

MIE PAY LTD

ACN 629 754 874

REPLACEMENT PROSPECTUS

For an offer of up to 43,000,000 Shares at an issue price of \$0.10 per Share to raise a minimum of \$3,300,000 and a maximum of \$4,300,000 (**Public Offer**).

CPS Capital
Sponsoring broker

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered highly speculative.

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CORPORATE DIRECTORY

Directors

Roger James Kerr
Non-Executive Chair

Lei (Andy) Zhang
Managing Director

Jack Zhong Yin
Non-Executive Director

Chen Chik (Nicholas) Ong
Non-Executive Director

Hing Chow (Tony) Leung
Non-Executive Director

Company Secretary

Chen Chik (Nicholas) Ong

Australian Solicitors and NOMAD

HFW Australia
Level 15
Brookfield Place - Tower 2
123 St Georges Terrace
Perth WA 6000

Hong Kong Solicitors

HFW Hong Kong
15th Floor, Tower One
Lippo Centre
89 Queensway, Admiralty
Hong Kong SAR

Share Registry*

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Registered Office and Principal Place of Business

Suite 403, Level 4, 165 Phillip Street
Sydney NSW 2000

Principal Place of Business (New Zealand)

Level 13, Tower One, Level 1, 205 Queen Street
Auckland, 1010 NZ

Proposed NSX Code

MIE

Email: info@miepay.com

Website: www.miepay.com

Sponsoring Broker

CPS Capital Group Pty Ltd
Level 45/108 St Georges Terrace
Perth WA 6000

New Zealand Solicitors

Lane Neave
141 Cambridge Terrace
Christchurch 8013
New Zealand

Investigating Accountant

RSM Corporate Australia Pty Ltd
Level 13, 60 Castlereagh Street
Sydney NSW 2000

Auditor of MyPay New Zealand Limited*

PricewaterhouseCoopers New Zealand
188 Quay Street
Auckland 11142
New Zealand

*This entity is included for information purposes only and has not been involved in the preparation of this Prospectus.

IMPORTANT NOTICES

The Offers

This replacement prospectus (Prospectus) is issued by Mie Pay Ltd (ACN 629 754 874) (**Mie Pay** or the **Company**) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The offers contained in this Prospectus are an initial public offer (**Public Offer**) to acquire fully paid ordinary shares in the Company (**Shares**) and a cleansing offer (**Cleansing Offer**) (together, the **Offers**) in Australia and New Zealand. See Section 9 for further information on the Offers.

Lodgement and Listing

This Prospectus is dated 24 December 2019. A copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. It replaces the Original Prospectus issued by the Company dated 12 December 2019 that was lodged with ASIC on that date. This Prospectus differs from the Original Prospectus.

The Company has applied to the NSX for admission to the Official List of NSX and for its Shares to be granted quotation by the NSX.

The fact that the NSX may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed securities to which this Prospectus relates.

The NSX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liabilities whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

ASIC takes no responsibility for the contents of this Prospectus.

This Prospectus has been issued to, amongst other matters, provide additional disclosure in relation to the following material matters:

- (a) concerns about the Company's ability to continue as a going concern;
- (b) capital structure and escrow arrangements;
- (c) director history; and
- (d) clarification on the proposed use of funds and discharge of existing liabilities.

Expiry Date

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Note to Applicants

The information contained in this Prospectus is not investment or financial product advice and has been prepared as general information only, without consideration for your particular investment objectives, financial situation or particular needs.

It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company.

In particular, you should consider the assumptions underlying the Pro Forma Historical Financial Information and the risk factors that could affect the business, financial condition and financial performance of the Company.

You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in Shares. Some of the key risk factors that should be considered by prospective investors are set out in Section 4 of this Prospectus. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Any investment in the Shares of the Company should be regarded as speculative.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company or any return on investment in Shares made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Replacement Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company, the Directors, the Sponsoring Broker or any other person in connection with the Offers. You should only rely on information in this Prospectus.

Exposure Period

The Corporations Act prohibits the Company from processing Applications under the offer during a period (to be determined by ASIC, but not exceeding 14 days) after the date of the lodgement of the Original prospectus with ASIC (**Exposure Period**).

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, any applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on applications received during the Exposure Period and all applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

Governing Law

The Company is established in Australia. Its general corporate activities including the offering of securities in Australia are regulated by the Corporations Act and ASIC.

New Zealand Investors

Warning statement

Each of the Offers to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offers. If you need to make a complaint about the Offers, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. See Sections 10.2.1 and 10.2.2 respectively for a general summary of tax issues for Australian tax resident investors and New Zealand tax resident investors who acquire Shares under this Prospectus.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Currency Exchange Risk

The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between Australian dollars and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Trading on the NSX

The Company will apply for listing of the Company's securities on the NSX. If you wish to trade Shares through that market, you will have to make arrangements for a participant in that market to sell the Shares on your behalf. As the NSX does not operate in New Zealand, the way in which the NSX operates, the regulation of participants in that market and the information available to you about the Shares and trading may differ from financial products markets that operate in New Zealand.

Applicants outside Australia and New Zealand

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia and New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

No action has been taken to register or qualify the Shares or the Offers, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia and New Zealand. The Prospectus has been prepared for publication in Australia and New Zealand and may not be released or distributed in the United States of America.

Web Site – Electronic Prospectus

A copy of this Prospectus is available and can be downloaded from the website of the Company at <https://www.miepay.com/investor-relations/>. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian or New Zealand resident and must only access the Prospectus from within Australia or New Zealand (as applicable). Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

Industry and market data

This Prospectus, including the industry overview in Section 2 and the company overview in Section 3 contains statistics, data and other information (including forecasts and projections) relating to markets, market sizes, market share, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on third party research as well as the Company's analysis of such information. The information has been accurately reproduced and as far as the Company is aware, no facts have been omitted which would render the information provided inaccurate or misleading.

Prospective investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the forecasts or projections in the surveys, reports and surveys of any third party that are referred to in this Prospectus will be achieved. The Company has not independently verified, and cannot give any assurances to the accuracy or completeness of, this market and industry data or the underlying assumptions used in generating this market and industry data.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 4.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Currency

References to "\$", "A\$", "AUD" or "dollar" are references to Australian currency unless otherwise stated.

Time

References to time relate to Australian Eastern Standard Time as observed in Sydney, New South Wales, unless otherwise stated.

Forward-looking statements

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and its Directors.

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. The risk factors are set out in Section 4 of this Prospectus.

No prospective financial forecasts

The Directors have considered the matters outlined in ASIC Regulatory Guide 170. The Company will use the proceeds of the Offers for the purposes set out in Section 9. Given the Company is an early stage company with a limited trading history, reliable forecasts of any possible revenue and expenses cannot be prepared and accordingly the Directors have not included forecasts in this Prospectus.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person endorses this Prospectus or its content. Diagrams are illustrative only and may not be drawn to scale. The people and assets depicted in photographs in this Prospectus are not employees or assets of the Company unless specifically stated.

Enquiries

If you are in doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers, please contact the Company on +61 2 9221 1451 (Australia) or +64 9 6006545 (New Zealand) or by email to: info@miepay.com.

INDICATIVE TIMETABLE

Lodge Replacement Prospectus with ASIC	24 December 2019
Opening Date of the Offers	27 December 2019
Public Offer Closing Date	14 February 2020
Issue of Shares under the Public Offer and on conversion of the Convertible Loan	28 February 2020
Cleansing Offer Closing Date	2 March 2020
Despatch of Holding Statements	3 March 2020
Shares commence trading on NSX	9 March 2020

The above dates are indicative only and may change without notice. Subject to legal and regulatory requirements, the Directors reserve the right to close the Offers early or extend the closing dates of the Offers (as the case may be), should it be considered by them necessary to do so, without notice. If you wish to submit an Application to subscribe for Shares under the Offers (and are eligible to do so), you are encouraged to do so as soon as possible after the Opening Date as the Offers may close at any time without notice. The Opening Date may be affected by any extension of the Exposure Period. For further information on the Exposure Period, please refer to the "Important Notices" on page 5 of this Prospectus.

KEY OFFER INFORMATION

	Minimum Subscription	Maximum Subscription
Price per Share	\$0.10	\$0.10
Shares offered	33,000,000	43,000,000
Shares to be issued under the Cleansing Offer	1	1
Cash proceeds of the Public Offer (before costs)	\$3,300,000	\$4,300,000
Total Shares on issue as at the date of this Prospectus	271,000,000	271,000,000
Conversion of Convertible Loan prior to listing ¹	15,857,143	15,857,143
Total Shares on issue on completion of the Offers	319,857,144	329,857,144

¹ The Company entered into a convertible loan agreement for an amount of \$1,000,000 plus interest calculated at 8% per annum or 12% per annum (in the event of default) (**Convertible Loan**). The terms of the Convertible Loan were varied on 15 November 2019 to facilitate conversion prior to listing. Details of the Convertible Loan Agreement and Amendment Deed are set out in Section 8.10.

