 to the then sole shareholder of Wewe Media, Mr Aaron Tan. The dividend amount was offset against a sum of S\$334,779 which is due from Mr Tan to Wewe Media as at 31 March 2015. The remaining amount of S\$200,403 will be settled in cash following completion of the Offer.

Trade receivables are non-interest bearing and are generally at terms agreed between the parties. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Unbilled trade receivables refer to the revenue that has been recognised but not yet billed to customers.

NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

18. Contributed equity

	Notional Actual	Notional Pro Forma Minimum Subscription of A\$12,000,000	Notional Pro Forma Maximum Subscription of A\$16,000,000
	31.03.2015	31.03.2015	31.03.2015
	S\$	S\$	S\$
<i>Issued and fully paid</i>			
Ordinary shares fully paid	2,054,017	13,345,598	17,384,262
			Notional Actual
			31.03.2015
			S\$
Ordinary shares			
At the beginning of the reporting period			200,101
Shares issued during the period			1,853,916
At the end of the reporting period			2,054,017

Movement during the period

	Notional Pro Forma Minimum Subscription of A\$12,000,000		Maximum Subscription of A\$16,000,000	
	31.03.2015		31.03.2015	
	No. of Shares	S\$	No. of Shares	S\$
Ordinary issued and paid up share capital				
Initial shares on issue	43,410,000	179,728	43,410,000	179,728
Shares issued to vendor shareholders - fair value of acquisition	522,754,000	1,874,289	522,754,000	1,874,289
Share options exercised on 31 July 2015	37,500,000	239,245	37,500,000	239,245
Shares issued pursuant to the current prospectus	60,000,000	12,116,400	80,000,000	16,155,200
Cash costs of the Offer	-	(1,064,064)	-	(1,064,200)
	663,664,000	13,345,598	683,664,000	17,384,262

Share options

On 25 May 2015, the Company granted share options to various option holders to subscribe up to 37,500,000 ordinary shares of the Company at A\$0.0001 per option share. The options are valid for five months from the date of grant.

Subsequently on 31 July 2015, the entire share options granted have been fully exercised in cash for A\$3,750 (Singapore dollar equivalents to S\$3,762).

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. Accumulated losses

	Notional Actual	Notional Pro Forma Minimum Subscription of A\$12,000,000 31.03.2015	Notional Pro Forma Maximum Subscription of A\$16,000,000 31.03.2015
	S\$	S\$	S\$
Accumulated losses	(526,405)	(1,308,842)	(1,310,220)
The movements in accumulated losses are as follows:		S\$	S\$
Actual - Digimatic 31 March 2015		(526,405)	(526,405)
Fair value loss of share option exercise		(235,483)	(235,483)
Cash costs of the Offer		(546,954)	(548,332)
		(1,308,842)	(1,310,220)

20. Trade and other payables

	Notional Actual	Notional Pro Forma Minimum Subscription of A\$12,000,000 31.03.2015	Notional Pro Forma Maximum Subscription of A\$16,000,000 31.03.2015
	S\$	S\$	S\$
Trade payables	273,342	273,342	273,342
Other payables			
- Accruals	240,143	240,143	240,143
- Amounts due to related parties	375,000	375,000	375,000
- Amount due to a shareholder (Note 17)	200,403	200,403	200,403
- Other payables	52,524	52,524	52,524
- Unearned revenue	318,271	318,271	318,271
	1,459,683	1,459,683	1,459,683

Included in amounts due to related parties is a loan of S\$250,000 for the purpose of working capital extended to the Company by a corporate shareholder and a loan of S\$125,000 for the purpose of business expansion extended to Digimatic Media Private Limited by a subsidiary of the same corporate shareholder. See Section 9 of the Prospectus for further details.

Unearned revenue represents revenue received from customers but not recognised in the profit or loss due to service yet to be rendered as at the reporting date.

NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21. Deferred tax liabilities

	Notional Actual	Notional Pro Forma Minimum Subscription of A\$12,000,000	Notional Pro Forma Maximum Subscription of A\$16,000,000
	31.03.2015	31.03.2015	31.03.2015
	S\$	S\$	S\$
Balance at beginning of financial period	2,584	2,584	2,584
Exchange translation difference	124	124	124
Credited to profit or loss	(1,102)	(1,102)	(1,102)
Effect of recognition of intangible assets	174,154	174,154	174,154
Balance at end of financial period	175,760	175,760	175,760

Deferred tax liabilities arise as a result of temporary differences of the following computed at statutory income tax rate of 17%:

	Notional Actual	Notional Pro Forma Minimum Subscription of A\$12,000,000	Notional Pro Forma Maximum Subscription of A\$16,000,000
	31.03.2015	31.03.2015	31.03.2015
	S\$	S\$	S\$
Accelerated tax depreciation	175,760	175,760	175,760

22. Operating lease commitments

As lessees

At the end of the financial period, commitments in respect of non-cancellable operating leases in respect of office premises and other operating facilities are as follows:

	Notional Actual Consolidated 31.03.2014	31.03.2015
	S\$	S\$
Future minimum lease payments payable:		
Within one year	32,400	99,300
After one year but within five years	18,900	30,300
Total	51,300	129,600

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

DIGIMATIC GROUP LTD AND ITS SUBSIDIARIES

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

23. Significant related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions apply:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint venture of the same third party.
 - (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

During the year, in addition to the information disclosed elsewhere in these financial statements, the Group entities entered into the following transactions with related parties at rates and terms agreed between the parties:

	Notional Actual	
	31.03.2014	31.03.2015
	S\$	S\$
Purchase of goods and services		
Key management personnel:		
Commission paid to director (included in Note 11)	-	256,743

24. Financial instruments and financial risks

The Group's activities expose it to credit risks, market risks (including foreign currency risks) and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs on-going credit evaluation of its counterparties' financial condition and generally does not require a collateral.

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The Group and Company do not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics.

The Group's and Company's major classes of financial assets are cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies.

Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group.

The age analysis of trade receivables past due but not impaired is as below:

	Notional Actual	Notional Pro Forma Minimum Subscription of A\$12,000,000	Notional Pro Forma Maximum Subscription of A\$16,000,000
	31.03.2015	31.03.2015	31.03.2015
	S\$	S\$	S\$
Past due less than 30 days	25,471	25,471	25,471
Past due for 91 to 60 days	30,347	30,347	30,347
Past due for 61 to 90 days	10,433	10,433	10,433
Past due for more than 90 days	130,650	130,650	130,650

Market risk

The Group's activities expose is primarily to the financial risks of changes in foreign currency exchange rate.

Foreign currency risk

The Group transacts business in United States dollar (USD) and hence is exposed to foreign currency risks. The Group's exposure from foreign currency denominated monetary assets and monetary liabilities as at the end of the financial period is as follows:

	Notional Actual	Notional Pro Forma Minimum Subscription of A\$12,000,000	Notional Pro Forma Maximum Subscription of A\$16,000,000
	31.03.2015	31.03.2015	31.03.2015
	S\$	S\$	S\$
Monetary assets			
United States dollar	524,897	524,897	524,897
Monetary liabilities			
United States dollar	(263,446)	(263,446)	(263,446)

6. INVESTIGATING ACCOUNTANT'S REPORT (cont.)

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NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24. Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis

The Group is mainly exposed to United States dollar (USD).

The following table details the Group's sensitivity to a 5% change in USD, against Singapore dollar. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the end of the financial period, with all variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in USD are included in the analysis. Consequently, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

	Increase/(Decrease) Group		
	Profit or Loss / Equity		
	Notional Actual	Notional Pro Forma Minimum Subscription of A\$12,000,000 31.03.2015	Notional Actual Maximum Subscription of A\$16,000,000 31.03.2015
	31.03.2015 S\$	31.03.2015 S\$	31.03.2015 S\$
<u>USD</u>			
Strengthens against \$	13,072	13,072	13,072
Weakens against \$	(13,072)	(13,072)	(13,072)

Liquidity risks

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

Trade and other payables are payable within one year from the reporting date.

The Group's exposure to liquidity risk is insignificant. Hence, no sensitivity analysis is disclosed.

25. Estimation of fair values

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values due to the relatively short-term maturity of their financial instruments.

