

ASX Announcement

20 April 2016

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

By e-lodgement

PRO RATA RIGHTS ISSUE OFFER DOCUMENT & ACCEPTANCE FORM

Asia Pacific Digital Limited (**DIG: ASX**) has mailed to shareholders today the attached Pro Rata Rights Issue Offer Document and Acceptance Form.

For more information:

Campbell Nicholas
Company Secretary
cnicholas@apdgroup.com

ASIA PACIFIC DIGITAL LIMITED

ACN 000 386 685

Non-Renounceable Pro Rata Rights Issue
Offer Document





OFFER DOCUMENT NON-RENOUNCEABLE PRO RATA RIGHTS ISSUE

This is an offer to Eligible Shareholders to participate in a fully underwritten non-renounceable pro-rata rights issue for up to approximately 19,181,824 new fully paid ordinary shares in Asia Pacific Digital Limited (**New Shares**) at an issue price of \$0.30 per New Share on the basis of one New Share for every five existing Shares held on the Record Date to raise up to approximately \$5.75 million (before costs) (**Offer**).

The Rights Issue is fully underwritten by North Ridge Partners Pty Ltd (ACN 110 402 134). Eligible Shareholders may also apply for Shortfall Shares under the Shortfall Facility.

This Offer Document is important and requires your immediate attention.

It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer Document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this Offer Document.

The New Shares offered under this Offer Document should be considered speculative.

This Rights Issue opens on 20 April 2016 and closes at 5pm on 2 May 2016.
Valid acceptances must be received before the closing deadline.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

Important Information

This Offer Document is issued pursuant to section 708AA of the Corporations Act for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document has been prepared by Asia Pacific Digital Limited (ACN 000 386 685) and was lodged with ASX on 20 April 2016. ASX takes no responsibility for the content of this Offer Document.

Not a prospectus

This Offer Document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Shares. Nevertheless, this Offer Document contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Document, you should consult your professional adviser as soon as possible.

No authorisation

No person is authorised to give any information or to make any representation in connection with the Rights Issue which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Rights Issue.

No investment advice

The information provided in this Offer Document and the accompanying Entitlement and Acceptance Form is not financial product advice and has been prepared without taking into account each Eligible Shareholder's investment objectives, financial circumstances or particular needs.

The information contained in this Offer Document and the accompanying Entitlement and Acceptance Form should not be considered to be comprehensive or to comprise all the information which an Eligible Shareholder may require in order to determine whether or not to subscribe for New Shares and the information may be changed, modified or amended at any time by the Company. Neither the Company, nor any advisor of the Company intends to update the Offer Document or accepts any obligation to provide the recipient with access to information or to correct any additional information or to correct any inaccuracies that may become apparent in this Offer Document or in any other information that may be made available concerning the Company. Potential investors should conduct their own due diligence investigations regarding the Company.

If an Eligible Shareholder has any questions it should consult its professional adviser before deciding whether or not to accept all or any part of its Entitlement.

Applications for New Shares

Applications for New Shares by Eligible Shareholders can only be made on an **original** Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Rights Issue.

Overseas shareholders

This Offer Document does not constitute an offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder. Any receipt of this Offer Document residing outside Australia and New Zealand by shareholders should consult their professional advisers on requisite formalities.

The New Shares to be offered under the Rights Issue have not been, and will not be, registered under the U.S Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States, unless the New Shares are registered under the US Securities Act or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Disclaimers

None of the Underwriter, the Sub-Underwriters, their affiliates, related bodies corporates and directors, officers, partners, employees, contractors or agents of any of them (**Limited Parties**) have authorised, permitted or caused the issue of this Offer Document. None of the Limited Parties take any responsibility for any information in this Offer Document or any action taken by investors on the basis of such information, and none of them makes or purports to make any statement in this Offer Document.

No representation or warranty, express or implied, is made by any person in relation to the fairness, accuracy, completeness or reliability of all or part of this Offer Document, or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information or any part of it. The information in this Offer Document may include information derived from third party sources that has not been independently verified.

Without limiting anything else in this Offer Document, to the maximum extent permitted by law, the Limited Parties, the Company, its subsidiaries, and their respective partners, directors, officers, employees, agents and advisers disclaim all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through the use or reliance on anything contained in or omitted from this Offer Document, including without limitation, any liability arising from fault or negligence on the part of the Company or its subsidiaries, directors, partners, officers, employees and advisers.

A Limited Party may have interests in the securities of the Company, including being directors or shareholders of the Company. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriter or Sub-Underwriter may receive fees for acting in its capacity as underwriter or sub-underwriter to the Offer.

Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purpose of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purpose set out in this Offer Document and may disclose it for those purposes to the Company's 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 you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

Chairman's Letter

Dear Shareholders

PRO RATA NON-RENOUNCEABLE RIGHTS ISSUE

On behalf of the Directors of Asia Pacific Digital Limited (**APD**), I'm please to invite you to subscribe for shares in this non-renounceable pro rata rights issue to raise approximately \$5.75 million (**Offer**). We think the Offer is compelling because:

- With quality personnel and clients in place in nine countries across the Asia Pacific, your Company's mission to build the leading independent digital services business of its kind in the region has reached a major milestone.
- The Company's core business, APD, has completed the "green fields" build out of its platform and capabilities across Australasia and Southeast Asia and is now on a drive to improve profitability. While risks clearly remain, a good degree of the business risk associated with our ambitious regional expansion drive is now behind us.
- Our 360 Degree Digital offer, comprising digital strategy, technology, performance marketing, CRM and analytics, is gaining traction, with marquee clients now buying the integrated offer rather than simply one or two service lines. We are winning and executing well for household name clients across Australasia and Asia, in both current and new markets.
- Our recently appointed CEO and CFO have introduced disciplines which are driving improved cost and revenue management, and forward visibility. The outlook, as we focus on sustainable profits, is for a material improvement in profitability over the balance of calendar 2016.
- There is significant focus on discontinuing activities that do not add economic value, and doubling down on those that can or are already adding value. 360 Degree Digital for local blue chip companies and multinational corporations works well. The ability to offer strategy, technology, performance marketing, CRM and analytics as an integrated programme is highly effective.
- This capital raising is integral to the process of getting APD into the black in 2016 and then creating value for shareholders. As Chairman I strongly recommend this Offer (which your major shareholder has fully underwritten) to you, and encourage you to subscribe.

Finally, we have written previously about our plan to align ourselves with channel partners who can deliver revenue growth now that we have built the core platform. We are now advancing negotiations with a number of such parties, and this capital raising will enable us to continue these discussions from a position of greater financial strength.

A handwritten signature in black ink, appearing to read 'Roger Sharp'.

Roger Sharp
Chairman

Details of the Offer

1. Details of the Rights Issue

1.1 Overview

The Rights Issue is a fully underwritten non-renounceable pro-rata rights issue of up to approximately 19.2 million New Shares at an issue price of \$0.30 per New Share to raise up to approximately \$5.75 million (before offer costs) (**Rights Issue** or **Offer**). Under the Offer, each Eligible Shareholder is entitled to apply for one New Share at an issue price of \$0.30 per New Share, for every five Share held at the Record Date. Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The proceeds of the Rights Issue will be used by the Company to complete its investment programme in finance, human resources and operational management systems, to reduce existing debt levels and to take its core business from its “green fields” platform build phase into sustainable profitability. Further detail is set out in **Section 1.13** below.

Eligible Shareholders who are on the Company’s share register on the Record Date are entitled to acquire one New Share in for every five existing Shares held by them on the Record Date (**Entitlement**).

The issue price of \$0.30 per New Share represents a premium of 3% to the 30 day volume weighted average price and a premium of 20% to the last traded price of APD shares before the Rights Issue was announced (being \$0.25 on 7 April 2016).

The Rights Issue is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

A personalised Entitlement and Acceptance Form setting out your Entitlement accompanies this Offer Document. Eligible Shareholders may subscribe for all or part of their Entitlements. The Issue Price is payable on Application.

Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in the Company diluted.

This Offer Document is also for the offer of Shortfall Shares to Eligible Shareholders. Refer to **Section 1.2** for further information and details of the Shortfall Facility.

1.2 Shortfall Facility - Additional New Shares

In addition to being able to apply for New Shares, Eligible Shareholders who subscribe for their full Entitlement will also have the opportunity to apply for additional New Shares that are not subscribed for in the Rights Issue (**Shortfall Shares**) (up to a maximum number of New Shares so that the aggregate of their Entitlement under the Rights Issue and the number of Shortfall Shares subscribed for does not exceed 25% of the total number of New Shares to be issued under the Rights Issue).

New Shares offered under the Rights Issue that are not applied for by Eligible Shareholders under their Entitlement will form the shortfall (**Shortfall**) that will be dealt with firstly in accordance with the Shortfall Facility and then in accordance with the Underwriting Agreement. See Section 1.3 for further details of the Underwriting Agreement.

Eligible Shareholders may only make an application for Shortfall Shares if they accept their full entitlement to New Shares under the Rights Issue.

Shortfall Shares will only be issued if the New Shares under the Rights Issue are not taken up in full. If the Company receives applications for Shortfall Shares that would result in the Rights Issue being oversubscribed, the Company will not accept any oversubscriptions and will scale back applications received for Shortfall Shares on a pro-rata basis having regard to the number of Shortfall Shares applied for by each Eligible Shareholder.

Details of the Offer

In the event of an application for Shortfall Shares not being accepted, including because of a scale back, the application monies received for an unsuccessful application for Shortfall Shares (or the applicable portion if the application is partly successful) will be refunded to the applicant, without interest, as soon as practicable.