CHAIR'S LETTER

Dear Investor

On behalf of the Board of Directors and existing Shareholders of Mie Pay Ltd (**Mie Pay** or **Company**) it is my pleasure to invite you to become a Shareholder of the Company. I am pleased to present this Prospectus which provides an overview of the Company's business and its future opportunities for listing on the NSX.

Under the Public Offer in Australia and New Zealand, Mie Pay is seeking to raise a minimum of \$3,300,000 and a maximum of \$4,300,000 through the issue of up to 43,000,000 Shares at an issue price of \$0.10 per Share. The purpose of the Public Offer is to provide funds to implement the Company's business plan and strategies (fully described in Section 3).

The purpose of my letter is to provide you with a succinct summary of the information that is important to your decision as an investor and to highlight the potential benefits and risks of becoming a Shareholder.

Mie Pay was incorporated in New South Wales on 1 November 2018 for the purpose of acquiring MyPay New Zealand Limited (**MyPay NZ**) and to seek a listing on the NSX. MyPay NZ was incorporated in New Zealand on 9 May 2016 and is the operating entity.

The Company intends to generate revenue through the MyPay NZ business. MyPay NZ is a technology-driven payments company that facilitates online and offline commerce between merchants and end customers by way of an aggregated payments platform, enabling cross-border and local transactions. MyPay NZ is also a service provider of online stores through its e-commerce platform, IE Mall.

MyPay NZ presently derives revenue from each payment transaction and earns subscription fees through its e-commerce platform. By delivering demonstrable benefits to Australasian companies through access to offshore markets (including inbound tourists), the Company plans to increase traffic across the aggregated payments platform and broaden revenue sources through its service offering. Significant opportunities exist for building market share in digital payments in the New Zealand and Australian markets. These countries are relatively wealthy, have high internet penetration, however as yet have a low uptake in the emergent future of digital mobile payments.

MyPay NZ's service offering is positioned in particular towards the SME market in Australasia where SMEs constitute around 97% of all business enterprises. The Company's marketing strategy promotes a complete solution for merchants combining the MyPay NZ payments platform and the added value of an e-commerce platform to enable SMEs to enjoy the benefit of a highly cost-effective, high-speed, secure and seamless digital payment solution across borders.

Alipay and WeChat Pay are our major business partners. We also have agreements with POLi and UnionPay.

The Directors and management team of MyPay NZ have extensive industry experience to progress the commercialisation and expansion of the Company's technology.

The purpose of the Offers is to fund initiatives to scale the business to increased sales revenues by increased merchant participation and volumes in both New Zealand and Australia. Funds will also be applied to continuously develop our technology to maintain MyPay NZ's competitiveness and broaden our service offering. The Company believes that adoption of digital mobile payment systems in Australia and New Zealand away from traditional methods is highly likely and that we are well-placed to take advantage of this consumer change.

This Prospectus contains detailed information about the Offers (Section 9) and the financial and operating performance of MyPay NZ (Section 6). It also includes a description of the key risks (Section 4) associated with an investment in Mie Pay. Additionally, it is important to note that Mie Pay is essentially a start-up business and as a result there are inherent risks that may prevent or delay the implementation of our business strategies. Specifically, the ability to raise sufficient funding is a material uncertainty that may cast significant doubt about MyPay NZ's ability to continue as a going concern.

The IPO is a major milestone for Mie Pay and represents an important evolution for our company. It will allow us to increase customer awareness of our brand, deepen our partnerships, accelerate the development of MyPay NZ and broaden our marketplace offerings.

On behalf of the Board, I invite you to consider this opportunity to invest in Mie Pay and I look forward to welcoming you as a Shareholder.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Roger Kerr', followed by a period.

Roger James Kerr
Non-Executive Chair

1. **INVESTMENT OVERVIEW**

This investment overview is a summary of what the Directors consider to be key information with respect to the Company and the Offers. It is not a summary of the Prospectus.

If you are considering an investment in the Company, it is important that you read this Prospectus carefully in its entirety and seek professional advice where necessary before deciding to invest in the Company. In particular, in considering the prospects for the Company, you should consider the risk factors that could affect the performance of the Company. The Offers do not take into account your investment objectives, financial situation or particular needs. Accordingly, you should carefully consider the risk factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Shares offered under this Prospectus should be considered speculative.

Question	Answer	Section	
Company			
Who is the issuer of this Prospectus?	Mie Pay Ltd (ACN 629 754 874) (Mie Pay or Company).		
Who are we?	Mie Pay was incorporated in New South Wales on 1 November 2018 for the purpose of acquiring MyPay NZ and to seek a listing on the NSX.	Section 3.1	
Who is MyPay NZ?	MyPay NZ was incorporated in New Zealand on 9 May 2016 and is the operating entity of the Group.	Section 3.1	
What is our history?	MyPay NZ was a wholly owned subsidiary of IE Financial Services Limited (NZBN 9429042385455) (IEFS). On 19 December 2018, Mie Pay NZ was incorporated in New Zealand as a wholly owned subsidiary of the Company as part of the Spin Off from IEFS of MyPay NZ to Mie Pay NZ. The Company is the ultimate holding company of MyPay NZ.	Section 3.3	
What is the MyPay NZ business?	MyPay NZ is a technology driven payments company that facilitates online and offline commerce between merchants and end customers by way of an aggregated payments platform enabling cross-border and local transactions and is a service provider of online stores through its e-commerce platform, IE Mall.	Section 3.4	
What industry and markets does the Company operate in?	MyPay NZ operates in the e-commerce and digital payments industries targeting small and medium enterprises in Australia and New Zealand establishing access to local and global markets.	Section 2	
Who are the Company's substantial Shareholders ?		Section 10.5	
Business Model			

Question	Answer	Section
How will the Company generate revenue?	<p>The Company intends to generate revenue through its MyPay NZ business.</p> <p>MyPay NZ derives revenue from each transaction and earns subscription fees through its e-commerce platform. By delivering demonstrable benefits to Trans-Tasman companies through access to offshore markets (including inbound tourists), the Company plans to increase traffic across its aggregated payments platform and broaden revenue sources through its service offering.</p>	Section 3.12
What are the key business strategies of the Company?	<p>The Company's key business strategies are to:</p> <ul style="list-style-type: none"> (a) fund initiatives that scale and increase revenues and drive the Company to profitability; (b) increase merchant participation and volume across its complimentary aggregated payments platform, IE Pay and e-commerce platform, IE Mall; (c) continuously develop technology to maintain MyPay NZ's competitiveness and broaden its service offering; and (d) position the Company to lead consumer change in New Zealand and Australia to digital mobile payment systems. 	Section 3.13
Who are our customers?	Our customers are Trans-Tasman SMEs, specifically bricks and mortar merchants in the tourism, hospitality, luxury, health and beauty sectors and online retailers with an e-commerce platform.	Section 3.6
Who are our major partners?	Alipay and WeChat Pay are our major partners. We also have agreements with Merco to use POLi, and UnionPay.	Sections 3.10 & 8
Who do we compete with?	MyPay NZ competes with a range of payment providers and e-commerce online marketplaces in Australia and New Zealand. In New Zealand, TradeMe and TheMarket NZ operate online auction and marketplace sites, respectively. In Australia, eBay and The Iconic operate online marketplaces. Trans-Tasman digital payment competitors include Omipay, RoyalPay, LatiPay and SuperPay.	Section 2
What are the key dependencies of the Company's business model?	<p>Key dependencies of the Company's business model:</p> <ul style="list-style-type: none"> (a) Increasing merchant subscriptions to the MIE Pay and IE Mall in order to create economies of scale and to generate positive cashflow; (b) Increasing traffic and volume of transactions; and (c) Reliance on business partners and third party platforms such as Alipay and WeChat Pay. 	Section 3.14
Key advantages		
What are the key advantages of an investment in the Company?	The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:	Section 3

Question	Answer	Section
Large addressable market opportunity	Australia and New Zealand are economies dominated by small businesses, whose size and reach makes access to large off-shore economies hard to achieve. The Company's dual platform offering provides merchants and producers direct access to offshore markets (and inbound tourism) aimed at driving traffic and increasing transaction volumes across both platforms. Adoption of digital mobile payment systems in Australia and New Zealand is highly likely and the Company is well placed to lead this consumer change.	Section 3.13
Suitable, robust and flexible technology platform	The Company combines an aggregated payments platform enabling cross-border and local transactions, including for bricks and mortar merchants, and an e-commerce SaaS platform. The technology is the Company's bespoke proprietary software and about a third of the proceeds from the Offers will be used to further develop its technology to stay ahead of the competition and broaden its service offering.	Sections 3.8, 3.9 & 3.11
Strong network of partnerships	The Company has developed a strong network of partnerships with its third-party payment providers Alipay, WeChat Pay, POLi and UnionPay. It is presently developing its network of marketing partnerships, including with Christchurch International Airport to promote the Company's offline and online payment services, particularly in the tourism, accommodation and transport sectors. This will be a focus following completion of the Public Offer.	Section 3.10
Track record of significant growth	MyPay NZ has recorded year-on-year growth of 76% from FY18 to FY19, with transactions valued at approximately NZ\$37.3 million.	Section 3.7
Experienced board and senior management team	The Directors and management team of Mie Pay have extensive industry experience to progress the commercialisation and expansion of the Company's technology.	Section 5
Key Risks		
What are the key risks of an investment in the Company?	Risks associated with an investment in the Company under this Prospectus are set out in Section 4. Key risk factors include:	Section 4
Loss of key merchant relationships	We depend on continued relationships with our current merchant clients. There can be no guarantee that these relationships will continue or continue to be successful. Our contracts with retail merchant clients can be terminated for convenience on relatively short notice by either party so we do not have long term contracted revenues. Although we do not currently depend on any one retail merchant, our business is still at a relatively early stage and merchant revenue is not as diversified as it might be for a more mature business. The loss of even a small number of key merchant clients may materially and adversely impact our revenue and profitability.	Section 4.2(a)