NOTES TO THE NOTIONAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

26. Capital management

The Group manages its capital to ensure that the Group is able to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

The management constantly reviews the capital structure to ensure that the Group is able to service any debt obligations based on their operating cash flows.

The capital structure of the Group consists of equity (issued capital and accumulated profits).

The Group is in compliance with all externally imposed capital requirements for the financial year ended 31 March 2015.

7. RISK FACTORS

The Shares are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risks factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers before deciding whether to apply for Shares under this Prospectus.

The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company and cannot be mitigated.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. Some of the factors which investors should consider before they make a decision whether or not to subscribe for Shares include, but are not limited to, the risks in this Section.

7.1 Specific Risks

(a) Limited operating history

The Group has a limited operating history in undertaking activities of a scale identified in Section 2. As an early stage business, the Company also has a limited financial history which may make it difficult for investors to assess its past performance. There can be no assurance that the Company will achieve profitability in the future.

Investors should note the net asset value of the Company, based on the Pro Forma Statement of Financial Position set out in Section 5, is S\$0.018/A\$0.018 per Share (minimum subscription) and S\$0.023/A\$0.023 per Share (maximum subscription).

(b) Management of growth

The Company has achieved growth in revenue and profitability during its limited operating history. Continued achievement of such growth is dependent on many factors as detailed in this Prospectus. There is a risk that the Company may not be able to successfully execute its growth strategies.

No assurance is given that the Company will be successful in continuing to manage growth or that the recent growth record is indicative of future growth.

(c) Working capital management

A significant portion of the revenue generated by the existing businesses is from undertaking performance based marketing activities. The Group's role in the performance based marketing chain is of an affiliate (see Section 2.4(c)(i)(D)). The Group engages traffic sources to display the advertisements created. Typically, the Group is required to pay its traffic sources in respect of successful 'clicks' prior to receiving payment from the CPA network. The Group accordingly requires sufficient working capital to enable it to meet the payment commitments to traffic sources as and when they fall due. If the Group has insufficient working capital it will reduce the Group's ability to generate further revenue from marketing campaigns because it will be unable to engage traffic sources if there is uncertainty around the Group's ability to comply with their payment terms. Financial pressure will also be encountered if the Group has a short term cash shortage or if it experiences delayed payments or bad debts from the CPA networks (who in turn may experience delayed payments or bad debts from the ultimate client). The Group must accordingly manage its working capital carefully, to ensure that it has sufficient short term cash resources to enable it to generate desired revenue levels.

(d) Brand establishment and maintenance

The Company believes that establishing and maintaining the Group's brand in the industries in which it operates is critical to growing its customer base and product and service acceptance. This will depend largely on the Group's ability to provide innovative and in-demand products and services. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.

(e) Client risks

The Group relies on the revenue generated from its clients across its separate business units. There is a risk that clients paying a retainer fee could cease their contracts and the business could fail to attract further clients on both a project and retained basis.

The Group also holds seminars on affiliate marketing. Notwithstanding that the Group conducts marketing for the seminars, it is not possible for the Group to predict the actual number of attendees at seminars and there is a risk that the level of attendees at seminars and/or the profit made from the conduct of these seminars may decrease. Further, seminar attendees may not be satisfied with the content of the seminars and request refunds or take legal action to recover the seminar fees. Disgruntled seminar attendees may also post negative feedback on the seminars online or on social media. This could have an adverse effect on attendance at future seminars.

(f) Short term nature of work undertaken

The Group is typically involved in short term engagements with clients. Only one of the Group Subsidiaries is party to a specific major long term contract (see Section 9.1(g)). The Group's ongoing revenue and operating performance is accordingly dependent on continuing to generate new business, either from existing clients (e.g. for new products or services) or new clients. Failure to continue to enter into new contracts may negatively affect the future financial performance of the Group.

(g) Technology risk

If the Group's technology network is compromised for any reason or the Company's infrastructure and systems prove insufficient and unable to keep up with evolving technologies or demand for the Group's services, the Group's ability to reliably service its clients and remain competitive may be compromised, which in turn may adversely impact on the Company's future financial performance.

If the Group's systems or data is compromised for any reason there is a risk that the Company may become embroiled in legal action due to breaching data confidentiality agreements.

(h) Industry and competition risks

The industry in which the Group is involved is highly competitive and is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Group will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Group's projects and businesses.

The Group's competition may include businesses with much higher capitalisation and substantially greater resources. These competitors may succeed in developing products and services which are either superior or additional to the Group's, resulting in the migration of existing clients and potential clients to a competitor's business. Competitors with increased access to capital could lead to the Group's business becoming uncompetitive on price or in the event of pricing competition could lead to the Group reducing gross margins and loss of market share, both of which could adversely affect the Company's future business and financial position.

A number of third-party competitors are currently offering products and services similar to the Group's. Existing competitors, as well as new competitors entering the industry, may engage in aggressive campaigns, develop superior technology offerings or consolidate with other entities to deliver enhanced scale benefits, which may materially erode the Group's revenue, and may materially adversely impact the Company's financial performance.

In addition, there is a risk that existing clients may shift away from outsourcing certain or all functions to the Group and seek to provide these services in-house. The Group's clients include some large businesses with significant capital to invest in internally developing their businesses and platforms. This may materially adversely impact the Group's revenue and profitability.

Further, the cost and time for a new competitor (including new entrants) to develop competing technology or products may not be significant, and may be substantially less than the implied market capitalisation of the Company based on the issue price of Shares of \$0.20 per Share. This may result in a heightened risk of competition to the Company. If a person or entity successfully develops and commercialises a competing product, this may have a materially adverse effect on the value and prospects of the Company and consequently on the value of your investment.

The net asset value of the Company, based on the Pro Forma Statement of Financial Position set out in Section 5, is S\$0.018/A\$0.018 per Share (minimum subscription) and S\$0.023/A\$0.023 per Share (maximum subscription).

(i) Insurance risk

Investors should note that the Company currently has basic insurance coverage in respect of its businesses or assets. The Company intends to insure its operations in accordance with industry practice once the Company's operations are of a sufficient magnitude. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

7. RISK FACTORS (cont.)

(j) **Faults with products or services**

The Group's products may have errors or defects that clients identify after they have purchased them. This could harm the Group's reputation and business. Internet-based services frequently contain undetected errors when first introduced or when new versions or enhancements are released. If that occurs, the Group could lose future sales or clients.

(k) **System and content integrity and hacker attacks**

The performance of the Group's websites is important to the reputation of the Group's businesses, and their ability to attract clients. Any system failure that causes an interruption to the Group's services could materially affect its business. System failures, if prolonged may reduce the attractiveness of the Group's services to clients and visitors to the websites and may damage its brand reputation and goodwill.

Hackers could render the Group's websites unavailable through a disrupted denial of service or other disruptive attacks. Although the Group has strategies in place to deal with such attacks, these strategies may not be successful. Unavailability of Group websites could lead to a loss of revenues for the Group. Further, the Group's ability to retain existing clients or attract new clients will be compromised.

(l) **Protection of intellectual property**

The Group relies on laws relating to trade secrets, copyright and trademarks to assist to protect its proprietary rights. However there is a risk that unauthorised use or copying of the Group's software, data, specialised technology or platforms will occur. If the Group fails to protect its intellectual property secrets, competitors may gain access to its technology which could harm the Group's businesses.

There is a risk that the Group will be unable to register or otherwise protect new intellectual property it develops in the future. Competitors may be able to work around any of the applications or other intellectual property rights used by the Group, or independently develop technologies or competing electronic products or services that are not covered by the Group's intellectual property rights. This may materially adversely impact the Group's revenue, legal expenses and profitability.

If the Group believes its intellectual property rights have been infringed, it may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of the Group's rights. Any litigation, whether or not it is successful, could result in significant expense to the Group and divert the efforts of its personnel. In addition, unauthorised use of the various brands of the Group in counterfeit products or services could not only result in potential revenue loss, but also have an adverse impact on its brand value and perception of product quality.

(m) **Intellectual property infringement**

The Group uses a combination of open source and third party licensed software to develop its own software and platforms, and relies on its ability to protect its intellectual property rights adequately. Failure to do so may result in competitors gaining access to its technology, which would harm the business. The Group currently has no issued patents or trademarks and may be unable to obtain patent or trademark protection in the future. If any patents or trademarks are issued in the future, they may not provide the Group with any competitive advantages, or may be challenged by third parties.