No Shortfall Shares will be issued to an applicant if to do so would, to the extent of the knowledge of the Company, result in a breach of the ASX Listing Rules or the restrictions on obtaining or increasing relevant interests of greater than 20% of the Company's issued voting shares under Chapter 6 of the Corporations Act or would otherwise be contrary to the Corporations Act or the ASX Listing Rules.

1.3 Underwriting

The Rights Issue is fully underwritten by North Ridge Partners Pty Ltd (**Underwriter**). The Underwriter is a shareholder and related party of the Company. The Underwriter has agreed to fully underwrite the Rights Issue on the terms set out in the Underwriting Agreement between the Company and the Underwriter dated 8 April 2016.

Any Shortfall Shares that are not subscribed for by Eligible Shareholders under the Shortfall Facility will be issued to the Underwriter in accordance with the Underwriting Agreement. The effect of the underwriting on the Share capital is further explained in section 1.4.

The material terms of the Underwriting Agreement are briefly summarised below:

- a) The obligation of the Underwriter to underwrite the Entitlements Offer is subject to certain termination events. The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of certain events. A summary of these events is set out in Section 5.
- b) The Underwriter will receive an underwriting fee of 5.0% of the total number of New Shares offered under the Rights Issue multiplied by the issue price of \$0.30 per New Share (excluding GST) (being approximately \$290,000).
- c) The Underwriter is entitled to reimbursement of all reasonable costs and expenses.
- d) APD has agreed to indemnify the Underwriter against its losses in connection with the Rights Issue.
- e) The Underwriting Agreement also provides that the Underwriter may appoint sub-underwriters.
- f) The Underwriting Agreement also contains a number of indemnities, representations and warranties given by the Company to the Underwriter that are standard for an agreement of this type.

1.4 Dilution and Effect on the Control of the Company

Given the structure of the Rights Issue as a fully underwritten pro-rata offer with a Shortfall Facility, the potential effect that the issue of New Shares will have on the control of the Company is as follows:

- a) if all Eligible Shareholders take up their New Shares under the Rights Issue, then each Eligible Shareholder's percentage holding in the Company will remain and the Rights Issue will not have a significant effect on the control of the Company;
- b) to the extent that a Shareholder does not or is not eligible to take up their entitlement under the Rights Issue, that Shareholder's percentage holding in the Company will be diluted; and
- c) if none of the Eligible Shareholders take up their entitlements for New Shares and therefore no New Shares under the Shortfall Facility, all of the Shortfall Shares will be subscribed for by the Underwriter under the Underwriting Agreement. The Underwriter is a related party and manager of the Company's majority shareholder, the Co-Investor No. 1 Fund and the Co-Investor No. 3 PIPE Fund. If none of the New Shares were taken up by Eligible Shareholders,

Details of the Offer

then the Underwriter will be required to subscribe for all of the 19,181,824 New Shares. The Underwriter has entered into sub-underwriting agreements with associated parties, Wentworth Financial Pty Limited and VBS Investments Pty Ltd. If the Underwriter and the aforementioned associated parties are required to subscribe for all of the 19,181,824 New Shares, the Underwriter and its associates will increase their percentage holding to 75.2% (up from 70.3%). The direct percentage holdings that each of them might acquire under the Underwriting and associated sub-underwriting agreements in this scenario are as per the table below:

Substantial shareholder and its associates	As at Record Date		After completion of Rights Issue*	
	Number of Shares held	Percentage of voting power**	Number of Shares held	Percentage of voting power**
Valuestream Investment Management Limited as trustee of the Co-Investor No. 3 PIPE Fund	57,803,973	60.3%	57,803,973	50.2%
Wentworth Financial Pty Limited as trustee of the Wentworth Trust	1,438,753	1.5%	9,772,165	8.5%
VBS Investments Pty Ltd	-	-	8,333,412	7.2%
North Ridge Partners as trustee of the Co-Investor No. 1 Fund	3,929,513	4.1%	3,929,513	3.4%
Christine Catherine Sharp	3,220,425	3.4%	3,220,425	2.8%
North Ridge Partners Pty Ltd (Underwriter) ***	5,250	0.0%	2,520,250	2.2%
Pyvis Nominees Pty Ltd as trustee of the Pyvis Trust	994,236	1.0%	994,236	0.9%
Total	67,392,150	70.3%	86,573,974	75.2%

(*) on the assumption that none of the Eligible Shareholders take up any of the New Shares and that all Shortfall Shares are subscribed for by the Underwriter (or the sub-underwriters as the case may be).

(**) rounded to one decimal point

(***) the Underwriter has entered into sub-underwriting agreements with Wentworth Financial Pty Limited and VBS Investments. Each of these parties are related parties and associates of the Underwriter.

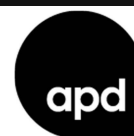
Given no nominee has been appointed for foreign Shareholders under section 615 of the Corporations Act, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of its Entitlement, it must have regard to the takeover prohibition in section 606 of the Corporations Act. No person will be issued New Shares if such issue would result in their voting power in the Company increasing beyond the thresholds set out in the takeover prohibition in section 606 of the Corporations Act unless that person can rely on any other exception to the takeover prohibition set out in section 611 of the Corporations Act.

