



10 March 2015

Shannon Hong
Senior Adviser, Listings Compliance
ASX Compliance Pty Ltd
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

By Email

Dear Ms Hong,

Disruptive Investment Group Limited (DVI) – response to financial condition query

We refer to DVI's half year financial report for the period ended 31 December 2014, lodged with ASX on 2 March 2015 (**Financial Report**) and ASX's letter to DVI dated 5 March 2015 (attached). In response to your letter, DVI provides the following information (adopting the numbering used in your letter).

1. DVI confirms that, in the Directors' opinion, the Financial Report:
 - (a) complies with the relevant accounting standards; and
 - (b) gives a true and fair view of the financial performance and position of the Company.
2. DVI is in discussion with its auditors as to the appropriate steps to take to provide the auditors with sufficient audit evidence of the carrying value of its investment in PPS and its convertible note investment in PPS for DVI's financial report for the financial year ending 30 June 2015 to ensure that an unqualified audit opinion is obtained. Having regard to their knowledge of PPS's business and operations, the Directors' believe that the carrying value of its investments in PPS best reflect the realisable value of those investments having regard to similar acquisitions between arm's length parties. The Directors confirm they have no reason to believe an independent valuation would differ from the carrying value reflected in the Financial Report.
3. The Directors' opinion is that the carrying value of the investment in PPS and the convertible note investment is at market value given that the PPS investments were made approximately 3 months prior to the reporting date. The Directors have no reason to believe that there has been any change to the value of PPS since the investments were made.
4. Yes. As previously disclosed, DVI is actively involved in aggregating online businesses. PPS group has been created from the merger of Check-in.com.au (a business formerly owned by DVI) and the BYOjet group. In addition, DVI is currently finalising negotiations in relation to the acquisition

of a stake in Find Solutions Australia Pty Ltd, the owner and operator of leading online off-the-plan property marketplace iBuyNew.com.au.

5. Yes. The auditor's qualified conclusion does not relate to whether DVI is a going concern, the qualification merely relates to the carrying value of one of DVI's investments.
6. Please see the answers to questions 4 and 5, above.
7. Not applicable
8. DVI confirms that it is in compliance with the listing rules and, in particular, listing rules 3.1 and 12.2.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Andrew Whitten', written in a cursive style.

Andrew Whitten
Company Secretary



5 March 2015

Andrew Whitten
Solicitor Director
Whittens
Level 5, 137-139 Bathurst Street
Sydney NSW 2000

By email

Dear Andrew,

Disruptive Investment Group Limited (the "Company") – Financial Condition Query

ASX refers to the following:

1. The Company's Half Year Financial Report for the year ended 31 December 2014, lodged with ASX on 2 March 2015 (the "Financial Report").
2. The Independent Auditor's Report set out on pages 4 to 5 of the Financial Report which contains a Qualified Conclusion (the "Qualified Conclusion"), stating the following:

Basis for Qualified Conclusion

The Company's investment in Professional Performance Systems Pty Ltd (PPS) is carried at \$986,726 on the Company's consolidated statement of financial position. This investment is accounted under the equity method. Disruptive Investment Group Limited has recorded its share of the net loss of PPS for the period ended 31 December 2014 totalling \$406,818. In addition, the Company has a convertible note investment in PPS on the Company's consolidated statement of financial position carried at \$900,000 as at 31 December 2014. We have been unable to obtain sufficient appropriate audit evidence to conclude about the recoverability of the carrying value of the investment, and the convertible note. Consequently we were unable to determine whether any adjustments to these amounts were necessary.

Relevant Listing Rules and Guidance

- Listing rule 3.1, which requires an entity, once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, to immediately tell ASX that information.
- Listing Rule 12.1 – The level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing.
- Listing Rule 12.2 – An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.
- Listing rule 19.11A, which requires accounts given to ASX under the requirements of the listing rules, to be prepared to Australian accounting standards and if the entity is a foreign entity, the accounts may be prepared to other standards agreed by ASX.

- Listing rule 3.1A sets out an exception from the requirement to make immediate disclosure, provided that each of the following are satisfied.
 - “3.1A.1 *A reasonable person would not expect the information to be disclosed.*
 - 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
 - 3.1A.3 *One or more of the following applies.*
 - It would be a breach of a law to disclose the information.
 - The information concerns an incomplete proposal or negotiation.
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
 - The information is generated for the internal management purposes of the entity.
 - The information is a trade secret.”

Questions for Response

In light of the information contained in the Financial Report, and having regard to the listing rules referred to above, please respond to the following questions.

1. Is the Company able to confirm that in the Directors' opinion the Financial Report:
 - (a) comply with the relevant Accounting Standards; and
 - (b) give a true and fair view of the financial performance and financial position of the Company?
2. Given the Qualified Conclusion relates to the Auditor's inability to obtain sufficient appropriate audit evidence to conclude about the recoverability of the carrying value of its investment in PPS and the Company's convertible note investment in PPS as stated in the Independent Auditor's Report, what steps does the Company intend to take to obtain an unqualified audit/review report for future financial periods?
3. How has the Company satisfied themselves that the carrying values of a) Investment in PPS and b) convertible notes are true and fair?
4. Does the Company consider that its level of operations is sufficient to warrant continued quotation of its securities on ASX in accordance with the requirements of listing rule 12.1? In answering this question, please also explain the basis for this conclusion.
5. Is the Company of the view that the financial condition of the Company would be sufficient to warrant continued listing on ASX in accordance with the requirements of listing rule 12.2?
6. If the answer to questions 4 or 5 is "Yes", please explain the basis on which the Company has formed the conclusion that the financial condition of the Company is sufficient to warrant continued listing on ASX in

accordance with the requirements of listing rules 12.2. Specifically, the Company should submit the reasons (including any previous disclosures made to the market) it considers relevant given the matters outlined in the Independent Auditor's Review Report resulting in the Qualified Conclusion.

7. If the answer to question 4 or 5 is "No", please explain what steps the Company has taken, or proposes to take, to warrant continued listing on ASX in accordance with the requirements of listing rules 12.1 and 12.2.
8. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rules 3.1 and 12.2.

Your response should be sent to me by return e-mail. It should not be sent to the Market Announcements Office.

This letter deals with important matters and you may wish to consult your advisers. If you wish to provide submissions, unless the information is required to be released to the market immediately under listing rule 3.1, a response is requested as soon as possible and, in any event by **no later than 9.30 a.m. AEDT on Thursday, 12 March 2015**.

Please note that ASX reserves the right, under listing rule 18.7A, to release this letter and the Company's response to the market. Accordingly, please prepare your response in a form suitable for release to the market.

If you have any queries regarding any of the above, please contact me.

Yours sincerely,

[Sent electronically without signature]

Shannon Hong
Senior Adviser