There is a risk that the validity, ownership or authorised use of intellectual property relevant to the Group's businesses will be successfully challenged by third parties. Any litigation, whether or not it is successful, could result in significant expense to the Group and divert the efforts of its personnel.

(n) **Domain name risk**

The Group has registered various domain names for the operation of its various businesses. Should, for whatever reason, these not be renewed or the Group otherwise loses control of the domain names, traffic to those websites will be lost. This would likely adversely affect the Group's revenue.

(o) **Control by existing Shareholders and liquidity of Shares**

After the Offer is completed, the 42 existing Shareholders will hold approximately 90.96% of the total Shares on issue (on a Minimum Subscription basis), and will continue to be able to exert significant influence over the Company, including in relation to the election of Directors, the appointment of new management and the potential outcome of matters

submitted to the vote of Shareholders. There is a risk that the interests of the existing Shareholders may be different from the interests of investors who purchase Shares under the Offer, particularly given their Shares were acquired prior to completion of the Offer and generally as consideration for the acquisition of their shares in the various Group Subsidiaries. There is also a risk that the continued shareholding of the existing Shareholders, in particular until the end of the escrow period, may cause or contribute to a limited liquidity in the market for Shares, which could affect the market price at which other Shareholders are able to sell.

(p) Decline in growth of Internet penetration and usage

Internet penetration in Australia, Singapore, Thailand, Philippines, Malaysia, China and the United Kingdom has been growing. In addition, growth in online advertising is underpinned by a range of factors including migration from more traditional forms of media. There can be no guarantee that this growth will continue in the future. If Internet penetration and advertising migration does not continue to grow this may have an adverse effect on the Group's growth plan and performance.

(q) Technology developments and business practice changes

The Company's success will in part depend on its ability to offer services and systems that keep pace with the continuing changes in technology, evolving industry standards and changing consumer preferences. There is a risk that the Group will not be successful in addressing these developments in a timely manner. In addition, there is a risk that new products or technologies (or alternative distribution systems) developed by third parties will supersede the products and services offered by the Group.

(r) Employment recruitment risk and retention

The Company's ability to effectively execute its growth strategy depends upon the performance and expertise of its staff. The Company relies on experienced managerial and highly qualified staff to develop new products and services, operate its technology platform and to direct operational staff to manage the operational, sales, compliance and other functions of its business.

There is a risk that the Company is unable to recruit talented staff in a timeframe that meets the growth objectives of the Company resulting in delays in the development of new technology or expansion into new geographies. This would adversely impact the Group's revenue and profitability. The success of the business to date has been significantly reliant on a core team's ability and knowledge of the digital marketing sector. While the Company strives to retain its key personnel, there is always the possibility that employees will leave the business, the event of which could adversely impact the businesses operations and ability to implement its growth strategy.

There is also a risk that Group will be unable to recruit new staff on terms of retention that are as attractive to the Group as past agreements. This would adversely impact employment costs and profitability.

(s) New investment opportunities

The Company may consider acquisitions and developments that may add value to the Company. The acquisition and development of business opportunities (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only a limited period for due diligence and/or prior to the completion of a comprehensive due diligence process by the Company. There can be no guarantee that any proposed acquisition or development will be completed or successful. If the proposed acquisition or development is not completed, monies already advanced may not be recoverable, which could have a material adverse effect on the Company.

(t) Corporate law environment

As a company incorporated in Singapore, the Company is not subject to many provisions of the Corporations Act. It does, however, remain subject to some provisions of the Corporations Act as a result of its registration as a foreign company in Australia and will be subject to the Listing Rules, upon listing on the ASX. The Companies Act does not provide the same level of shareholder protections as the Corporations Act. For example, Shareholders will not be afforded the same takeover protection provisions contained in Chapter 6 of the Corporations Act. Refer to Section 9.3 for a summary of the key differences between Singaporean and Australian company law.

7. RISK FACTORS (cont.)

(u) Tax environment

Should there be any changes in Singaporean tax law, in particular, if Singapore imposes a dividend tax regime, this could have an adverse cash impact on Shareholders.

(v) Enforcement of contracts in foreign jurisdictions

From time to time, as part of its business, the Group may enter into contracts which are governed by the laws of countries other than Singapore and Australia.

Should a contractual dispute result in court action or should the Company be required to enforce its rights, the procedure of the courts in the various foreign jurisdictions may be different those in Singapore and Australia.

(w) Contractual disputes

As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Group's operations and performance generally. It is not possible for the Group to predict or protect itself against all such risks.

(x) Reliance on relationships and alliances

The Company may form relationships and alliances with technical parties and other stakeholders in the industries in which it operates. The Company's success, in part, may depend upon the continued successful relations with these parties. The loss of one or more of these relationships or a change in the nature or terms of one or more of these relationships may have a material adverse impact on the financial position and prospects of the Company.

(y) Third party risk

The operations of the Group require the involvement of a number of third parties, including suppliers, contractors and clients.

Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of Group. It is not possible for the Company to predict or protect the Group against all such risks.

(z) Regulatory environment

The Group is exposed to the risks posed by current and potential future regulations and legislation that apply to both the industry in which it operates and the industries in which the entities in which it invests operate.

Changes in the regulatory environment in Singapore, other countries the Group may expand into and other markets in which the Group operates may have adverse consequences for the Group.

The Group's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon the Group's profitability. In addition, if regulators took the view that the Group had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage and adversely impact upon the financial position and financial performance of the Group.

(aa) Fraud

Incidents of fraud and ineffective advertising reported in the online advertising market can undermine trust in the efficacy of online advertising, which may have a negative impact on part of the Group's business.

The risk of fraud may drive increasing calls for regulation of the market in key high-value jurisdictions, which may result in the Group incurring additional regulatory overheads.

(bb) Potential funding issues

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on

favourable terms, or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

(cc) Foreign currency and exchange rate fluctuations

Foreign exchange may adversely affect the Company's financial position, operating results and Share price.

The Group's business is based in Singapore and its revenue is expected to be generated largely in US dollars and Singapore dollars. The Group also conducts business in other jurisdictions and is therefore exposed to the effects of changes in currency exchange rates. Unfavourable movements in these exchange rates may have an adverse effect of the Company's revenue and/or cost of operating and therefore affect the market price of the Shares.

7.2 General Risks

(a) Securities investments

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the Offer price and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

(b) Share market conditions

The market price of the Shares may fall as well as rise and may be influenced by the varied and unpredictable movements in the equity markets. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic risk

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Singapore or Australia, the rate of growth of Singapore or Australia's gross domestic product, interest rates and the rate of inflation.

(d) Future capital needs and additional funding

The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of this Offer should be adequate to fund its business activities in the short term as stated in this Prospectus.

However, should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

(e) Policies and legislation

Any material adverse changes in government policies or legislation of Australia, Singapore or any other country that the Company has economic interests may affect the viability and profitability of the Company.

7.3 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. RIGHTS ATTACHING TO SHARES

8.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Articles (a full copy of the Articles is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Articles with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) Voting

At a General Meeting, every member present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held. As detailed in Section 8.2, holders of CDIs can attend but cannot vote in person at a general meeting, and must instead direct CDN how to vote in advance of the meeting. Any notice of meeting issued to CDI Holders will include a form permitting the holder to direct CDN to cast proxy votes in accordance with the holder's written instructions.

(b) Meetings

Subject to the provisions of the Companies Act, the Company is required to give Shareholders at least 14 days' notice of a meeting of Shareholders. Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Companies Act, Articles and Listing Rules. As noted above, CDI Holders may only exercise their vote by directing CDN accordingly.

Under the Companies Act, members of the Company holding not less than 10% of such of the paid-up capital of the Company as carries voting rights have a right to requisition the directors to call for a general meeting of the Company. Members holding not less than 10% of the issued shares of the Company are also entitled to call for a general meeting of the Company without requisitioning the directors to do so.

(c) Dividends

The Board may, subject to approval at General Meeting, from time to time resolve to pay dividends to Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.