1.5 Eligibility of Shareholders

The Rights Issue is being made to all Eligible Shareholders. Eligible Shareholders are Shareholders on the Record Date who:

- have a registered address in Australia or New Zealand;
- are eligible under all applicable securities laws to receive an offer under the Rights Issue without any requirement for a prospectus to be lodged or registered; and
- are not in the United States and are not acting for the account or benefit of a person in the United States.

Directors and other related parties who are Eligible Shareholders may participate in the Rights Issue.



Details of the Offer

By returning a completed Entitlement and Acceptance Form or making a payment you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

1.6 Excluded Shareholders

The Company will not make an Offer to Shareholders with a registered address outside Australia or New Zealand as at the Record Date (**Excluded Shareholders**). The Company has decided that it is unreasonable to extend the Offer to Excluded Shareholders having regard to:

- the number of Shareholders outside Australia and New Zealand;
- the number and value of New Shares that would be offered to Shareholders outside of Australia and New Zealand; and
- the cost of complying with the legal requirements, and requirements of regulatory authorities, in the overseas jurisdictions.

Accordingly, the Offer will not be extended to Excluded Shareholders.

1.7 Indicative Timetable

The Offer is being conducted in accordance with the following timetable:

Event	Date
Announcement of Rights Issue	8 April 2016
Lodgement of documents associated with the Rights Issue Lodgement of Appendix 3B	12 April 2016
Dispatch of notices to Shareholder informing them of Rights Issue	13 April 2016
Ex-Date Date from which securities commence trading without the entitlement to participate in the Rights Issue	14 April 2016
Record Date Record Date (date for determining entitlements of Eligible Shareholders to participate in the Rights Issue)	15 April 2016
Dispatch of Offer Documents to Eligible Shareholders Dispatch of Offer Document and personalised Entitlement and Acceptance Form to Eligible Shareholders (and lodgement with ASX)	20 April 2016
Rights Issue Opening Date The first day for receipt of acceptances under the Rights Issue including applications under the Shortfall Facility	20 April 2016
Rights Issue Closing Date The Closing Date for acceptances including last day to apply under the Shortfall Facility	5.00pm (AEST) on 2 May 2016
Deferred Settlement Trading New Shares issued under the Rights Issue expected to commence quotation on ASX on a deferred settlement basis	3 May 2016
Shortfall Date New Shares under the Shortfall Facility allocated and announcement made to ASX. Announcement made to ASX of any shortfall under the Rights Issue after take up under the Shortfall Facility	5 May 2016
Issue of New Shares Issue date for New Shares allotted under the Rights Issue (including New Shares under the Shortfall Facility) and New Shares commence trading on ASX on a normal settlement basis	9 May 2016
Normal Trading Trading of New Shares expected to commence on ASX	10 May 2016



Details of the Offer

This timetable is indicative only and subject to change. The Company reserves the right to change the dates, including the Closing Date without prior notice, subject to the ASX Listing Rules. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the New Shares.

1.8 Entitlements and Acceptances

The Entitlement of Eligible Shareholders to participate in the Offer is determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

1.9 Ranking of New Shares

The New Shares issued under the Offer will be fully paid and rank equally with Existing Shares.

1.10 Opening and Closing Dates

The Rights Issue opens on the Opening Date, being 20 April 2016. The Company will accept Entitlement and Acceptance Forms until 5.00pm (EST) on the Closing Date or such other date as the Directors determine, subject to the ASX Listing Rules.

1.11 Capital Structure

Subject to rounding up of fractional Entitlements, the capital structure of the Company following the issue of New Shares is expected to be as follows:

Shares	Number
Shares on issue at 7 April 2016 (the trading day immediately preceding the announcement of the Rights Issue)	95,909,120
Maximum number of New Shares available under the Rights Issue (approximately)	19,181,824
Maximum number of Shares on issue upon completion of the Rights Issue (approximately)	115,090,944

1.12 Options and Convertible Notes

No options will be issued under the Rights Issue. The Company currently has the following options on issue.

Options	Number
Unlisted options exercisable at 75 cents over unissued shares	600,000
Unlisted options exercisable at 62.5 cents over unissued shares	12,433,334

Option holders are not entitled to participate in the Rights Issue without first exercising their options (in accordance with the terms and conditions of their options) and being registered as a Shareholder on the Record Date.

In addition to the options listed above, the Company has issued 4,050,000 unlisted convertible notes. A term of this facility provides that if the Company undertakes a pro rata issue of securities, the noteholders are entitled (but not obligated) to convert the same percentage of the convertible notes as the number of shares issued under the pro rata issue represents of total ordinary shares on issue prior to capital raising. In these circumstances, the conversion is effected by the Company redeeming the

Details of the Offer

relevant percentage of convertible notes and applying the proceeds of the redemption to the issue of ordinary shares to the relevant noteholder at the Issue Price (\$0.30).