Question	Answer	Section
Failure to grow transaction volumes, customer and merchant numbers or establish our brand	Our ability to profitably scale our business is heavily reliant on increases in transaction volumes and in our end-customer and merchant base to increase revenues and achieve profitable operations. Failure to grow our retail merchant client and end-customer bases may materially and adversely impact our ability to achieve economies of scale and to optimise our systems, which may adversely impact our ability to achieve future profitability.	Section 4.2(b)
Termination or non-renewal of Licences	Our value proposition is driven by the aggregation of mobile payment solutions from Alipay, WeChat Pay, POLi and UnionPay into a single platform. Early termination or non-renewal of licenses with these vendors may reduce our offering and competitiveness and limit growth, which may adversely impact our operations and revenue.	Section 4.2(c)
Technology failure or disruption	We depend on the constant real time performance, reliability and availability of our technology and third party communication networks. There is a risk that these systems may fail or become unavailable. Our operational processes and contingency plans may not adequately address every potential event. This may disrupt transaction flow and adversely impact our financial performance and reputation.	Section 4.2(d)
Protection and ownership of technology and intellectual property	We depend on our ability to commercially exploit our technology and intellectual property, including our technological systems. There is a risk that unauthorised use or copying of our data, specialised technology or platforms may occur. In addition, competitors may be able independently develop technologies or services that are protected by our intellectual property rights and in so doing may be able to offer very similar services or products that are otherwise competitive, which could adversely affect our business.	Section 4.2(e)
Reputational damage	Our reputation is closely linked to the timely and accurate provision of services to end customers. There is a risk that our actions and the actions of our service providers and retail merchants may diminish our reputation, which could result in end customers or other parties ceasing to do business with us. This could affect our ability to successfully provide our services and thereby materially and adversely affect our financial position and performance.	Section 4.2(f)
Competition	There is a risk that new entrants in the market may disrupt our business and market share. Our market involves rapidly evolving products and technological change. The industry in which we operate is subject to domestic and global competition. Some of the competing companies have greater financial and other resources and as a result, may be in a better position to compete for future business opportunities. There can be no assurance that we can compete effectively with these companies.	Section 4.2(g)

Question	Answer	Section
Superseded technology	Technology systems are continuing to develop and are subject to rapid change while business practices continue to evolve. Our success will depend on our ability to offer services that remain current with the continuing changes in technology, evolving industry standards and changing customer preferences. There is a risk we will not be successful in addressing these developments in a timely manner, or that expenses will be greater than expected. There is also a risk that new products or technologies (or alternative systems) developed by third parties will supersede our technology and materially affect our financial performance.	Section 4.2(h)
Aggregation of our technology with merchant platforms	We use, and rely on aggregation with, third party systems and platforms, including websites and merchant systems. The success of our services, and our ability to attract additional end customers and merchant clients, depends on the ability of our technology and systems to aggregate into and operate with various third party systems and platforms. As these systems and platforms are regularly updated, it is possible that such updates could cause our services to operate less efficiently. This would require us to change the way our systems operate which may take time and expense to resolve.	Section 4.2(i)
Limited history	<p>Our business operations are at an early stage. MyPay NZ has historically had no or very low levels of revenues due to the early stage of its development. There can be no guarantee that we can or will be able to further commercialise our products and /or profitably scale our business.</p> <p>The Company is a newly established company and has a limited operating history and limited historical financial performance. Depending on our ability to generate revenue from our operations, we may require further financing in addition to amounts raised under the Public Offer.</p>	Section 4.2(j)

Question	Answer	Section
Loss making operation, future capital needs and additional funding	<p>As at the date of this Prospectus and as set out in Section 6, MyPay NZ is currently loss making and is not cash flow positive, meaning it is reliant on the Company raising funds from investors to continue to fund its operations and product development.</p> <p>The future capital requirements of the Company will depend on many factors, including the rate and scale of the development of its business and sales. The Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its technology and to meet its other longer term objectives.</p> <p>Although the Directors believe that on completion of the Public Offer the Company will have sufficient working capital to carry out its stated business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that it can be obtained on favourable terms or at all.</p> <p>Any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>Any failure to raise capital, if and when needed, could delay or suspend our business strategy and could have a material adverse effect on our activities, financial condition and our ability to continue as a going concern. No guarantee or assurance can be given as to whether the business can be developed to the stage where it will generate positive cashflow or the timing of this.</p>	<p>Section 4.2(l)</p>
Financial Information		
How has the Company been performing?	<p>There are limited actual historical financial results for the Company, given its recent date of incorporation. Consequently, only the MyPay NZ financial information has been disclosed in the Prospectus as it is the operating entity within the Group.</p>	<p>Section 6</p>