(d) Transfer of Shares

Subject to the Articles, Companies Act, Listing Rules and ASX Settlement Rules, Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Rules, by a written instrument of transfer which complies with the Articles or by any other method permitted by the Companies Act, Listing Rules or ASX Settlement Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Articles, Listing Rules or ASX Settlement Rules. The Board must not refuse to register a transfer of CDIs when required by the Listing Rules or ASX Settlement Rules.

(e) Issue of further Shares

Subject to the Companies Act and Listing Rules, the Company may issue further shares on such terms and conditions as the Board resolves, under a general, wide-ranging mandate customarily given by Shareholders at each annual general meeting of the Company.

(f) Winding Up

If the Company is wound up, then subject to a special resolution of the Shareholders, any surplus must be divided amongst the Company's members as determined by the liquidator.

(g) Variation of rights

At present, the Company's only class of shares on issue is ordinary shares. Subject to the Articles, the Companies Act, Listing Rules, and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- (i) with the consent in writing of the holders of 75% of the issued shares of that class; or
- (ii) by a special resolution passed at a separate meeting of the holders of those shares.

(h) Directors – appointment and removal

At the first annual General Meeting all Directors shall retire from office, and at subsequent annual General Meetings, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire.

A retiring Director is eligible for re-election. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual General Meeting. The Company may elect a person as a Director by resolution passed at a General Meeting.

(i) Directors – fees and remuneration

Under the Companies Act, fees payable to a director in respect of his services as director are subject to approval at General Meeting. Remuneration payable to directors who hold any executive office or perform services outside the scope of the ordinary duties of a director may be paid such extra remuneration by way of salary, commission or otherwise as the directors may determine.

(j) Indemnities

Every director shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

(k) Litigation

Under the Companies Act as well as at common law, a member of the Company is entitled, subject to the fulfilment of various pre-conditions, to bring or intervene in legal proceedings on behalf of the Company.

(l) Alteration to the Articles

The Articles can only be amended by a special resolution passed by at least 75% of the Company's members present and voting at a General Meeting.

8.2 Rights of CDI Holders

With the exception of voting rights, CDI Holders are generally entitled to equivalent rights as holders whose securities are legally registered in their own name. The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI Holders as if they were the legal owners of the underlying securities. However, in some cases, marginal difference may exist between the resulting entitlements of CDI Holders and the entitlements they would have accrued if they held Shares directly. This is because, for the purposes of certain corporate actions, CDN's holding of Shares is, for Singaporean legal reasons, treated as a single holding, rather than as a number of smaller separate holdings corresponding to the individual interests of CDI Holders (thus, for example, CDI Holders will not benefit to the same extent from the rounding up of fractional entitlements as if they held Shares directly).

The ASX Settlement Rules require the Company to give notices to CDI Holders of general meetings of Shareholders. The notice of meeting must include a form permitting the CDI Holder to direct CDN how to vote on a particular resolution, in accordance with the CDI Holder's written directions. CDN is then obliged under the ASX Settlement Rules to lodge proxy votes in accordance with the directions of CDI Holders. CDI Holders cannot vote personally at Shareholder meetings. The CDI Holder must convert their CDIs into certificated Shares prior to the relevant meeting in order to vote in person at the meeting.

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance.

8. RIGHTS ATTACHING TO SHARES (cont.)

8.3 Converting from a Share to a CDI

CDI Holders may at any time convert their holding of CDIs (tradeable on ASX) to certificated Shares by:

- (a) in the case of CDIs held through the issuer sponsored sub-register, contacting the Share Registry directly to obtain the applicable request form; or
- (b) in the case of CDIs held on the CHESS sub-register, contacting their controlling participant (generally a stockbroker), who will liaise with the Share Registry to obtain and complete the request form.

Upon receipt of a request form, the relevant number of CDIs will be cancelled and Shares will be transferred from CDN into the name of the CDI Holder and a registered share certificate be issued. This will cause your Shares to be registered on the certificated register of Shareholders and trading will no longer be possible on ASX.

A holder of Shares may also convert their Shares to CDIs by contacting the Australian registered agent on +61 400 007 900 or zane@smallcapcorporate.com.au, or their stockbroker (or applicable controlling participant). In this case, the Shares will be transferred from the Shareholder's name into the name of CDN and a holding statement will be issued to the person who converted their Shares to CDIs in respect of the CDIs that have been issued. The CDIs will be tradeable on ASX.

9. ADDITIONAL INFORMATION

9.1 Material Contracts

The Company is a party to the following material contracts:

(a) Lead Manager Mandate

The Company entered into a mandate agreement appointing Quattro Capital Management Pty Ltd (**Quattro**) as Lead Manager to the Offer on 21 October 2015. Quattro is not underwriting the Offer.

Under the agreement, Quattro will provide services and assistance customarily provided in connection with marketing and execution of an initial public offer.

Set out below is a summary of the material terms of the agreement:

- (i) The Company will pay Quattro a flat services fee of A\$1,000,000 and will reimburse Quattro for certain expenses incurred in connection with the Offer.
- (ii) Quattro's liability for any losses incurred by the Company will not exceed the amount of Quattro's fees nor will Quattro be liable for any consequential, special or indirect damages suffered by the Company.
- (iii) Quattro is to be given a right of first refusal to act as the Company's exclusive financial advisors and/or lead manager in respect of any capital raising contemplated within 24 months following completion of the Offer.
- (iv) The rights and obligations of each party may not be assigned without the prior written consent of the other party, except to related bodies corporate.
- (v) The Company reserves the right to terminate immediately if Quattro breaches a provision of the agreement or commits an act of gross negligence, fraud or wilful misconduct.
- (vi) Quattro may terminate the agreement immediately if any of the following occurs:
 - (A) **(breach of agreement)** the Company breaches any provision of the agreement or commits an act of gross negligence, fraud or wilful misconduct or refuses to provide Quattro with certain information reasonably requested;
 - (B) **(legal reasons)**: Quattro considers it is not appropriate to continue the engagement for legal or regulatory reasons;
 - (C) **(ASIC investigation)**: there is an investigation or inquiry or proceedings initiated by ASIC into the conduct of the Company;
 - (D) **(suspension of payment)**: the Company or a related body corporate suspends payment of its debts generally or becomes unable to pay its debts;
 - (E) **(criminal offences)**: any Director or officer of the Company is charged with an indictable offence;
 - (F) **(change to constitution or structure)**: prior to completion of the Offer, a change to the Company's constitution or the capital structure occurs without Quattro's written consent;
 - (G) **(contravention of constitution or law)**: there is a material contravention by the Company of a provision of its constitution, the Corporations Act, Companies Act, the ASX Listing Rules or any other applicable law or regulation;
 - (H) **(ASX approval refused)**: ASX approval for the Company's admission to the Official List is refused or not granted, other than subject to customary conditions, or if granted, is subsequently withdrawn, qualified or withheld;
 - (I) **(failure to comply)**: any aspect of the Offer does not comply with the Corporations Act, Companies Act, the ASX Listing Rules or any other applicable law or regulation;
 - (J) **(breach by timetable)**: the Company fails to use reasonable endeavours to take any action by the time specified in the agreement or in the agreed timetable;
 - (K) **(Offer withdrawal)**: the Company notifies Quattro that it has withdrawn the Offer;
 - (L) **(defective information)**: any information supplied by the Company or on its behalf to Quattro in respect of the Offer is or becomes false or misleading in any material respect;

9. ADDITIONAL INFORMATION (cont.)

- (M) **(defective Prospectus)**: a statement in this Prospectus is misleading or deceptive in a material respect, or information is omitted from this Prospectus, that renders it misleading or deceptive in a material respect;
- (N) **(adverse change in Company)**: the occurrence of any material adverse change in the condition, business, operations, assets, liabilities, financial position and performance, profits, losses and prospects of the Company;
- (O) **(index fall)**: during the period from the date of the agreement until the settlement of the Offer, the S&P/ASX 200 Index or the All Ordinaries Index is, for any 2 consecutive trading days, more than 10% below the level of that index on the day before the signing of the agreement;
- (P) **(adverse change in environment)**: any material adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Singapore, Japan, the United Kingdom or the United States of America or in the international financial markets or any material adverse change occurs in national or international political, financial or economic conditions, in each case the effect of which is that, in Quattro's reasonable opinion reached in good faith, it is impracticable to market the Offer (either in whole or in part) or to enforce contracts to issue and allot the Shares;
- (Q) **(Board change)**: a change in the Board of Directors of the Company occurs without Quattro's prior written consent;
- (R) **(repayment of applicants' money)**: any circumstance arises after dispatch of this Prospectus that results in the Company either repaying the money received from Offer applicants, or offering applicants an opportunity to withdraw their acceptances for Shares and be repaid their application money;
- (S) **(termination of contracts)**: any material contract of the Company is terminated or materially amended (without Quattro's prior consent);
- (T) **(breach of contracts)**: the Company commits a substantial breach of a material contract;
- (U) **(untrue representation)**: any representation or warranty in the agreement on the part of the Company is not true or correct;
- (V) **(event adversely affecting the Offer)**: there is made public any item, transaction or event of a material nature not previously made public, which would reasonably be expected to adversely affect in a material way the decision of applicants to subscribe for Shares the subject of the Offer; and
- (W) **(Offer prevented)**: the Offer is prevented from proceeding for any reason whatsoever.