1.13 Use of Proceeds of the Rights Issue

The purpose of the Rights Issue is to raise up to approximately \$5.75m. The proceeds of the Rights Issue are planned to be used as follows:

- a) to provide working capital to complete the investment in finance, human resources and operational management systems;
- b) to provide working capital to allow the business to move from its “green fields” platform build phase into sustainable profitability
- c) to reduce balances of existing long term working capital loan facilities; and
- d) to fund costs of the Rights Issue.

The foregoing is an indication of current intentions as at the date of this Offer Document. As with any budget, intervening and new circumstances have the potential to affect the ultimate way that the funds will be applied. The Board reserves the right to alter the way the funds are applied on this basis.

1.14 Allotment and ASX trading

The Company has applied for quotation of the New Shares on ASX. If ASX does not grant quotation of the New Shares, the Company will not allot any New Shares and all application moneys will be refunded without interest. It is expected that allotment of the New Shares under the Rights Issue and dispatch of holding statements will take place no more than six Business Days after the Closing Date.

It is the responsibility of applicants to determine the number of New Shares allotted and issued to them prior to trading the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

1.15 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered in the Issuer Sponsored Subregister, your statement will be despatched by Computershare Investor Services Pty Limited (the Company's share registry) and will contain the number of New Shares issued to you under this Offer Document and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. Shareholders may request a statement at any other time, however there may be a charge associated with the provision of this service.

1.16 No Rights Trading

The Rights Issue is non-renounceable. Accordingly, there will be no trading of Entitlements pursuant to this Offer Document on ASX and Entitlements may not be sold or transferred.

Any New Shares not taken up by an Eligible Shareholder by the Closing Date will form part of the Shortfall and will be dealt with firstly in accordance with the Shortfall Facility and then in accordance with the Underwriting Agreement.

Details of the Offer

1.17 Minimum Subscription

There is no minimum subscription.

1.18 Rights and Liabilities Attaching to New Shares

The New Shares will, from allotment, rank equally with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of a Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of these regulations.

1.19 Brokerage

No brokerage is payable by Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for an Entitlement.

1.20 Withdrawal of Offer

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

1.21 Governing Law

This Offer Document and the contracts which arise on the acceptance of Applications are governed by the laws applicable in New South Wales and each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.

1.22 Enquiries

This document is important and should be read in its entirety. Persons who are in doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Rights Issue, please do not hesitate to contact Mr Campbell Nicholas, Company Secretary on (02) 8569 0080 or the Share Registry on 1300 787 272 or contact your stockbroker or professional advisor.

How to Apply

2. How to apply

2.1 Action Required by Shareholders

Your choices

The personalised Entitlement and Acceptance Form will detail the number of New Shares to which you are entitled. You may:

- a) take up all of your Entitlement in full (refer to section 2.2);
- b) take up all of your Entitlement in full and apply for additional New Shares under the Shortfall Facility (refer to section 2.3);
- c) take up part of your Entitlement and allow the balance to form part of the Shortfall which will be dealt with firstly by the Shortfall Facility, and then in accordance with the Underwriting Agreement (refer to section 2.4); or
- d) not take up any of your Entitlement and allow all of your Entitlement to form part of the Shortfall which will be dealt with firstly by the Shortfall Facility, and then in accordance with the Underwriting Agreement (refer to section 2.5).

You cannot sell or transfer any of your Entitlement to another person.

That part of your Entitlement not taken up will form part of the Shortfall that will be dealt with firstly in accordance with the Shortfall Facility and then in accordance with the Underwriting Agreement.

The issue price of any New Shares offered pursuant to the Shortfall shall be \$0.30 per Share, being the Issue Price at which the Entitlement has been offered to Shareholders under this Offer Document.

The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date. In this case, any application monies (without interest) will be returned.

In the event that there is a Shortfall in the subscriptions under the Rights Issue, the allocation of any additional Shares under the Shortfall Facility will be determined by the Company in consultation with the Underwriter.

The Company reserves the right to reject any application for additional New Shares or allocate fewer additional New Shares than applied for by subscribers under the Shortfall Facility. Application monies received but not applied towards subscriptions for additional New Shares under the Shortfall Facility will be refunded as soon as practicable. No interest will be paid on application monies held and returned to you.

2.2 Take up all of your Entitlement

If you wish to take up your Entitlement in full, complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form and forward it, together with your application monies for the amount shown on the form, to reach Computershare Investor Services Pty Limited (**Share Registry**) by the Closing Date.

2.3 Taking up all of your Entitlement and Applying for Additional New Shares under the Shortfall Facility

If you wish to apply for New Shares in addition to your Entitlement, complete the Entitlement and Acceptance Form for additional New Shares under the Shortfall Facility and forward it, together with your application monies for the amount shown on the form, to reach the Share Registry by the Closing Date.