Question	Answer	Section																																								
What is the historical statement of comprehensive income?	<p>The table below presents the summary statutory historical statement of comprehensive income for FY17, FY18 and FY19 of My Pay NZ, the operating company. Further discussion regarding the summarised historical statement of comprehensive income are set out in Section 6. For the purposes of the disclosure in Section 6, the functional (AUD) and presentational (NZD) currency that Mie Pay will report in going forward as an NSX listed company which is consistent with its historical reporting currency, therefore the Historical and Pro Forma Financial Information has been presented in NZD.</p> <table><thead><tr><th></th><th>Unaudited Year ended 31 March 2017</th><th>Audited Year ended 31 March 2018</th><th>Disclaimed Year ended 31 March 2019</th></tr></thead><tbody><tr><td>NZD \$'000</td><td></td><td></td><td></td></tr><tr><td>Revenue</td><td>-</td><td>24</td><td>243</td></tr><tr><td>Operating expenses</td><td>(3)</td><td>(135)</td><td>(877)</td></tr><tr><td>EBITDA</td><td>(3)</td><td>(111)</td><td>(634)</td></tr><tr><td>Depreciation and amortisation</td><td>-</td><td>-</td><td>(21)</td></tr><tr><td>EBIT</td><td>(3)</td><td>(111)</td><td>(655)</td></tr><tr><td>NLBT</td><td>(3)</td><td>(111)</td><td>(655)</td></tr><tr><td>Income tax expense</td><td>-</td><td>-</td><td>(9)</td></tr><tr><td>Loss for the year</td><td>(3)</td><td>(111)</td><td>(664)</td></tr></tbody></table> <p>*PricewaterhouseCoopers New Zealand performed an audit for the year ended 31 March 2019 and disclaimed their opinion. For more detail refer to Section 6.1.</p>		Unaudited Year ended 31 March 2017	Audited Year ended 31 March 2018	Disclaimed Year ended 31 March 2019	NZD \$'000				Revenue	-	24	243	Operating expenses	(3)	(135)	(877)	EBITDA	(3)	(111)	(634)	Depreciation and amortisation	-	-	(21)	EBIT	(3)	(111)	(655)	NLBT	(3)	(111)	(655)	Income tax expense	-	-	(9)	Loss for the year	(3)	(111)	(664)	Section 6.3
	Unaudited Year ended 31 March 2017	Audited Year ended 31 March 2018	Disclaimed Year ended 31 March 2019																																							
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Question	Answer	Section																																										
What is the pro forma statement of financial position?	<p>The table below sets out the summarised unaudited statutory historical and pro forma statement of financial position as at 31 March 2019 of Mie Pay. Details of the pro forma statement of financial position, including the pro forma adjustments are set out in Section 6.</p> <table><tr><th>NZD \$'000</th><th>Unaudited at 31 March 2019</th><th>Pro forma minimum</th><th>Pro forma maximum</th><th>AUD Pro forma minimum*</th><th>AUD Pro forma maximum*</th></tr><tr><td>Current assets</td><td>1,018</td><td>6,378</td><td>7,441</td><td>6,002</td><td>7,002</td></tr><tr><td>Non current assets</td><td>-</td><td>319</td><td>319</td><td>301</td><td>301</td></tr><tr><td>Total assets</td><td>1,018</td><td>6,697</td><td>7,760</td><td>6,303</td><td>7,303</td></tr><tr><td>Current liabilities</td><td>12</td><td>869</td><td>869</td><td>818</td><td>818</td></tr><tr><td>Total liabilities</td><td>12</td><td>869</td><td>869</td><td>818</td><td>818</td></tr><tr><td>Net assets</td><td>1,006</td><td>5,828</td><td>6,890</td><td>5,485</td><td>6,485</td></tr></table> <p>*Represents the NZD pro forma balance sheet converted to AUD using the 19 November 2019 spot rate of \$0.94.</p>	NZD \$'000	Unaudited at 31 March 2019	Pro forma minimum	Pro forma maximum	AUD Pro forma minimum*	AUD Pro forma maximum*	Current assets	1,018	6,378	7,441	6,002	7,002	Non current assets	-	319	319	301	301	Total assets	1,018	6,697	7,760	6,303	7,303	Current liabilities	12	869	869	818	818	Total liabilities	12	869	869	818	818	Net assets	1,006	5,828	6,890	5,485	6,485	Section 6.8
NZD \$'000	Unaudited at 31 March 2019	Pro forma minimum	Pro forma maximum	AUD Pro forma minimum*	AUD Pro forma maximum*																																							
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Net assets	1,006	5,828	6,890	5,485	6,485																																							
What is the historical statement of cash flows?	<p>The table below sets out the summarised statutory historical statement of cash flows for FY18 and FY19. Further discussion regarding the summarised statutory historical statement of cash flows of My Pay NZ, the operating company is set out in Section 6. For the purposes of the disclosure in Section 6, the functional (AUD) and presentational (NZD) currency that Mie Pay will report in going forward as an NSX listed company, which is consistent with its historical reporting currency, therefore the Historical and Pro Forma Financial Information has been presented in NZD.</p> <table><tr><th>NZD \$'000</th><th>Audited Year ended 31 March 2018</th><th>Disclaimed Year ended 31 March 2019</th></tr><tr><td>Net operating cash out flows</td><td>(67)</td><td>(1,043)</td></tr><tr><td>Net investing cash out flows</td><td>-</td><td>(92)</td></tr><tr><td>Net financing cash inflows</td><td>79</td><td>1,237</td></tr><tr><td>Net change in cash and cash equivalents held</td><td>12</td><td>102</td></tr><tr><td>Cash and cash equivalents at the beginning of the financial year</td><td>-</td><td>12</td></tr><tr><td>Cash and cash equivalents at the end of the financial year</td><td>12</td><td>114</td></tr></table>	NZD \$'000	Audited Year ended 31 March 2018	Disclaimed Year ended 31 March 2019	Net operating cash out flows	(67)	(1,043)	Net investing cash out flows	-	(92)	Net financing cash inflows	79	1,237	Net change in cash and cash equivalents held	12	102	Cash and cash equivalents at the beginning of the financial year	-	12	Cash and cash equivalents at the end of the financial year	12	114	Section 6.7																					
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Question	Answer	Section
What is the financial outlook for the Company?	Mie Pay has raised AUD\$1m of pre IPO funding subsequent to 31 March 2019 to support MyPay NZ's ongoing business and new developments. The ability to raise sufficient funding is a material uncertainty that may cast significant doubt about MyPay NZ's ability to continue as a going concern.	Section 6.2
	MyPay NZ is generating revenues from its business; however, the Company believes that revenue forecasts for early stage businesses are uncertain in light of numerous factors that are outside of its control. Given these factors and having regard to ASIC Regulatory Guide 170, the Directors find that the Company is unable to provide potential investors with reliable revenue, profit or cash flow projections or forecasts – other than having sufficient working capital based on estimated expenditure for a 24 month period, with only minimal existing revenues.	Section 10.12
	Potential investors should take into account this uncertainty and lack of financial forecast on considering the risks of investing in the Company's Shares.	
Will the Company pay dividends?	The Company's focus in the short to medium term is to fund its operations, growth initiatives and technology development. Accordingly, the Company does not have any plan or intention to pay a dividend in the immediate future. Payment of any future dividends will depend on the Company's future profitability and financial position.	Section 9.22
Key People, Interests and Benefits		
Who are the Directors?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> (a) Roger James Kerr – Independent Non-Executive Chair; (b) Lei (Andy) Zhang – Managing Director (c) Jack Zhong Yin – Non-Executive Director; (d) Hing Chow (Tony) Leung – Independent Non-Executive Director; and (e) Chen Chik (Nicholas) Ong – Independent Non-Executive Director (and Company Secretary). <p>The profiles of each of the Directors are set out in Section 5.</p>	Section 5.1

Question	Answer	Section
Who are the other key management personnel?	<p>The Group's key management personnel are:</p> <ul style="list-style-type: none"> (a) Chris Fan - Chief Technology Officer (b) Jeremy Cheng - Chief Operating Officer (to be appointed on listing); and (c) Richard Justice – Chief Financial Officer <p>The profiles of each of the key management personnel are set out in Section 5.</p>	Section 5.3
What are the significant interests of the Directors in the Company?	Each Director's relevant interests in securities of the Company is set out in Section 5.	Section 5.4
Offers		
What is being offered under the Public Offer?	<p>The Public Offer is an offer of a minimum of 33,000,000 Shares at an issue price of \$0.10 per Share to raise \$3,300,000 and a maximum of 43,000,000 Shares at an issue price of \$0.10 per Share to raise up to \$4,300,000 (before costs).</p> <p>Shares to be issued under the Offers represent 10.32% (based on Minimum Subscription) and 13.04% (based on Maximum Subscription) of the Company's total issued Share capital following completion of the Offers</p> <p>The Public Offer is open to retail and sophisticated investors in Australia and New Zealand.</p>	<p>Section 9.1</p> <p>Section 9.7</p>
What is the purpose of the Public Offer?	<p>The purpose of the Public Offer is to:</p> <ul style="list-style-type: none"> • provide the Company with a capital structure, which together with access to capital markets, will improve financial flexibility for future growth opportunities; • to give the Company a more visible and prominent profile to better promote, market and develop its operations; • provide an orderly and transparent platform for the Company's investors and interested investors to trade in the Company's shares; and • meet the requirements of the NSX Listing Rules for the Company's admission to the Official List of NSX. 	Section 3.2

Question	Answer	Section
What is the Cleansing Offer and why is it being conducted?	<p>The Cleansing Offer is an offer of 1 Share at an issue price of \$0.10.</p> <p>The purpose of the Cleansing Offer is to ensure that all Shares issued without disclosure under Chapter 6D of the Corporations Act will be capable of being traded on NSX (subject to any escrow restrictions imposed by NSX).</p> <p>You should not complete a Cleansing Offer Application Form unless specifically directed to do so by the Company.</p>	Section 9.2
Is the Public Offer underwritten ?	The Public Offer is not underwritten.	Section 9.5
Who is the Sponsoring Broker to the Public Offer?	The Company has appointed CPS Capital as Sponsoring Broker to the Public Offer. The Sponsoring Broker will receive a fee of \$10,000 plus GST upon the Company successfully listing on the NSX.	Section 9.20
What will be the capital structure of the Company on completion of the Offers?	Refer to Section 9.7 for the pro forma capital structure following completion of the Offers.	Section 9.7
What are the terms of the Shares offered under the Offers?	A summary of the material rights and liabilities attaching to the Shares offered under the Offers is set out in Section 10.1.	Section 10.1
Will any Shares be subject to escrow restrictions?	<p>Certain securities on issue may be classified by NSX as restricted securities and will be required to be held in escrow for up to 24 months from the commencement of Official Quotation. The Company estimates that a total of 187,033,810 Shares will be restricted, details of which are set out in section 9.23. Based on the Company's calculations, the Company's free float is estimated as 25.35% (based on Minimum Subscription) and 27.61% (based on Maximum Subscription)</p> <p>During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p>	Section 9.23
Will the Shares offered be quoted on the NSX?	The Company has applied to the NSX for admission to the Official List of NSX and for its Shares to be granted quotation by the NSX under the code "MIE".	Section 9.15

Question	Answer	Section
What are the key dates of the Offers?	The key dates of the Offers are set out in the Indicative Timetable section of this Prospectus.	Indicative Timetable
What is the minimum investment under the Public Offer?	Applications under the Public Offer must be for a minimum of 20,000 Shares and thereafter in multiples of 5,000 Shares.	Section 9.11
Are there any conditions to the Offers?	No, other than raising the Minimum Subscription and NSX approval for the quotation of Shares, the Public Offer is unconditional. There are no conditions to the Cleansing Offer other than NSX approval for the quotation of the Share.	Section 9.4
Use of Funds		

Question	Answer	Section										
How will the proceeds of the Public Offer be used?	The Public Offer proceeds will be allocated and apportioned as follows. Further details are set out in Section 9.6	Section 9.6										
	<table><tr><th>Available funds</th><th>Minimum subscription</th><th>Percentage of funds available (%)</th><th>Maximum subscription</th><th>Percentage of funds available (%)</th></tr><tr><td></td><td>\$</td><td></td><td>\$</td><td></td></tr></table>		Available funds	Minimum subscription	Percentage of funds available (%)	Maximum subscription	Percentage of funds available (%)		\$		\$	
	Available funds		Minimum subscription	Percentage of funds available (%)	Maximum subscription	Percentage of funds available (%)						
			\$		\$							
	Source of funds											
	Cash available pre IPO		1178	26.3	1178	21.5						
	Funds raised under the Public Offer		3,300	73.7	4,300	78.5						
	Total funds available		4,478	100.0	5,478	100.0						
			Minimum subscription	Percentage of funds raised (%)	Maximum subscription	Percentage of funds available (%)						
			\$		\$							
	Use of funds											
	Platform development, Sales & marketing, Customer support, Corporate overheads		3,750	113.6	3,750	87.2						
	Costs of the Offers, net of GST recoverable remaining to be paid ⁷		396	12.0	397	9.2						
Cash reserves and working capital ⁸	332	10.1	1,331	31.0								
Total funds allocated	4,478	135.7	5,478	127.4								
What are the expenses of the Offers?	The expenses of the Offers are up to \$585,000 (inclusive of GST) under the Maximum Subscription. Further details are set out in Section 10.8.	Section 10.8										
Will the Company be adequately funded after completion of the Public Offer?	The Directors are satisfied that on completion of the Public Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 9.6										