(vii) Termination is effective upon receipt of a termination notice or 7 days after the receipt of a termination notice.

(b) Executive Services Agreement – Mr Hui Jie Lim

The Company has entered into an executive services agreement with Mr Hui Jie Lim (**Lim Agreement**).

Under the Lim Agreement, Mr Lim is engaged by the Company to provide executive services to the Company as an executive director on a full time basis in the role of Managing Director. The Company will remunerate Mr Lim for his services with an executive remuneration package comprising the following:

- (i) a base salary of S\$180,000 per annum; and
- (ii) reimbursement for reasonable expenses necessarily incurred by Mr Lim in the performance of his services as an executive director.

In addition, Mr Lim is entitled to participate in bonus and/or other incentive schemes that may be implemented in the future.

The Lim Agreement is for an indefinite term, and will continue until terminated by either the Company or Mr Lim by the giving of three months' written notice of termination (or shorter period in limited circumstances).

(c) Executive Services Agreement – Mr Ivan Ong

The Company has entered into an executive services agreement with Mr Ivan Ong (**Ong Agreement**).

Under the Ong Agreement, Mr Ong is engaged by the Company to provide executive services to the Company as an executive director on a full time basis. The Company will remunerate Mr Ong for his services with an executive remuneration package comprising the following:

- (i) a base salary of S\$240,000 per annum comprising S\$160,000 as management fees and S\$80,000 as a trainer's fee (for the provision of speaking duties at seminars and workshops for which Mr Ong was previously remunerated via commission by DMPL); and
- (ii) reimbursement for reasonable expenses necessarily incurred by Mr Ong in the performance of his services as an executive director.

In addition, Mr Ong is entitled to participate in bonus and/or other incentive schemes that may be implemented in the future.

The Ong Agreement is for an indefinite term, and will continue until terminated by either the Company or Mr Ong by the giving of three months' written notice of termination (or shorter period in limited circumstances).

(d) Non-Executive Director Agreements

The Company has entered into separate non-executive service letter agreements with each of Clive Tan and Zane Lewis pursuant to which the Company has agreed to pay each of them S\$36,000 per annum for services provided to the Company as non-executive directors.

In addition, SmallCap Corporate Pty Ltd, an entity associated with Mr Lewis, receives A\$5,000 per month in its capacity as the Company's Australian Compliance Manager.

(e) Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by law against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must allow the Directors to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

(f) Loan Agreements

The Company is party to a loan agreement with 8I Holdings Limited (**8IH**) pursuant to which 8IH has made available a loan of S\$1,000,000 to the Company (**8IH Loan**) of which S\$250,000 has been drawn down. As at 30 September 2015, the amount outstanding under the 8IH Loan is S\$252,500. The 8IH Loan is unsecured but is to be applied exclusively for the purposes of the Company's working capital.

Interest is accrued on the amount of the 8IH Loan outstanding at a rate of 12% per annum, with all outstanding amounts repayable on 31 December 2015 or immediately upon written notice by 8IH.

DMPL is party to a loan agreement with 8 Business Pte Ltd (a wholly owned subsidiary of 8IH) (**8 Business**), pursuant to which 8 Business has made available a loan of S\$125,000 to DMPL for the purposes of expansion of business operations. The loan is unsecured, interest free, has no maturity date and is repayable on demand.

The Company intends to repay both loans post-listing.

(g) Development Services Agreement

ShangCommerce is party to a development and services agreement dated 1 May 2015 (**Development Services Agreement**) with an entity involved in the provision of IT solutions to retail and banking industries (**Client**).

Pursuant to the Development Services Agreement, ShangCommerce has agreed to set up a development centre in the Philippines to perform software development analysis and design.

In consideration for the provision of the services, the Client has agreed to pay:

- (i) total fees of S\$573,815 (adjustable based on the number of full time employees employed at the development centre), to be paid quarterly in advance;
- (ii) a management fee of 25% of the total fees payable for full time employees employed at the development centre in the first year of the term (with a management fee for the second year of the term to be agreed); and
- (iii) a support fee of 10% of the total fees payable for full time employees employed at the development centre in the first year of the term (with a support fee for the second year of the term to be agreed).

9. ADDITIONAL INFORMATION (cont.)

Ownership of any intellectual property created by ShangCommerce pursuant to the agreement shall vest with the Client and ShangCommerce can only commercially exploit that intellectual property with the permission and license from the Client.

ShangCommerce has also warranted to the Client that it does not provide any similar services to competitors of the Client and will not without first obtaining the Client's consent. At present ShangCommerce does not provide similar services to any other clients.

The term of the Development Services Agreement is two years (unless terminated earlier) and the agreement may be renewed or extended for a further 12 months on such terms as agreed between the parties.

The Client may terminate the Development Services Agreement for convenience on three months' notice. The agreement may also be terminated by either party where there has been a breach and that breach has not been remedied within 30 days after receipt of a notice from the non-breaching party.

(h) Lease agreement

The Company has entered into a lease agreement with an unrelated third party as landlord, with respect to its premises (**Lease Agreement**). The Lease Agreement is for a term of 36 months commencing from 1 November 2015 with an average annual rental of approximately S\$214,000, plus GST and utilities costs.

The Lease Agreement may be renewed at the Company's option for an additional term of 36 months, for a basic rent to be negotiated and agreed based on the prevailing market rent at the time of the renewal.

The Lease Agreement contains additional provisions considered standard for agreements of this nature.

9.2 Group Subsidiaries acquisition agreements

(a) ShangCommerce Agreement

On 29 May 2015 the Company entered into an agreement with the then shareholders of ShangCommerce Pte Ltd (including Director Mr Hui Jie Lim) to purchase 100% of the ordinary shares in ShangCommerce (**ShangCommerce Agreement**).

Settlement was completed on 25 June 2015 and the consideration was satisfied by the issue of 80,254,000 Shares at a deemed issue price of A\$0.20 per Share to the former shareholders of ShangCommerce and their nominees. Mr Hui Jie Lim received 20,000,000 Shares as consideration for the sale of his ShangCommerce shares.

The ShangCommerce Agreement is governed by the laws of Singapore and contains terms and conditions considered standard for an acquisition agreement of this nature. The terms and conditions include:

- (i) **(no change to key personnel)** from settlement until admission of the Company to the Official List of ASX, there must not be any change in the directors, officers, bank account signatories or key management personnel of ShangCommerce, unless agreed by the parties as necessary or desirable for the purposes of the Company's admission to the Official List of ASX; and
- (ii) **(indemnities)** each former ShangCommerce shareholder indemnifies the Company from and against any and all losses which may be incurred or suffered by the Company as a result of a breach or inaccuracy in any answers to due diligence investigations or warranties contained in the ShangCommerce Agreement, any default of obligations contained in the ShangCommerce Agreement and all costs reasonably incurred by the Company in enforcing its rights in connection with such breach or default.

(b) DMPL Agreement

On 23 May 2015 the Company entered into an agreement with the former shareholders of DMPL (then named CPA Academy Pte Ltd) (including Director Mr Ivan Ong) to purchase 100% of the ordinary shares in DMPL (**DMPL Agreement**).