How to Apply

2.4 Taking up Part of Your Entitlement

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and forward it, together with your application monies for the amount shown on the form, to reach the Share Registry by the Closing Date. In this case, the New Shares not taken up by you will form part of the Shortfall and will be dealt with firstly in accordance with the Shortfall Facility and then in accordance with the Underwriting Agreement.

2.5 Not Take Up Any of Your Entitlement

If you do not wish to accept any part of your Entitlement, do not take any further action. In this case, your whole Entitlement will form part of the Shortfall and will be dealt with firstly in accordance with the Shortfall Facility and then in accordance with the Underwriting Agreement.

2.6 Payment for New Shares

The Issue Price for each New Share accepted under your Entitlement is payable on application. The Entitlement and Acceptance Form must be accompanied by a cheque for the application monies. Cheques must be drawn in Australian currency on an Australian bank, made payable to "Asia Pacific Digital Ltd – Rights Issue Account" and crossed "Not Negotiable". Do not forward cash or money orders. Receipts for payment will not be issued.

Alternatively, payment can be made by BPay (using the BPay details on the Entitlement and Acceptance Form).

Application monies will be held on trust for applicants until allotment of the New Shares. Interest earned on application monies will be for the benefit of the Company and will be retained by it whether or not allotment takes place.

2.7 Entitlement and Acceptance Form is Binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

2.8 Representations by Acceptance

By completing and returning your personalised Entitlement and Acceptance Form, in addition to the representations set out elsewhere in this Offer Document and in the Entitlement and Acceptance Form, you:

- a) represent to the Company that you are an Eligible Shareholder;
- b) acknowledge that you have read and understand this Offer Document and the Entitlement and Acceptance Form in their entirety;
- c) agree to be bound by the terms of the Rights Issue, the provisions of this Offer Document and the Constitution;
- d) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- e) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- f) acknowledge that once the Company receives your completed personalised Entitlement and Acceptance Form, you may not withdraw your Entitlement and Acceptance Form or application monies except as allowed by law;
- g) agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form at the issue price of \$0.30 per New Share;



How to Apply

- h) declare that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- i) acknowledge that this Offer Document is not a prospectus, does not contain all of the information that you require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- j) acknowledge the statement of risks in Section 3 of this Offer Document and that investments in the Company are subject to risk;
- k) represent and warrant that the law of any place does not prohibit you from being given this Offer Document and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Offer;
- l) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States; and
- m) you understand and acknowledge that neither the Entitlements nor New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and the Entitlements may not be issued to, purchased or traded by, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account of a person in the United States.

Principal Risk Factors

3. Principal Risk Factors

3.1 General Risks

An investment in New Shares should be regarded as speculative and involves a number of risks.

Eligible Shareholders intending to participate in the Rights Issue should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, www.asx.com.au (ASX Code: DIG), and the Company's website, www.apdgroup.com.

Shareholders should consider the investment in the context of their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Shareholder should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest in the New Shares.

The New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares.

3.2 Liquidity Risk

There can be no guarantee that there will be an active market for the Shares or that the price of the Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price paid under the Offer. Furthermore, there is a risk that, should the market for the Shares become illiquid, the Shareholders will be unable to realise their investment in the Company.

3.3 Tax Consideration for Investors

You should be aware that there may be taxation implications associated with participating in the Rights Issue. The directors consider that it is not appropriate to give advice regarding the taxation consequences of subscribing for New Shares or the subsequent disposal of any New Shares. The Company, its advisers and its officers do not accept any responsibility or liability for any taxation consequences to Shareholders. The directors recommend that all Shareholders consult their own professional tax advisers in connection with subscribing for, or subsequent disposal of, New Shares.

3.4 Movement in Australian and Overseas Share Markets and Financial Markets Generally

A number of factors affect the performance of stock market investments that could also affect the price at which shares trade on the ASX. Movements on international stock markets, local interest rates and exchange rates, domestic and international economic conditions, as well as government taxation and other policy changes may affect the stock market.

3.5 Changes in Legislation and Government Regulation

Government legislation, including changes to the taxation system, may affect future earnings and the relative attractiveness of investing in the Company. Changes in government policy (such as in relation to taxation or media and entertainment) or statutory changes may affect the Company and the attractiveness of an investment in it.

3.6 Economic Conditions

Economic conditions, both domestic and global, may affect the performance of the Company. The Company's future possible revenue and share price can be affected by these conditions all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.



Principal Risk Factors

3.7 Reliance on Key Personnel

The Company's performance is substantially dependent on its senior management and key personnel to continue to develop and manage the Company's services. The loss of key management could have a material adverse effect on the business and consequently its financial performance. The future success of the Company is also dependent on its ability to attract and retain competent management and personnel. The inability to attract such personnel may adversely affect the business of the Company.

3.8 Future Capital Requirements

The Company may require further financing in the future, in addition to amounts raised pursuant to the Rights Issue, for example to make an acquisition(s) or retire debt. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Issue Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

No assurances can be given that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

3.9 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in complementary companies, services, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.