Question	Answer	Section
Additional Information		
Is there a cooling-off period?	No	
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants under the Offers.	Section 9.11
What are the Company's corporate governance principles and policies?	To the extent applicable, in light of the Company's size and nature, the Company has adopted The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3 rd edition). The Company's main corporate governance policies and practices and the Company's compliance and departures from the Recommendations as at the date of this Prospectus are outlined in Section 5.13. The Company's corporate governance policies are available from the Company's website https://www.miepay.com/investor-relations/ .	Section 5.13
Are there any tax consequences of investing in Shares?	The consequences of any investment in Shares will depend on your personal circumstances. Prospective investors should obtain their own tax advice prior to deciding to invest.	Section 10.2
Where can I obtain more information?	All enquiries in relation to this Prospectus should be directed to the Company on +61 2 9221 1451 (Australia) or +64 9 6006545 (New Zealand) from 9:00 am to 5:00 pm AEDT, Monday to Friday or by email to info@miepay.com . If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.	

2. INDUSTRY OVERVIEW AND TARGET MARKET

The Company operates in the closely related digital payments and e-commerce industries primarily in New Zealand, specifically targeting online and offline commerce between small to medium sized retail merchants and end customers. The Company will initially seek to grow its business through strategic acquisitions in Australia aimed at targeting similar market segments.

2.1 Overview of the Digital Payment and e-commerce industries

(a) Digital payments industry

Physical credit cards and cash have historically been the dominant methods for transactions. On-demand commerce is changing that as new payment methods such as QR or Near Field Communication, being "contactless" payment methods, are becoming common. Approximately 68% of Gen Z consumers are trending towards instant contactless payment methods (the most of all age groups)¹.

Drivers of the digital payments industry include growing adoption of mobile payments, uptake in contactless technology, and digital innovation from technology players and card giants.

Convenience is arguably the most significant benefit buyers experience through digital payments, reducing the need to carry cash and/or use ATM machines. Sellers experience efficiency in check out times due to the ease, speed and convenience of digital payment methods.

The digital payments industry has demonstrated significant year-on-year growth with new platforms, providers and payment schemes launching regularly.

While the idea of a platform is not new, digital platforms can have a global span, linking far greater numbers of potential participants than earlier technologies. Platforms standardise terms and conditions, and most simplify payment².

The use of contactless payments has been adopted globally, particularly in China, United Kingdom, Australia, Canada and Singapore. Globally, the digital payments user base grew from approximately 20 million in 2015 to 144 million in 2017³. China is recognised as the largest adopter of mobile wallets globally. In 2018, third-party digital payment providers facilitated 54% of daily payments within China, with WeChat Pay and Alipay prominent. In China, 98% of smart phone users have used mobile payment platforms. Chinese tourists made an average of 2.8 payments via a mobile payment provider out of every 10 transactions during recent overseas trips⁴.

¹ Source: Driving the future of payments-10 Mega Trends, Accenture consulting, Page 4, https://www.accenture.com/_acnmedia/PDF-62/Accenture-Driving-the-Future-of-Payments-10-Mega-Trends.pdf

² Australian Productivity Commission and New Zealand Productivity Commission 2019, Growing the digital economy in Australia and New Zealand. Maximising opportunities for SMEs, Joint Research Report, p 12. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

³ Source: The "Digital Payments Market - Growth, Trends and Forecast (2019 - 2024)" Key Market Trend, <https://www.prnewswire.com/news-releases/the-global-digital-payments-market-2019-2024-poised-to-record-a-cagr-of-13-7-hampered-by-security--privacy-concerns-300810850.html>

⁴ Source: Mobile payments from QR codes are now an integral part of Chinese consumer culture, <https://www.smartpay.co.nz/alipay-wechat/why/>

Given the high uptake of mobile payment solutions in China, Chinese tourists in Australia and New Zealand comprise part of MyPay NZ's target market. China was Australia's largest market for inbound visitors in 2018 with 1,437,531 entrants, resulting in year-on-year growth of 2.5%. Chinese entrants contributed \$12 billion to total tourist spend in 2018, resulting in an average spend per trip of \$9,005 and year-on-year growth of 9.7%⁵. China is one of New Zealand's largest tourism markets, with just under half a million Chinese tourists entering New Zealand during 2018. Approximately 41% of New Zealand's 26,000 international students are from China. In the period 2012-2016, 35,359 Chinese gained New Zealand residency⁶.

(b) E-commerce industry

Increased reliance on mobile phones is increasing demand for mobile friendly e-commerce retail websites. There is an increase towards 'direct to customer' e-commerce where manufacturers are selling directly to end customers and effectively avoiding the 'middleman' which drives up the price customers eventually pay. There is also an increasing reliance on drop shipping where retailers purchase inventory, which is managed by a third party, reducing overhead costs of storage.

Social selling sites, including Facebook and Instagram, are increasing in importance with the use of 'social media influencers' to market products driving sales across the globe.

Amazon remains the most dominant marketplace for online shoppers and continues to grow its customer base by entering as many industries as possible. There has been significant growth in Chinese e-Commerce providers, rivalling traditional western providers, including Alibaba's TMALL. In 2018, 18.4% of total retail spend in China was through e-commerce platforms⁷.

Growth in the online retail marketplace has generated significant growth in online spending and cross-border spend. Payments are not bound by location; digital payment providers will enable payments at point of service, as well as online and on the go, meeting consumer demand for speed and convenience.

As the market for digital payment providers becomes saturated in future years, interest is expected to turn to providers that can connect with consumers and offer services beyond transaction facilitation. An example is ZapBuy from Omnyway which enables consumers to hold their smartphone over ad displays (print, television, online), and make a purchase immediately.

2.2 Australia and New Zealand markets

Australians and New Zealanders are avid consumers of digital goods and services and make online purchases at higher rates than the OECD average⁸. Australian and New Zealand

⁵ Source: <http://www.tourism.australia.com/en/markets-and-stats/market-regions/greater-china/china.html>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

⁶ Source: QR payments aren't just for tourists. <https://www.smartpay.co.nz/alipay-wechat/why/>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

⁷ Source: National Bureau of Statistics of China. <https://www.digitalcommerce360.com/2019/01/24/chinas-online-sales-grew-almost-24-in-2018/>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

⁸ Source: Australian Productivity Commission and New Zealand Productivity Commission 2019, Growing the digital economy in Australia and New Zealand. Maximising opportunities for SMEs, Joint Research Report. The Company is relying on ASIC

businesses also have very high levels of access to the internet and broadband, and a significant proportion use the internet for sales.

Major digital platform providers in Australia and New Zealand include:

- (a) Apple Pay - a digital payment platform that can be used at any merchant that accepts contactless payment from an iPhone or iPad. Apple Pay has partnered with multiple card issuers/banks including ANZ, ASB Bank, BNZ and Westpac.
- (b) Google Pay - a digital wallet provider for android users. Google Pay can be used at any merchant that accepts contactless payments (including eftpos machines with PayWave. Google Pay has partnered with many institutions in New Zealand including ANZ, ASB Bank and BNZ.
- (c) UnionPay - an online payment system headquartered in Shanghai, China which operates across the globe, including Australia and New Zealand. Merchants in New Zealand in particular include Noel Leeming, The Warehouse, Vodafone, Icebreaker & Duty Free.
- (d) POLi - a digital payment platform based in Melbourne, Australia that provides contactless payment facilitation across Australia and New Zealand. POLi is linked to most banks in New Zealand and Australia including ANZ, ASB Bank, BNZ, Westpac, Commonwealth Bank and Citibank.
- (e) Worldpay - a global provider of payments processing technology and solutions for merchant customers. Worldpay services merchants in Australia and recently acquired a new payments license in New Zealand.

Certain applications may limit use to consumers with specific products or hardware which may in turn limit adoption rates and the market of potential users.

Small markets such as those in Australia and New Zealand can typically only support a limited number of goods and services. Online retail services such as Amazon, Book Depository and Alibaba increase the effective size of the two markets by allowing Australian and New Zealand residents to find and purchase a wide variety of products that are available locally.

Australia

The Australian Digital Inclusion Index, which measures the level of participation of Australian adults in internet and digital services, increased in 2016 from 52.7 to 54.5, mirroring the global trend of growth towards connected devices⁹. Australia reached 84% smartphone adoption rates in 2016¹⁰.

Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

⁹ Measuring Australia's Digital Divide – The Australian Digital Inclusion Index 2016 <https://www.csi.edu.au/media/uploads/Australian-Digital-Inclusion-Index-2016.pdf>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

¹⁰ Source: Smart Everything, Everywhere, Mobile Consumer survey 2017-Deloitte, <http://landing.deloitte.com.au/rs/761-IBL-328/images/tmt-mobile-consumer-survey-2017.pdf>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

The number of cash payments received by Australian merchants plummeted by 46% between 2010 and 2016 alone and currently makes up less than 10% of all payments¹¹. The number of Australians using their smartphones to make payment has reached 72%, with 37% showing preference towards mobile payment over other methods¹².

Consumers now have a plethora of convenient payment options available including PayPass and tap and go technology, digital wallets such as Apple Pay, Samsung Pay and Android Pay and wearable technologies such as the Apple Watch, the Inamo Curl and Visa's WaveShades.

Australia has experienced a significant level of growth in the e-commerce retail space. Neto merchants from all retail categories realised (on average) 30% year-on-year growth during 2018¹³.

The fashion category experienced growth of 57% for 2018, homewares 55% and motor parts 49%. Australian e-commerce has also seen an increase in the average transaction value, with an average spend of \$130 across all categories. Set out below is an Australian e-commerce snapshot for the period 2018 to 2019.



Figure 1: Australia e-commerce snapshot

There has been strong growth in the use of social media commerce, with individuals making purchases particularly through Facebook, Instagram and Snapchat.

There has been a rise in 'buy now, pay later' platforms largely linked to growth in Afterpay, ZipPay and ZipMoney services. There has been a significant increase in the use of 'pay later' platforms, with year-on-year growth of 122% over 2018 to 7% of all e-commerce transactions in Australia.

In Australia, 54% of e-commerce purchases during 2018 fiscal year were through PayPal (as compared with 73% the previous year). There was however an offsetting increase in the average transaction value which increased by 19%. Approximately 39% of e-commerce

¹¹ Source: Australia to be a cashless society by 2022. <https://www.finder.com.au/australia-to-be-a-cashless-society-by-2022>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

¹² Source: Australian payments network milestones report the digital economy, seventh report, May 2017 Page 7, <https://www.auspaynet.com.au/sites/default/files/2017-12/May2017towards-the-digital-economy-milestones-report-%28May-2017%29.pdf>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

¹³ Source: Findings in the 2018 State of eCommerce Report released, <https://www.scoop.co.nz/stories/BU1810/S00688/findings-in-the-2018-state-of-e-commerce-report-released.htm>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

transactions in 2018 were executed using a credit card. As a percentage of total category spend, credit card usage was highest for food and alcohol (72%) and gifting (69%)¹⁴.

Major online marketplaces include:

- (a) eBay - an online marketplace established in America offering a wide range of products. eBay has expanded to more than 20 countries globally and is now the largest ecommerce platform in Australia, reaching over 9 million users in 2018; and
- (b) The Iconic - a large online marketplace based in Australia, which launched in 2011 and is one of Australia's largest online providers of fashion, sportswear and kidswear brands.

Due to industry growth and market saturation, customers are demanding further value-added features including mobile friendly e-commerce marketplaces (85% of online consumers use mobile apps for at least one monthly purchase) and free delivery promotions, with 92% of online shoppers citing free delivery as an important factor in the purchasing decision¹⁵.

New Zealand

New Zealand's e-commerce market is characterised by high cross-border spending, good uptake of e-commerce events such as Black Friday and Singles Day, and strong rural spending growth. These factors have contributed to the country experiencing double-digit business to consumer e-commerce growth since 2015, leading to a market worth \$4 billion.

Despite slow growth in general New Zealand retail spend (3% in 2018); online spending grew by 16% during the same period. Set out below is a New Zealand e-commerce snapshot for the period 2018 to 2019¹⁶.



Figure 2: New Zealand e-commerce snapshot

Customers are increasingly seeking wider product choice, lower prices, and convenience of shopping. Online marketplaces allow for ease of comparison (both in product and price), appealing to the convenience factor for customers. There has been a shift towards domestic

¹⁴ Source: Findings in the 2018 State of eCommerce Report released, <https://www.scoop.co.nz/stories/BU1810/S00688/findings-in-the-2018-state-of-ecommerce-report-released.htm>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

¹⁵ Source: Australia e-commerce country factsheet, September 2018, https://3vu7s13pr7f81ago533cqmo7-wpengine.netdna-ssl.com/wp-content/uploads/18_Landmark_Global_01_SP_August.pdf. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

¹⁶ Source: Snapshot of eCommerce in NZ. <https://thefulldownload.co.nz/facts/snapshot-ecommerce-new-zealand>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

retailers with shoppers confirming reasons relating to trust and supporting home grown business driving this trend. Domestic online spend grew by 19% during 2018 as compared with international online spend at only 10%.

Major online New Zealand retailers include:

- (a) TradeMe - the largest online auction site in New Zealand facilitating the sale of various items both new and used; and
- (b) TheMarket - a recently launched online marketplace that distributes multi-tiered local and international brands. It leverages the Warehouse, Warehouse Stationery, Noel Leeming and Torpedo 7 stores as customer pick up points.

The largest category (29%) of online shoppers is between 30-44 years, followed by 45-59 years (27%) and under 30 years (23%). Females represent 51% of online shoppers compared to 49% males. Customers comprise those from metro areas (49%) compared with urban (37%) and rural (14%)¹⁷.

A large proportion of spend within the e-commerce market is going overseas however there has been significant growth in domestic sales particularly within the fashion and footwear category, demonstrating growth of 45% and with 53% of sales by domestic customers. A significant portion (60%) of online spend is generated through the larger New Zealand regions, namely Auckland, Wellington and Christchurch. There has also been a significant increase in the 'buy now, pay later' option, which offers customers the opportunity to make regular payments with no interest.

Whilst there has been significant growth (19%) in domestic spend, a large proportion of New Zealand consumers are purchasing online from international retailers, including China (50%), Australia (46%), the United States (42%), and the United Kingdom (35%)¹⁸.

2.3 Competitors

(a) IE Pay

The aggregated payments market is a highly competitive one, notable for its low margins. Rather than directly compete with large mature payment providers like WeChat Pay, Alipay, PayPal or Visa, the Company has grouped those payment providers into IE Pay to enhance the various merchant payment options and improve the efficiency and convenience for the end consumer.

Within the New Zealand and Australian digital payments industry, the major competitors of IE Pay are:

- Omipay - a digital payments provider based in Sydney, Australia, which combines a range of international methods including Alipay, WeChat Pay, JD Pay, QQ Wallet, Tenpay, Visa

¹⁷ Source: 2018 New Zealand eCommerce Review Report Page 12, Page 19 - <https://www.nzpost.co.nz/about-us/media-centre/media-release/new-nz-post-ecommerce-report-shows-fastest-growth-in-regions>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

¹⁸ Source: 2018 New Zealand eCommerce Review Report Page 22, Page 24, Page 25. <https://www.nzpost.co.nz/about-us/media-centre/media-release/new-nz-post-ecommerce-report-shows-fastest-growth-in-regions>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

and MasterCard. OmiPay has partnered with multiple organisations to provide digital payment services in Australia, including Ant Financial, Tencent, JD.com, IPOS and Lotus Cash Registers;

- Royal Pay - a large cross border digital payments provider founded in Melbourne, Australia. Royal Pay connects Australia and China by providing mobile payment services and has partnered with WeChat Pay, Alipay, and Bepay to offer services in the Australian market place;
- Super Pay Technology - an aggregated payments provider based in Australia and New Zealand providing cross-border digital payment services by combining providers including Alipay and WeChat Pay. It has partnered with Blueshyft, Futura Retail Solutions, IPOS, PosPal, CLPS and Grand View Technology; and
- LatiPay – Based in New Zealand, LatiPay offers the Money More app which provides a direct debit facility with all local NZ banks and direct connections with NZ payment networks creating a no cost payment channel between a user's bank account and any platform. It integrates with a number of e-wallets such as Alipay, WeChat Pay, LinePay to enable users to access overseas money as well as local New Zealand money. It also offers top-up pre-paid mobile, local ticket purchasing, international remittance, voucher distribution/storing/smart redemption, travel booking and other services.

(b) IE Mall

Within the New Zealand and Australian e-commerce industry, our competitors include:

- Shopify;
- BigCommerce;
- TradeMe;
- TheMarket; and
- Magic Lamp.

New Zealand based TradeMe and TheMarket provide e-stores based on the TradeMe or TheMarket domain names. With IE Mall, the merchant can set up its own domain name. Another point of difference is that the integration of IE Mall with IE Pay requires zero configuration by merchants and provides a payment solution so that funds settle directly to merchant's bank account.

With Shopify or BigCommerce a merchant must open an e-store first and then choose a payment solution (plugin). IE Mall is an add on option for merchants already using IEPay. Our combined payments platform and e-commerce product allows merchants to easily and seamlessly create their own store, in hours, rather than days, without the need to choose complicated payment options. We combine two platforms by using Inspiry Smart Box, App online and offline as a tool to maximise convenience for merchants.