Settlement was completed on 27 July 2015 and the consideration was satisfied by the issue of 434,100,000 Shares to the former shareholders of DMPL and their nominees. Mr Ivan Ong and a related entity of Mr Ong received a total of 117,890,000 Shares, of which 57,060,000 have subsequently been transferred by Mr Ong. All of these securities will be escrowed by ASX for a period of 24 months commencing upon listing.

The DMPL Agreement is governed by the laws of Singapore and contains terms and conditions considered standard for an acquisition agreement of this nature.

(c) Wewe Media Agreement

On 20 July 2015 the Company entered into an agreement with Mr Aaron Tan, (the sole shareholder of Wewe Media), Mr Ronny Lua and Mr Danny Lua (together, **Vendors**) to purchase 100% of the ordinary shares in Wewe Media (**Wewe Media Agreement**). Settlement was effective as of 27 August 2015 and the consideration was satisfied by the issue of 8,400,000 Shares at a deemed issue price of \$0.20 per Share to the Vendors.

Pursuant to the Wewe Media Agreement, the Vendors procured the transfer of all existing funds deposited by Clix Solutions with its traffic sources (totalling approximately S\$108,000) (i.e. the assets of Clix Solutions) to Wewe Media for the payment of approximately S\$108,000. Clix Solutions Pte Ltd is not a related party of the Company or any Group Subsidiary.

In addition, subject to necessary resolutions being passed, dividends amounting to US\$416,000 were declared for Mr Aaron Tan, with US\$243,000 being used to offset monies owed by Mr Aaron Tan to Wewe Media, and the balance of US\$173,000 being paid in cash to Mr Aaron Tan. As at the date of this Prospectus the dividend payment remains outstanding.

The Wewe Media Agreement is governed by the laws of Singapore and contains terms and conditions considered standard for an acquisition agreement of this nature. The terms and conditions include the following warranties and undertakings:

- (i) **(Non-compete undertakings)** Each of the Vendors has given an undertaking to the Company and its successors in title that he will not, without the Company's prior written consent, during the 2 years following settlement in Singapore or any other territory in which the Company or the Company's subsidiaries (including Wewe Media), related corporations and/or associated companies ("Group Companies") carry out their business:
 - (A) be employed or engaged in;
 - (B) carry on for his own account or be concerned in any relevant capacity in any corporation engaged in;
 - (C) assist with technical advice or in any other way, any person, firm or company engaged in; or
 - (D) induce or seek to induce any person who is an employee of the Group or Group Companies to become employed by any person engaged in,any business which is of the same or similar type to, or likely to be in competition with the business of Clix Solutions, the current or future businesses of the Group Companies.
- (ii) **(Profit guarantee)** The Vendors have warranted and undertaken to the Company that Wewe Media will, for the period commencing 1 April 2015 to 31 March 2017, achieve a combined net profit after tax of at least S\$840,000 (**Profit Guarantee**). If the Profit Guarantee is not met, the Vendors have warranted and undertaken to the Company to pay the deficit to the Company within 30 days of the Company's written demand, subject to certain conditions.
- (iii) **(Vendors as employees)** The Vendors have undertaken to the Company that they will:
 - (A) ensure that, for a period of 2 years from settlement, none of the Vendors who is or becomes a director or employee of Wewe Media or provides services to Wewe Media will resign or cease to provide such services without the Company's prior written consent or commit any misconduct or material breach which results in his termination; and
 - (B) pay the Company a sum representing a genuine pre-estimate of the Company's loss, being \$50,400 for every full month of the 2 years remaining if the Vendors' undertaking in paragraph (A) above is breached.

9.3 Key differences between Singaporean and Australian company law

As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Companies Act and ACRA.

This is a general description of the principal differences between the laws and regulations concerning shares in a company

9. ADDITIONAL INFORMATION (cont.)

incorporated in Singapore as opposed to Australia. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of such shares or interest in such shares. The laws, regulations, policies and procedures described are subject to change from time to time.

(a) Corporate procedures

In Singapore, the regulation of companies is generally governed by the Companies Act.

The general company law structure of Singapore and Australia is reasonably similar, being based in legislation with a common law background of directors' duties. As with Australian company law, a limited liability company incorporated under the Companies Act in Singapore will be a separate legal entity from its shareholders. Further, certain corporate procedures require approval by a special resolution of shareholders under Singapore law including a change of company name, alteration of the Articles, and approval of capital reductions.

(b) Transactions requiring shareholder approval

The types of "transactions" that require shareholder approval are governed by the Companies Act and the Articles. Generally speaking, the following types of transactions will require shareholder approval:

- (i) amendments to the Articles;
- (ii) amalgamations;
- (iii) disposing of substantially the whole of the company's property or undertaking;
- (iv) change of name of the company;
- (v) reduction of share capital;
- (vi) winding up;
- (vii) share buy-back;
- (viii) removal of company auditors; and
- (ix) certain alteration of capital and variations of rights attaching to Shares.

This is not an exhaustive list but sets out common transactions which require shareholder approval.

(c) Security holders' right to requisition meeting

Under the Companies Act, members of the Company holding not less than 10% of such of the paid-up capital of the Company as carries voting rights have a right to requisition the directors to call for a general meeting of the Company. Members holding not less than 10% of the issued shares of the Company are also entitled to call for a general meeting of the Company without requisitioning the directors to do so.

(d) Right to vote and appoint proxies

At a General Meeting, every member present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held. As detailed in Section 8.2, holders of CDIs can attend but cannot vote in person at a general meeting, and must instead direct CDN how to vote in advance of the meeting. Any notice of meeting issued to CDI Holders will include a form permitting the holder to direct CDN to cast proxy votes in accordance with the holder's written instructions.

(e) Changes to rights attaching to securities

Subject to the Articles, the Companies Act, Listing Rules, and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- (i) with the consent in writing of the holders of 75% of the issued shares of that class; or
- (ii) by a special resolution passed at a separate meeting of the holders of those shares.

(f) Takeovers

In Australia, the Corporations Act governs a takeover. The Corporations Act contains a general rule that a person must not acquire a Relevant Interest in issued voting shares of a company if, because of the transaction, a person's voting power in the company:

- (i) increases from 20% or below to more than 20%; or

- (ii) (increases from a starting point, which is above 20% but less than 90%.

Certain exceptions apply, such as acquisitions of Relevant Interests in voting shares made under takeover bids or made with shareholder approval, or creeping acquisitions of 3% per 6 months.

Australian law permits compulsory acquisition by 90% holders.

Under Singaporean law, the Securities and Futures Act (Chapter 289) of Singapore and the Singapore Code on Takeovers and Mergers govern a takeover. The threshold above which acquisition by a person, together with parties acting in concert with it, will trigger a mandatory offer is 30%. This is higher than the 20% threshold which applies to Australian public companies.

Subject to the exceptions noted below, a person (and in certain circumstances, persons acting in concert with that person) will be required to make a general offer for all of the shares in a company covered under the Singapore Code on Takeovers and Mergers if:

- (i) such person acquires shares which (taken together with shares held or acquired by persons acting in concert with it) carry 30% or more of the voting rights of the company; or
- (ii) where such person and persons acting in concert with it hold between 30% and 50% of the voting rights in such company and the person (or its concert party) acquires in any period of 6 months additional shares carrying more than 1% of the voting rights.

Where, as a result of the issue of new securities as consideration for an acquisition, a cash subscription or the fulfilment of obligations under an agreement to underwrite the issue of new securities, a person or its concert parties acquire shares which give rise to an obligation to make a general offer, the Securities Industry Council of Singapore may waive such obligation subject to the fulfilment of certain conditions, including the approval of a majority of shareholders of the company by way of a poll at a general meeting to waive their rights to receive a general offer.

A person who (together with its concert parties) already holds more than 50% of the voting rights in the company is not restricted from making further acquisitions above that level, and is not normally obliged to make a general offer as a result of making any such further acquisitions. However in the case of members of a group acting in concert, subject to certain conditions, the Securities Industry Council of Singapore may regard as giving rise to an obligation to make an offer of acquisition by a single member or sub-group of the group of voting rights sufficient to increase their holdings to 30% or more or, if they already hold between 30% and 50%, by more than 1% in any six month period.