Additional Information

4. Additional Information

4.1 Effects of Rounding and Warning Against Share Splitting

All Entitlements will be rounded up to the nearest whole number of New Shares. If the Company reasonably believes that a Shareholder has been a party to the splitting or division of a shareholding in an attempt to obtain an advantage from the rounding up of Entitlements, then the Company reserves the right to round the Entitlement of such holdings so as to provide only the number of New Shares that would have been received but for the splitting or division.

4.2 Financial Information

The Company published its results for the half year ended 31 December 2015 on 29 February 2016. Shareholders should refer to the Half Year Report, the 2015 Annual Financial Report, and related announcements on the ASX website (www.asx.com.au) should they wish to obtain more detailed disclosures and commentary on historical financial information.

Investors should note that the past price performance of the Company's Shares provides no guidance as to future price performance.

4.3 Forward Looking Statements

This Offer Document may include forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements.

4.4 Tax

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under the Offer. The Company does not accept any responsibility in this regard, and Shareholders should consult with their professional tax adviser.

4.5 Continuous Disclosure

The Company is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

The Company is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price value of its securities. That information is available to the public from the ASX.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company, which has been notified to ASX, and does not include all the information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for New Shares under the Rights Issue. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available on the ASX website www.asx.com.au (using the ticker DIG).

Some documents are required to be lodged with ASIC in relation to the Company. These documents may be obtained from, or inspected at, an ASIC office. In addition, the Company is required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the ASX website.

Underwriting Agreement Key Terms

5. Events for Termination of Underwriting Agreement

The Underwriter may terminate its obligations under the Underwriting Agreement on the occurrence of any of the following events:

- a) **(no Listing Rule waivers or approvals)** the Company fails to obtain or procure from ASX any waivers or approvals required under the ASX Listing Rules before the despatch date;
- b) **(disclosures in Offer Documents)** a statement in the Offer Document is misleading or deceptive in a material respect, or information is omitted from the Offer Document, which renders them misleading or deceptive in a material respect;
- c) **(disclosures)** any information supplied by or on behalf of the Company to the Underwriter in relation to the Company or the Rights Issue is misleading or deceptive in a material respect;
- d) **(Quotation approvals)** approval for official quotation of all of the New Shares on ASX is refused or not granted on or before the allotment date, or if approval is granted, the approval is granted on conditions other than customary conditions or subsequently withdrawn, qualified or withheld before issue of the New Shares;
- e) **(trading of securities)** trading in any securities of the Company is suspended by ASX for more than five trading days, or any securities of the Company quoted on ASX cease to be so quoted;
- f) **(market fall)** either of the All Ordinaries Index or the S&P/ASX 200 Index is at any time prior to the allotment date more than 10% below the level of that Index at the close of normal trading on the date of entry into the Underwriting Agreement and remains at or below that level for three consecutive trading days;
- g) **(adverse change)** any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company as disclosed to the ASX or the Underwriter (other than costs incurred in relation to the Rights Issue) which will result in material liability being imposed on the Underwriter (other than the ability to underwrite the Rights Issue);
- h) **(material default)** material default by the Company of any term of the Underwriting Agreement;
- i) **(withdrawal)** the Company enters into alternative underwriting agreements with a third party in relation to the Rights Issue for any reason;
- j) **(compliance with regulatory requirements)** the Company or any entity in the group contravenes the Corporations Act, the ASX Listing Rules, the Company's constitution or any other applicable law or regulation;
- k) **(closing Certificate)** a closing certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required or a statement in the closing certificate is untrue, incorrect or misleading in a material respect;
- l) **(repayment)** any circumstance arises that results in the Company either repaying the money received from applicants or offering applicants an opportunity to withdraw their acceptances for New Shares and be repaid their application money;
- m) **(new circumstance)** a new circumstance occurs or arises after the Offer Documents are issued that would, in the reasonable opinion of an underwriter, have been required to be included in the Offer Documents if it had arisen before the Offer Documents were issued;
- n) **(change of law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia, a new law, or the Reserve Bank of Australia, or any Commonwealth, State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this document);

Underwriting Agreement Key Terms

- o) **(legal proceedings and offence by Directors)** any of the following occurs:
 - i. a Director is charged with an indictable offence;
 - ii. legal proceedings are commenced against the Company or any Director; or
 - iii. any Director is disqualified from managing a corporation under section 206A of the Corporations Act;
- p) **(hearing or investigation)** any government agency (including ASIC) commences any public action, hearing or investigation against the Company or any of the Company's directors in their capacity as a director of the Company, or announces that it intends to take such action;
- q) **(Offer to comply)** the Offer Documents or any aspect of the Rights Issue does not comply with the Corporations Act, the ASX Listing Rules or any other applicable law or regulation;
- r) **(notifications)** any of the following occurs:
 - i. ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Rights Issue or commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Offer Documents; or
 - ii. the Company issues a public statement concerning the Rights Issue which has not been approved by the Underwriter;
- s) **(representations and warranties)** any representation or warranty in the Underwriting Agreement on the part of the Company is not materially true or correct;
- t) **(prescribed occurrence)** an event specified in section 652C(1) or section 652C(2) of the Corporations Act occurs, but replacing "target" with "Company"; or
- u) **(timetable)** an event specified in the timetable included in the Underwriting Agreement is delayed for more than three business days other than as the direct result of actions taken by the Underwriter (unless those actions are requested by the Company) or the actions of the Company (where those actions are taken with the Underwriter's prior consent).