2.4 Barriers to entry

Barriers to entry for the payments platform and e-commerce platform markets include:

(a) Economies of scale

A new entrant is unlikely to have sufficient customer numbers to achieve the economies of scale of established competitors.

(b) Capital requirements /Development cost

The costs of setting up an aggregated payments platform and e-commerce platform are high as is ongoing maintenance and development costs to ensure that the technology can meet future demand and customer requirements.

(c) Technology

The digital payments and e-commerce markets involves rapidly evolving technology which can change quickly. Technology can quickly become obsolete before a product is taken to market.

(d) Competition

This market is new, rapidly evolving and intensely competitive, which competition we expect to intensify in the future as adoption rates of digital mobile payment systems in our key target markets increase.

3. **COMPANY AND BUSINESS OVERVIEW**

3.1 **The Company**

The Company was incorporated in New South Wales on 1 November 2018 and is the holding company of Mie Pay NZ (NZBN 9429047199743) which in turn holds MyPay NZ (NZBN 9429042341765). MyPay NZ is the operating entity incorporated in New Zealand on 9 May 2016.

The Company was formed for the purpose of establishing a Trans-Tasman presence and to seek a listing on the NSX to access a broader capital market to fund further development and growth in the business of MyPay NZ.

3.2 **Objectives**

The Company's proposed objectives on completion of the Public Offer are to:

- (a) fund initiatives that scale and increase revenues in MyPay NZ and drive the Company to profitability;
- (b) continuously develop technology to maintain MyPay NZ's competitiveness and broaden its service offering; and
- (c) provide sufficient working capital for the next two years.

3.3 **MyPay NZ background**

MyPay NZ was incorporated in New Zealand on 9 May 2016 as part of the IE Financial Services Group to take advantage of the global growth in e-commerce and the need for an aggregated payments platform in the New Zealand and Australian markets. Its ultimate holding company was IE Financial Services Limited (NZBN 9429042385455) (**IEFS**). Shareholders of IEFS became Shareholders of the Company on incorporation of the Company, with each Shareholder acquiring their Shares in the Company at a nominal cash issue price of \$0.0001 per Share. Those Shareholders include related parties of the Company, Mr Lei (Andy) Zhang, Jack Zhong Yin (refer section 5.5) and Zhou Zhang¹⁹.

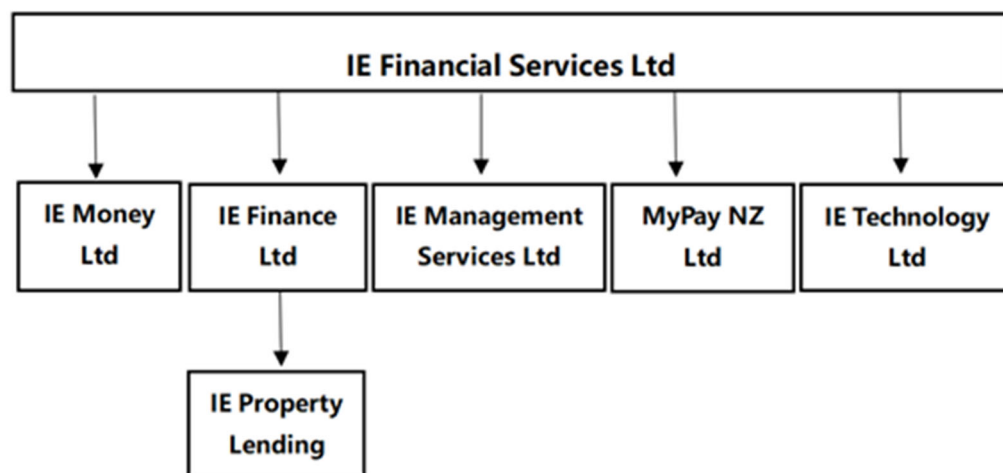
On 19 December 2018, Mie Pay NZ was incorporated in New Zealand as a wholly owned subsidiary of the Company and an interposed entity to hold MyPay NZ as part of the spin off from IEFS of MyPay NZ to Mie Pay NZ ("Spin Off").

On 21 December 2018, pursuant to a Share Sale Agreement between IEFS and Mie Pay NZ for which Mie Pay NZ purchased MyPay NZ for the sum of \$1, MyPay NZ was spun off from IEFS to the Company to form a separate group to focus on the development of digital payments solutions for the Trans-Tasman market. As at 21 December 2018, the shareholders of the Company were the same as the shareholders of IEFS²⁰. On 21 December 2018, intellectual property rights held by IE Technology Limited (NZBN 9429042244356) (**IE Tech**), a subsidiary of IEFS, were transferred to MyPay NZ. As a result of the Spin Off the deemed value of Shares held by the IEFS shareholders ("Spin Off shares") was \$0.0422 per Share (See section 9.7).

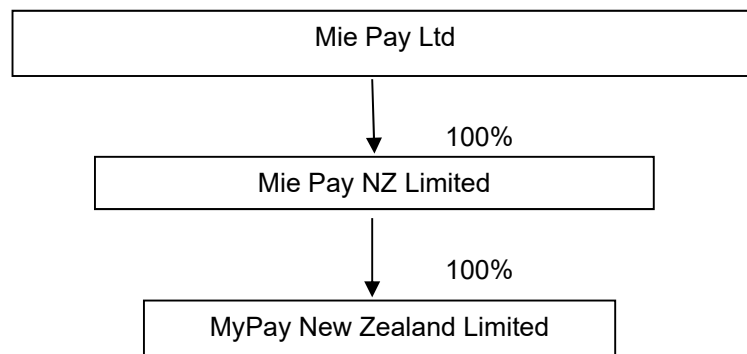
Before the Spin Off, the corporate structure of IEFS was as follows:

¹⁹ Zhou Zhang holds 10,000 Shares in the Company. He retired as a director of the Company on 25 September 2019. He is a related party of the Company for a period of 6 months from his resignation: s228(5) Corporations Act.

²⁰ As at 21 December 2018, in addition to those Shareholders on incorporation, additional Shareholders of the Company were: (a) Bing Guan NZ Capital No. 1 (Bing Guan NZ) (a shareholder of IEFS on 21 December 2018 who became a Shareholder of the Company, holding 15,000,000 Shares for nil consideration. The Shares were issued for nil consideration on the basis of Bing Guan NZ's subscription in IEFS for NZD 3 million on 21 December 2018; (b) Xiaoli Gong, Yungpeng Gao and Shan Meng, each holding 10,000 shares in the Company for consideration of \$0.0001 per Share. These shares are held on trust by Leigh Zhang as trustee for each of Xiaoli Gong, Yungpeng Gao and Shan Meng.



Following the completion of the Spin Off, the corporate structure of the Company is as follows:



3.4 MyPay NZ business

MyPay NZ is a technology driven payments business that facilitates online and offline commerce between merchants and end customers with main operations based in Auckland.

MyPay NZ is an aggregated payment service provider and is the bridge between the payer and the payee, providing funds transfer, funds clearing and settlement, technology and security services for the payer and the payee, through the establishment of a payment platform. It uses data resources to develop big data products and provide precision marketing and other value-added services to achieve diverse and flexible profit models.

MyPay NZ is building an innovative financial technology ecosystem, the core of which is an interactive payment platform, IE Pay, which aims to deliver an improved shopping and checkout experience, focused on lowering acceptance cost for merchants, and providing value-added services. Complimentary to IE Pay is the e-commerce SaaS platform, IE Mall, featuring app-based commerce and in-app payments for merchants which provides an omni-channel shopping experience for customers.

While IE Pay and IE Mall are scalable to meet the needs of large merchants, the focus is on small to medium-sized enterprises (SMEs).

3.5 Market challenges

Consumers now dictate how, when and where to interact with merchants and their expectations continue to rise. A disappointing experience may lead to the permanent loss of customers and damage to the merchant's reputation on social media. The challenges facing merchants include:

- Selling across different channels - Consumers expect to be able to transact through multiple sales channels without losing functionality or experience, making it increasingly important that a merchant has a single view of its business and customers.
- Making transacting simple, seamless and secure - Consumers expect every interaction to be quick, problem-free, intuitive and secure.
- Keeping up with the latest technology and innovating - Consumers expect an experience on par with that provided by the largest retailers.
- Building and growing brand - In a world where consumers have more choices than ever before, a merchant's brand is increasingly important.
- Scale - As a merchant's business grows, it must be able to handle increased traffic and ensure availability 24 hours-a-day, seven-days-a-week.
- Managing business anytime, anywhere - To keep pace with consumer demands, merchants need to be able to manage their business wherever they may be.

Traditionally, merchants have been forced to address their commerce needs through one of two means:

- (a) complex software built for enterprise merchants - Software built for the largest merchants is not designed for SMEs. It is expensive and complex, requires significant technical knowledge and training to install and maintain, and typically takes a long time to deploy; or
- (b) cobbled together patchwork - Whether a merchant is starting from scratch or building on top of legacy solutions, the process of piecing together a patchwork of disparate technologies is time consuming, complicated and costly. The result is a system that, by its nature, lacks full aggregation between the applications provided by the various vendors and may only be as good as its weakest component.