(g) Substantial shareholders reporting

Under Australian law, a shareholder who begins to or ceases to have a “substantial holding” in an ASX listed company, or has a substantial holding in such a listed company and there is a movement of at least 1% in their holding, must give notice to the company and to the ASX. A person has a substantial holding if that person and that person’s associates have a Relevant Interest in 5% or more of the voting shares in the company.

Under Singaporean law, substantial shareholder reporting by a company listed in Singapore (or any other company as may be declared by the Singapore Minister of Finance under the Companies Act) applies at the 5% level, and at every change in a percentage level after that.

(h) Related party transactions

In Australia, related party transactions (that is, transactions between a public company and a director, an entity controlled by a director, or a parent company of the public company) are regulated in Australia under the Corporations Act by a requirement for disinterested shareholder approval, unless the transaction is on “arm’s length terms”, represents no more than reasonable remuneration, or complies with other limited exemptions.

Under Singaporean law, such related party transactions are subject to general restrictions under the Companies Act and further governed by common law (or case law). Apart from loans (including the provision of security or the entry into any guarantee) to directors of a public company or to directors of a related company for which there are specific Companies Act provisions, the rules regarding related party transactions are generally not as prescriptive as under Australian law. Issues of shares or other equity securities to Directors will be regulated under the Listing Rules to the same extent as a listed Australian company.

9. ADDITIONAL INFORMATION (cont.)

(i) Protection of minority shareholders – oppressive conduct

In Australia, a shareholder may apply to the court under the Corporations Act to bring an action in cases of conduct which is either contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholders in their capacity as shareholder, or themselves in capacity other than as a shareholder.

In Singapore, an analogous right to apply to the court is also available to members of a company, where the affairs of the company are being conducted or directors' powers are being exercised in a manner oppressive to members, in disregard of members' interests, or some act or resolution by the company unfairly discriminates against or is prejudicial to members.

(j) Rights of security holders to bring or intervene in legal proceedings

Under the Companies Act as well as at common law, a member of the Company is entitled, subject to the fulfilment of various pre-conditions, to bring or intervene in legal proceedings on behalf of the Company. Examples of the pre-conditions under the Companies Act include the requirement that prior notice of the application must be given to the directors, that the action must be brought in good faith and that the action must be in the interest of the Company.

(k) "Two strikes" rule

Under Australian law, an ASX listed company is required to hold a "spill vote" if its remuneration report receives a 25% No vote at two successive annual general meetings. If the spill vote receives a simple majority, the company must hold a general meeting within 90 days to vote on whether to keep the existing directors.

There is no equivalent rule under Singaporean law.

9.4 Interests of Directors

No Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director of the Company for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus and as follows.

9.5 Director Holdings

The Directors and their related entities have the following interests in Shares as at the date of this Prospectus:

Director	Shares held
Clive Tan ¹	Nil
Hui Jie Lim	20,000,000
Ivan Ong	60,830,000
Zane Lewis ²	Nil

Note:

1. Mr Tan does not hold an interest in any Shares but is an executive director of 8I Holdings Ltd, the company which holds 100% of 8I Business Pte Ltd, which in turn holds 10.98% of the Company's Shares as at the date of this Prospectus. See Section 2.2.
2. Mr Lewis also does not hold an interest in any Shares but is a non-executive director of 8I Holdings Ltd. See Section 2.2.

Based on the intentions of the Directors at the date of this Prospectus in relation to the Offer, the Directors and their related entities will have the following interests in Shares on Admission:

Director	Shares held
Clive Tan	Nil
Hui Jie Lim	20,000,000
Ivan Ong	60,830,000
Zane Lewis	40,000

9.6 Remuneration of Directors

The Directors have received the following remuneration since incorporation of the Company.

Director	Shares held
Clive Tan ¹	Nil
Hui Jie Lim ²	Nil
Ivan Ong ³	Nil
Zane Lewis ⁴	Nil

Note:

1. Clive Tan was appointed as a Director on 1 September 2015. Refer to Section 9.1(d) for details of Mr Tan's remuneration.
2. On 1 September 2015, Hui Jie Lim entered into an executive services agreement with the Company, pursuant to which he will receive remuneration of S\$180,000 per annum. The agreement commences upon listing. See Section 9.1(b). From 1 April 2015 to 30 September 2015 Mr Lim received S\$26,128 in remuneration from ShangCommerce.
3. On 1 September 2015, Ivan Ong entered into an executive services agreement with the Company, pursuant to which he will receive remuneration of S\$240,000 per annum. The agreement commences upon listing. See Section 9.1(c). From 1 April 2015 to 30 September 2015 Mr Ong received S\$154,245 in remuneration from DMPL.
4. Zane Lewis was appointed as a Director on 16 October 2015. Refer to Section 9.1(d) for details of Mr Lewis' remuneration. SmallCap Corporate Pty Ltd, an entity associated with Mr Lewis, also receives A\$5,000 per month in its capacity as the Company's Australian Compliance Manager.

9.7 Interests of Promoters, Experts and Advisers

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a partner or director) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as disclosed in this Prospectus and as follows:
- (d) SmallCap Corporate, a company of which Mr Zane Lewis (a Non-Executive Director) is a director and shareholder, will be paid A\$50,000 for the provision of corporate advisory services in respect to the Offer.

The amounts disclosed above are exclusive of GST (if any) payable by the Company in respect of those amounts.

9. ADDITIONAL INFORMATION (cont.)

9.8 Related Party Transactions

At the date of this Prospectus, no material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

9.9 Expenses of Offer

The total approximate expenses of the Offer payable by the Company are:

Expense	Offer (A\$)	Offer (A\$)
	\$12,000,000 raised	\$16,000,000 raised
ASX Quotation and ASIC Lodgement Fee	150,500	152,000
Australian Legal Fees	130,000	130,000
Singaporean Legal Fees	178,000	178,000
Investigating Accountant Fees	75,000	75,000
Corporate Advisory Fees	50,000	50,000
Payment to Lead Manager ¹	1,000,000	1,000,000
Printing, Postage and Administration Fees	11,500	12,000
Total	1,595,000	1,597,000

Note:

1. Refer to Section 9.1(a).

9.10 Effect of the Offer on control and substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows. See Section 2.2 for further details on each of the Shareholders' holdings listed in the tables below.

Name	Number of Shares	% of Shares
Champion Star United Inc	155,140,000	25.7
Aden Ventures Limited	90,000,000	14.91
8 Business Pte Ltd	66,251,000	10.98
Ivan Ong	60,830,000	10.08
Summerhill Group Pte Ltd	37,060,000	6.14

Based on the information known as at the date of this Prospectus, and assuming only the Minimum Subscription is achieved, on Admission the following persons will have an interest in 5% or more of the Shares on issue:

Name	Number of Shares	% of Shares
Champion Star United Inc	155,140,000	23.38
Aden Ventures Limited	90,000,000	13.56
8 Business Pte Ltd	66,251,000	9.98
Ivan Ong	60,830,000	9.17
Summerhill Group Pte Ltd	37,060,000	5.58

9.11 Foreign Company Registration in Australia

The Company is registered as a foreign company in Australia pursuant to the provisions of the Corporations Act. The Company's ARBN is 605 944 198. SmallCap Corporate Pty Ltd, a company which is associated with Non-Executive Director Mr Zane Lewis, is appointed to act as the Company's local agent.

9.12 Company Tax Status and Financial Year

The Company is subject to tax at the Singaporean tax rate.

The financial year of the Company ends on 31 March annually. The taxation year of the Company ends on 31 March annually.

9.13 ASX Waivers / ASIC Relief

The Company does not require and has not applied for any ASX waivers.

Pursuant to ASIC Class Order C014/827, ASIC has given class order relief for offers for the issue or sale of CDIs, where the underlying foreign securities are quoted on ASX and are held by CDN as the depository nominee. The purpose of the relief is to remove any uncertainty about how offers of CDIs over underlying foreign securities are regulated under the Corporations Act, ensuring offers of CDIs are regulated as an offer of securities under the disclosure provisions of Chapter 6D of the Corporations Act.

Pursuant to the Class Order, the Company is required to provide the following information.