6. Corporate Directory

Directors

Laura Ashton
Mark Dalglish
Peter Hynd
Fionn Hyndman
Roger Sharp

Share Registry*

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000

Registered Office

Ground Floor
33 Saunders Street
Pyrmont NSW 2009

Auditor*

BDO
Level 11, 1 Margaret St
Sydney NSW 2000
AUSTRALIA

Company Secretary

Campbell Nicholas

ASX Code

DIG

* These have been included for information purposes only. They have not been involved in the preparation of this Offer Document.



7. Defined Terms

Applicant means a person who submits an Entitlement and Acceptance Form and pays the applicable Application Monies.

Application means an application for New Shares (including Shortfall Shares under the Shortfall Facility) pursuant to the Offer made under an Entitlement and Acceptance Form or by making payment via BPAY.

Application Monies means the Issue Price, multiplied by the number of New Shares

ASIC means the Australian Securities and Investments Commission

ASX means ASX Limited ACN 008 624 691, or where the context prescribes, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the official listing rules of the ASX.

ASX Settlement means AX Settlement Pty Ltd ACN 008 504 532

ASX Settlement Operating Rules means the operating rules of ASX Settlement, except to the extent of any relief given by ASX Settlement.

Closing Date means 5.00 pm (EST) on 21 April 2016 unless extended in accordance with the ASX Listing Rules.

Company means Asia Pacific Digital Limited ABN 30 000 386 685.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Dollars or **\$** means dollars in Australian currency.

Eligible Shareholders means a person who is registered as the holder of Shares on the Record Date.

Entitlement means the entitlement to subscribe for New Shares under this Offer Document and **Entitlements** has the corresponding meaning.

Entitlement and Acceptance Form means the 'Entitlement and Acceptance Form' accompanying this document.

Existing Shares the Shares in the Company on issue as at the Record Date.

Issue Price means \$0.30 per New Share.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

New Share means a new Share proposed to be issued pursuant to the Rights Issue.

Offer Document means this offer document dated 8 April 2016.

Opening Date means the date that the Rights Issue opens, being 20 April 2016.

Rights Issue has the meaning given in **Section 1.1**.

Record Date means 5.00pm (EST) on 15 April 2016.

Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of Shares.

Shortfall Facility means the offer to Eligible Shareholders to subscribe for any Shortfall Shares in addition to their initially allocated Entitlement.



Defined Terms

Shortfall Shares means such number of New Shares offered under the Offer for which valid Applications have not been received on the exercise of an Entitlement.

Sub Underwriter(s) means Wentworth Financial Pty Limited as trustee of the Wentworth Trust and VBS Investments Pty Ltd.

Underwriter means North Ridge Partners Pty Ltd.



Asia Pacific Digital Limited
ABN 30 000 386 685

For all enquiries:

Phone:



(within Australia) (02) 8569 0080
(outside Australia) 61 2 8569 0080

Web:



www.investorcentre.com/contact

Make your payment:



See overleaf for details of the Offer and how to make your payment

Non-Renounceable Rights Issue — Entitlement and Acceptance Form

Your payment must be received by 5:00pm (AEST) Monday 02 May 2016

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Document dated 20 April 2016.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with **BPAY** payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Asia Pacific Digital Ltd - Rights Issue Account**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.


Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Entitlement and Acceptance Form with Additional Shares

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name:

Entitlement No:

Offer Details:

Existing shares entitled to participate as at
15 April 2016:

Entitlement to New Shares
on a 1 for 5 basis:

Amount payable on full acceptance
at \$0.30 per New Share:

STEP 2

Make Your Payment



Billers Code: 153494
Ref No:

Pay by Mail:



Make your cheque, bank draft or money order payable to "Asia Pacific Digital
Ltd - Rights Issue Account" and cross "Not Negotiable".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 2987 Adelaide South Australia 5001 Australia

Contact your financial institution to make your
payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEST) Monday 02 May 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor ASIA PACIFIC DIGITAL LIMITED accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEST) Monday 02 May 2016. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor ASIA PACIFIC DIGITAL LIMITED accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

ASIA PACIFIC DIGITAL LIMITED Acceptance Payment Details

Entitlement taken up:

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Number of Additional New
Shares applied for:

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Amount enclosed at \$0.30 per
New Share:

A\$

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Entitlement No:

Payment must be received by 5:00pm (AEST) Monday 02 May 2016

Contact Details

Contact
Name

Daytime

Telephone

Cheque Details

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

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A\$
