



ASX Announcement

25 July 2014

ISSUE OF SHARES AND OPTIONS

Asia Pacific Digital Limited ACN 000 386 685 (**ASX:DIG**) (**Company**) has today issued the following securities:

- (a) 9,882,367 fully paid ordinary shares at an issue price of 1.7 cents per share under a Share Purchase Plan to existing shareholders (**Plan Shares**);
- (b) 127,451,975 fully paid ordinary shares at an issue price of 1.7 cents per share in effective repayment of certain amounts owed under the Secured Debt Facility to several financiers, including 92,660,661 fully paid ordinary shares issued to related parties of the Company (**Repayment Shares**); and
- (c) 15,000,000 options with an exercise price of 3 cents each to Canaccord Genuity (Australia) Limited (**Canaccord**) in consideration for services provided by Canaccord as Lead Manager in the Company's capital raising in May 2014. The options will not be quoted and will expire on 24 July 2017.

Further details in relation to the issue of the above securities are set out in the attached **Appendix 3B**.

The Plan Shares were issued without disclosure to investors under Part 6D.2 of the Act in reliance on ASIC Class Order (CO 09/425) *Share and interest purchase plans*. In particular, the Company has given a notice to ASX that complies with section 708A(6) of the Act on 27 May 2014 which satisfies the requirements of paragraph 7(f)(i) of CO 09/425.

CLEANSING NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

This notice is given by Asia Pacific Digital Limited ACN 000 386 685 (**ASX:DIG**) (**Company**) under section 708A(5)(e) of the *Corporations Act 2001 (Cth)* (**Act**) with respect to the Repayment Shares.

The Repayment Shares were issued to sophisticated investors within the meaning of section 708(8) of the Act. The Company relies on section 708A(5) of the Act and gives notice under section 708A(5)(e) and 708A(6) of the Act of the following details:

the Repayment Shares were issued without disclosure to investors under Part 6D.2 of the Act;

- (b) this notice is being given under section 708A(5)(e) of the Act;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company;
and
 - (ii) section 674 of the Act; and
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708A(7) and 708A(8) of the Act that is required to be set out in this notice under section 708A(6)(e) of the Act.

Enquiries

Campbell Nicholas (Chief Financial Officer): cnicholas@asiapacificdigital.com

Peter Hynd (Chief Operating Officer): phynd@asiapacificdigital.com

About Asia Pacific Digital Limited

Asia Pacific Digital (ASX:DIG) is the leading independent digital marketing and commerce company in the region, offering an integrated digital value chain through Australasia, Southeast Asia and the Peoples Republic of China to more than 1,000 corporate clients through four divisions: Strategy & Solutions, Customer Acquisition, Customer Management end-to-end eCommerce.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Asia Pacific Digital Limited

ABN

30 000 386 685

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | <div>(a) Fully paid ordinary shares</div> <div>(b) Unquoted options</div> |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <div>(a) Fully paid ordinary shares: 137,334,342</div> <div>(b) Unquoted options: 15,000,000</div> |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <div>(a) Fully paid ordinary shares</div> <div>(b) Unquoted options: exercise price is 3 cents per option and expiry date is 24 July 2017</div> |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(a) Fully paid ordinary shares: Yes, they rank equally with existing ordinary shares</p> <p>(b) Unquoted options: shares issued on the exercise of the unquoted options will rank equally with existing ordinary shares</p>
<p>5 Issue price or consideration</p>	<p>(a) Fully paid ordinary shares: issue price is 1.7 cents per share</p> <p>(b) Unquoted options: issued in consideration for services provided by Canaccord Genuity (Australia) Limited</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) 9,882,367 fully paid ordinary shares were issued under a Share Purchase Plan to fund recent investments and growth initiatives across the region and to provide general working capital</p> <p>127,451,975 fully paid ordinary shares were issued in effective repayment of part of the outstanding amounts under the Secured Debt Facility</p> <p>(b) 15,000,000 unquoted options were issued to Canaccord Genuity (Australia) Limited for their role as Lead Manager in a capital raising in May 2014</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>NA</p>

+ See chapter 19 for defined terms.

6b	The date the security holder resolution under rule 7.1A was passed	NA
6c	Number of +securities issued without security holder approval under rule 7.1	Unquoted options: 15,000,000
6d	Number of +securities issued with security holder approval under rule 7.1A	NA
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	NA
6f	Number of +securities issued under an exception in rule 7.2	NA
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	NA
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	NA
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	NA
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>(a) Fully paid ordinary shares: 25 July 2014</p> <p>(b) Unquoted options: 25 July 2014</p>

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		2,006,531,623	Fully paid ordinary shares
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		1,260,000	31/10/14 options at nil cents
		2,250,000	31/10/14 options at 6 cents
		9,610,714	31/10/17 options at 4.1 cents
		1,080,000	31/10/17 options at nil cents
		3,126,254	31/10/17 options at 2.4 cents
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	15,000,000	24/07/17 options at 3 cents
		(a) Fully paid ordinary shares: rank equally with existing fully paid ordinary shares	
		(b) Unquoted options: shares issued on the exercise of the unquoted options will rank equally with existing ordinary shares	

Part 2 - Pro rata issue

11	Is security holder approval required?	NA
12	Is the issue renounceable or non-renounceable?	NA
13	Ratio in which the ⁺ securities will be offered	NA
14	⁺ Class of ⁺ securities to which the offer relates	NA
15	⁺ Record date to determine entitlements	NA
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	NA

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	NA
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with.</small> <small>Cross reference: rule 7.7.</small>	NA
19	Closing date for receipt of acceptances or renunciations	NA
20	Names of any underwriters	NA
21	Amount of any underwriting fee or commission	NA
22	Names of any brokers to the issue	NA
23	Fee or commission payable to the broker to the issue	NA
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	NA
25	If the issue is contingent on security holders' approval, the date of the meeting	NA
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	NA
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	NA
28	Date rights trading will begin (if applicable)	NA
29	Date rights trading will end (if applicable)	NA

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|----|---|----|
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | NA |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | NA |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | NA |
| 33 | ⁺ Issue date | NA |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ☒ ⁺Securities described in Part 1
- (b) ☐ All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over

⁺ See chapter 19 for defined terms.

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of ⁺securities for which ⁺quotation is sought

NA

39 ⁺Class of ⁺securities for which quotation is sought

NA

40 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?

If the additional ⁺securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

NA

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)

NA

	Number	⁺ Class
42 Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in clause 38)	NA	

⁺ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 25 July 2014

(Company secretary)

Print name: Campbell Nicholas

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+ See chapter 19 for defined terms.