Topic	Explanation
Nature of CDIs	<p>The Shares the subject of the Offer will trade on ASX in the form of CDIs.</p> <p>A CDI is a unit of beneficial ownership in a share (or beneficial interest in a share) or option of a foreign company, where the underlying share, interest or option is registered in the name of a depository nominee (in this case CDN), for the purpose of enabling the foreign share, interest or option to be traded on ASX.</p> <p>For further information see Section 1.8.</p>
Specific features of CDIs	<p>The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder.</p> <p>Each CDI will represent one underlying Share.</p> <p>CDI Holders have the same economic benefits of holding the underlying Shares. CDI Holders are able to transfer and settle transactions electronically on ASX.</p> <p>With the exception of voting rights, the CDI Holders are entitled to equivalent rights and entitlements as if they were the legal owners of Shares. CDI Holders will receive notices of general meetings of Shareholders.</p> <p>For further information see Sections 1.8 and 8.2.</p>
Identity and role of CDN	<p>The Shares underlying the CDIs issued pursuant to this Prospectus will be registered in the name of CHESS Depository Nominees Pty Ltd (CDN). CDN is a wholly owned subsidiary of ASX.</p> <p>Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder.</p> <p>CDN receives no fees from investors for acting as the depository nominee in respect of CDIs.</p>
How to convert CDIs into Shares	<p>Information on how to convert CDIs into Shares is set out in Section 8.3.</p>

9. ADDITIONAL INFORMATION (cont.)

Topic	Explanation
Voting rights	<p>CDI Holders cannot vote personally at Shareholder meetings. The CDI Holder must convert their CDIs into certificated Shares prior to the relevant meeting in order to vote in person at the meeting.</p> <p>As CDI Holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of the Company on the instruction of the CDI Holders on a poll, not on a show of hands.</p> <p>CDI Holders are entitled to give instructions for one vote for every underlying Share held by CDN.</p> <p>For further information see Sections 8.2 and 8.3.</p>
Dividends or other distributions	<p>The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, or other distributions flow through to CDI Holders as if they were the legal owners of the underlying securities.</p> <p>As each CDI will represent one underlying Share, in the event the Company pays a dividend or undertakes a distribution CDI holders will receive the same benefit as if they were holding Shares.</p>
Corporate actions	<p>The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI Holders as if they were the legal owners of the underlying securities.</p> <p>However, in some cases, marginal difference may exist between the resulting entitlements of CDI Holders and the entitlements they would have accrued if they held Shares directly. This is because, for the purposes of certain corporate actions, CDN's holding of Shares is, for Singaporean legal reasons, treated as a single holding, rather than as a number of smaller separate holdings corresponding to the individual interests of CDI Holders (thus, for example, CDI Holders will not benefit to the same extent from the rounding up of fractional entitlements as if they held Shares directly)</p>
Takeovers	<p>If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance.</p> <p>See also Section 8.2.</p>

Further information on CDIs can also be found in Guidance Note 5 to the ASX Listing Rules (available at www.asx.com.au/documents/rules/gn05_chess_depository_interests.pdf and www.asx.com.au/documents/settlement/CHESS_Depositary_Interests.pdf).

9.14 Continuous Disclosure Obligations

Following Admission, the Company will be a “disclosing entity” (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

9.15 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

9.16 Consents

Each of the parties referred to in this Section:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section authorised or caused the issue of this Prospectus or the making of the Offer.

SmallCap Corporate Pty Ltd has given its written consent to being named as the corporate advisor to the Company in respect to the Offer. SmallCap Corporate Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Quattro Capital Management Pty Ltd has given its written consent to being named as the lead manager to the Company in respect to the Offer. Quattro Capital Management Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

BDO LLP has given its written consent to be named as Investigating Accountant and to the inclusion of the Investigating Accountant’s Report in Section 6 of the Prospectus in the form and context in which the report was included. BDO LLP has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Link Market Services Limited has given its written consent to being named as the Australian share registry to the Company. Link Market Services Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Tricor Barbinder Share Registration Services has given its written consent to being named as Singaporean collection agent to the Company. Tricor Barbinder Share Registration Services has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Kong Lim & Partners LLP has given its written consent to being named as auditor to the Company. Kong Lim & Partners LLP has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Bellanhouse Legal has given its written consent to being named as Australian legal advisor to the Company. Bellanhouse Legal has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Genesis Law Corporation has given its written consent to being named as Singaporean legal advisor to the Company. Genesis Law Corporation has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

9. ADDITIONAL INFORMATION (cont.)

9.17 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

9.18 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company (in Singapore) or at the office of the Company's registered agent, SmallCap Corporate at Suite 6, 295 Rokeby Road, Subiaco, Western Australia (in Australia):

- (a) this Prospectus;
- (b) the Articles; and
- (c) the consents referred to in Section 9.16 of this Prospectus.

9.19 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 5, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

10. AUTHORISATION

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act, and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

Mr Zane Lewis

Non-Executive Director

Dated: 2 November 2015

11. GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

8IH means 8IH Holdings Limited (Singapore UEN No. 201414213R).

A\$ or \$ means Australian dollars.

ACRA means the Accounting and Corporate Regulatory Authority of Singapore.

Admission means admission of the Company to the Official List, following completion of the Offer.

Allotment Date means the date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares under the Offer made pursuant to an Application Form.

Application Form means the application form attached to this Prospectus.

Application Monies means application monies for Shares under the Offer received and banked by the Company.

Articles means the memorandum and articles of association of the Company from time to time.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Securities Exchange Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

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

Board means the board of Directors of the Company as at the date of this Prospectus.

CDI Holder means a holder of CDIs.

CDIs means CHESS Depository Interests issued by CDN, where each CDI represents a beneficial interest in one Share, as detailed in Section 1.8.

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

CHESS means the Clearing House Electronic Subregister System.

Closing Date means the closing date of the Offer detailed in the Indicative Timetable.

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

Company means Digimatic Group Ltd ARBN 605 944 198 (Singapore Registration Number 201505599H).

Corporations Act means the *Corporations Act 2001* (Cth).

CPA is an acronym for 'cost-per-acquisition' or 'cost-per-action' or 'click-per-action'. It is an online advertising model where an advertiser (client) only pays for each successful specific action. See Section 2.4(c)(i)(D) for further information.

Directors means the directors of the Company.

DMPL means means Digimatic Media Private Limited (Singapore Registration Number 201317712D).

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website www.digimaticgroup.com.

Executive Directors means Mr Hui Jie Lim and Mr Ivan Ong.

Exposure Period means, in accordance with section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.

General Meeting means a general meeting of Shareholders.

GST means Goods and Services Tax.

Group means the Company and the Group Subsidiaries.

Group Subsidiaries has the meaning given in Section 2.3.

HIN means Holder Identification Number.

Indicative Timetable means the indicative timetable for the Offer on page i of this Prospectus.

Investigating Accountant means BDO LLP.

Investigating Accountant's Report means the report contained in Section 6.

Listing Rules means the listing rules of ASX.

MAS means the Monetary Authority of Singapore.

Minimum Subscription has the meaning in Section 1.2.

Non-Executive Directors means Mr Clive Tan and Mr Zane Lewis.

Offer means the offer by the Company, pursuant to this Prospectus, of a minimum of 60,000,000 Shares and a maximum of 80,000,000 Shares at an issue price of A\$0.20 each to raise a minimum of A\$12,000,000 and up to a maximum of A\$16,000,000.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Opening Date means the date specified as the opening date in the Indicative Timetable.

Permitted Offeree means a permitted offeree under the statutory exemptions in Subdivision (4) Division 1, Part XIII of the SFA.

Prospectus means this prospectus dated 2 November 2015.

Quattro means Quattro Capital Management Pty Ltd ACN 605 981 235.

Relevant Interest has the meaning given in the Corporations Act.

S\$ means Singaporean dollars, the lawful currency of Singapore.

Section means a section of this Prospectus.

SFA means the Securities and Futures Act of Singapore.

SGX means the securities exchange operated by Singapore Exchange Limited.

ShangCommerce means ShangCommerce Pte Ltd (Singapore Registration Number 201317018G).

Share means ordinary fully paid voting shares in the capital of the Company, or CDIs in respect of those shares, as the context requires.

Share Registry means Link Market Services Limited.

Shareholder means any person holding Shares.

SRN means Securityholder Reference Number.

Wewe Media means Wewe Media Group Pte Ltd (Singapore Registration Number 201320970K).

WST means Western Standard Time, being the time in Perth, Western Australia.

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Digimatic Group