

ASX Announcement

13 May 2015

The Manager
ASX Market Announcements
Australian Securities Exchange Limited
Sydney NSW 2000

By e-lodgement

CLOSE OF RIGHTS ISSUE ENTITLEMENT OFFER, NOTICE OF SHORTFALL AND FURTHER CONVERSION OF SECURED DEBT FACILITY TO EQUITY

Close of Rights Issue and Notice of Shortfall

Asia Pacific Digital (**APD**) (ASX:DIG) is pleased to confirm that it has completed its 1 for 20 pro rata non-renounceable Rights Issue Entitlement Offer (**Rights Issue**) announced on 8 April 2015.

The Rights Issue offered 4,053,577 new shares at an issue price of \$0.425 per share to enable existing shareholders the opportunity to participate on the same terms as the Company's oversubscribed \$2.0 million placement to institutional and sophisticated investors, as announced on 16 March 2015.

Under the Rights Issue, APD received valid acceptances for 1,821,953 new shares and will raise a total of \$774,329.

The Rights issue was fully underwritten by Wentworth Financial Pty Ltd as trustee of the Wentworth Trust (**Underwriter**), an entity controlled by the Company's Chairman, Roger Sharp.

This notice is given in accordance with Appendix 7A of the ASX Listing Rules.

The total shortfall under the Rights Issue was 2,231,624 new shares (**Shortfall Shares**). All Shortfall Shares have been allocated by the Company and the Underwriter in accordance with the terms of the Underwriting Agreement.

The allotment and issue of new shares to accepting shareholders and the Underwriter will occur on 15 May 2015. Holding Statements for the new shares will be despatched shortly thereafter.

The net proceeds from the Rights Issue will be applied as described in the Offer Document lodged with ASX on 21 April 2015.

Further Conversions to Equity under Secured Debt Facility

Further to its announcement on 8 April 2015, the Company has secured the conversion of \$1,387,397 in secured debt to equity in effective repayment of amounts owed to various financiers under a Secured Debt Facility (**Repayment Shares**). The issue of Repayment Shares to three separate financiers (who are all sophisticated investors) will be at an issue price of \$0.425 such that those financiers are treated no less favorably than investors and existing shareholders under the recent Placement and Rights Issue.



The reduction of this amount of indebtedness both strengthens the Company's balance sheet and enhances its share register.

The Board of Directors of Asia Pacific Digital would like to express their thanks for the support provided by participants in the recent capital raising and debt restructuring program.

For more information:

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