3.6 IE Pay and IE Mall

Mie Pay combines two separate but complimentary platforms. IE Pay enables cross-border and local transactions, including for bricks and mortar merchants while IE Mall, an e-commerce SaaS platform, is an aggregator of online stores.

The present focus is on helping merchants transact with global consumers both in their home market and in-bound tourism.

(a) IE Pay

IE Pay is a multi-channel and multi-currency payments solution with an in-built digital marketing platform that supports businesses of all sizes with low costs. Currently available in New Zealand, IE Pay is an aggregated payment processing solution that allows merchants to accept Alipay, WeChat Pay, UnionPay and POLi at attractive rates.

IE Pay targets bricks and mortar merchants in the tourism, hospitality, luxury, health and beauty sectors and online retailers with an e-commerce platform. End-use app segmentation includes hospitality and tourism, media and entertainment, retail, health care, IT and telecommunication and education.

Merchants can dispute any chargebacks and have full visibility of cash transfers to their bank account directly from the platform.

IE Pay distributes the funds to each merchant, net of its fees at a competitive cost. Participating merchants are currently settled in New Zealand dollars regardless of the currency of the consumer payment on a T+0 to T+4 basis.



Figure 3: IE Pay hardware, terminal and QR scan

(b) **IE Mall**

IE Mall is an e-commerce aggregation that provides local and cross-border customers with a breadth of quality boutique products made in Australia and New Zealand with comprehensive support services, which is customisable at low cost. A new built-in payment solution and SaaS platform offers merchants significant operational efficiency improvements. Merchants can use these tools to create value and strengthen relationships with end customers insofar as the payment channel and customers' behaviour analytics can boost the impact of cross-sell recommendations.

IE Mall offers a bespoke multi-layered support service to SMEs, who choose what level of services are needed to expand their consumer reach beyond domestic borders. The service offering resolves issues around warehousing, marketing, currency conversion and distribution, ensuring speedier payment to merchants and producers, who can concentrate on their core business

IE Mall's target market is online and offline shop owners. Target consumers are international consumers looking to purchase quality boutique products made in Australia and New Zealand. Merchants are promoted through our WeChat Pay official account. All WeChat Pay users can access the merchant's IE Mall shop via WeChat Pay, which enables a seamless user-experience and a potential increase in the sales conversion rate.

IE Mall is specifically tailored to help SMEs directly access global consumer markets. It provides a suite of wrap-around services to enable and support cross-border and local transactions including:

- (i) an omni-channel commerce platform, which enables merchants to sell their products across different sales channels, including web, tablet and mobile storefronts. IE Mall provides merchants with a single view of their business, combining and synchronising all customer data, inventory, order, product, payment and other data that originate in different sales channels;
- (ii) a simplified merchant experience. IE Mall provides merchants with an intuitive user experience that requires no up-front training to implement and use. Merchants can set up their shop in less than 15 minutes. By aggregating multiple channels into a single platform, complexities inherent in separate systems can be removed;
- (iii) seamless aggregating of the latest technologies;
- (iv) enterprise-level security, scalability and reliability; and
- (v) a platform designed to launch and grow brands without intermediaries.

IE Mall is particularly suited to smaller volume producers and merchants by delivering smaller parcels direct to consumers bypassing onerous and complicated import-export requirements. IE Mall enables SMEs to have a similar market reach of larger companies but on easier and cost-effective terms.

While the payments solution and SaaS platform is scalable to meet the needs of large merchants, the focus is on selling to SMEs. Presently there are over approximately 1000 participating merchants in New Zealand.

3.7 Key milestones

MyPay NZ was appointed as Alipay's first partner in New Zealand in 2016, followed by a partnership arrangement with WeChat Pay in 2017, POLiPay in 2018 and UnionPay in 2019.

On 5 September 2018, Green Cross Health (NZX: GXH) representing more than 350 community pharmacies throughout New Zealand became a cornerstone merchant of MyPay NZ.

In September 2018, an initial version of IE Mall was released with a Chinese interface to the market to access the China consumer market (a high adopter market of mobile payment solutions). IE Mall was developed in recognition of the market opportunity to aggregate New Zealand and Australian SMEs into a single market platform with global reach. This offering is engineered to suit smaller merchants and producers who do not have the production and inventory to suit the larger e-commerce stores such as T-Mall.

The Company's history and milestones are shown below:

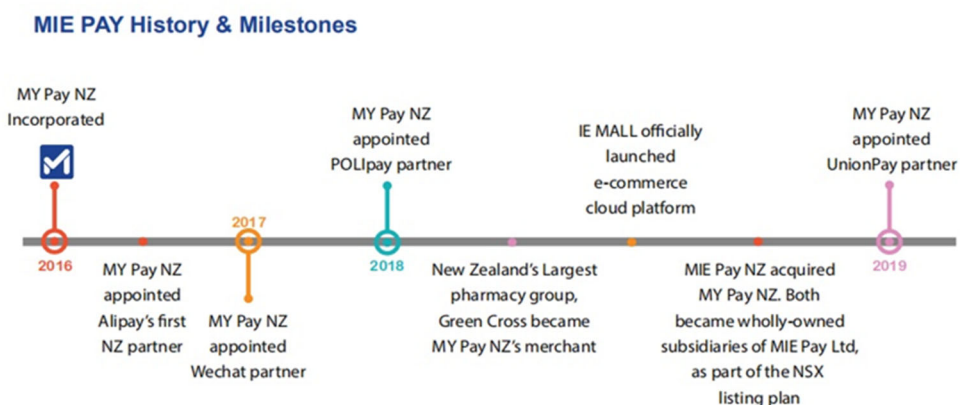


Figure 4: Group history and milestones

More recently, luxury brand Prada has joined our growing family of clients, both online and bricks and mortar (using our QR code technology).

My Pay NZ has recorded year-on-year growth of 76% from FY18 to FY19, with transactions valued at approximately NZ\$37.3 million.

We are focussed on the development of digital payment solutions for Trans-Tasman SMEs to access the China consumer market and, in time, expand to other global markets.

3.8 Technology and Services Roadmap

The technology and services delivered to, and being developed for, merchant customers is set out in the following table.

Year	IE PAY	IE Mall
Technology and Services Delivered to Merchant Customers to Date		
2018	<ul style="list-style-type: none"> Eco-system enabling third party App Program Interface ("API") to connect to payment gateway of MyPay or Mie Pay was constructed. POLi aggregation completed WeChat Pay aggregation completed. Two in one static QR code in place. Website https://www.mypaynz.com/ launched. Customised mobile handheld payment device and related apps completed. 	<ul style="list-style-type: none"> Design and implementation of IE Mall primary modules including order management, product management, customer information and delivery tracking system completed. IE Mall and MyPay or Mie Pay payment gateway aggregation completed. Website https://www.iemall.co.nz/ launched.
2017	<ul style="list-style-type: none"> The multi-vendor payment gateway and models were connected to Alipay and WeChat Pay. The payment platform and service engine were upgraded to allow multi-vendor payment gateway and models. The payment platform and service engine were connected to WeChat Pay. The payment platform and service engine were connected to Alipay. 	-
2016	<ul style="list-style-type: none"> Design and implementation of payment platform and service engine completed. Design and implementation of merchant User Interface ("UI") completed. Transaction statement automation completed. 	
Technology and Services Being Developed for Merchants		

Year	IE PAY	IE Mall
2019	<ul style="list-style-type: none"> In house software built into Inspiry Smartbox payment hardware to enhance transaction speed and additional refund function has gone live. PCI compliance on track for being completed before the end of this year. Testing of UnionPay processing engine, API and merchant functions. 	<ul style="list-style-type: none"> Release of a flagship IE Mall branding store Development and Implementation of new plug-in functionalities Technology development to ensure enhanced platform stability and security. Internationalisation on both consumer and merchant side. Release of a multi-language website, both consumer side and merchant dashboard.

Technology and Services to be Developed as Part of Growth Strategy

2020	<p>The following system upgrades are intended to take place:</p> <ul style="list-style-type: none"> Database migration to improve stability and performance. Unified merchant QRCode and API development. Trial testing of a mini application aggregation of Alipay and WeChat Pay in mid-2020 PCI/DSS compliance and extended validation ("EV") SSL by late 2020. MasterCard PayFac (Payment Facilitator) online to go live by late 2020. Server side intrusion detect system ("IDS"). China UnionPay SDK for Apps. Multiple e-commerce platforms payment plugins. Enhancement of capacity and scalability to accommodate increasing website traffic. 	<p>The following developments to functionality are intended to take place:</p> <ul style="list-style-type: none"> Launch App Daigou features and APIs integration. Development of affiliate program. Launch of a service market place in IE Mall targeted at service rather than product providers. Multiple currency support. PCI/DSS compliance and extended validation ("EV") SSL. Server side intrusion detect system. Development of a specialised mini application²¹ for Alipay and WeChat Pay and mobile applications development. Improved stability, performance and backup automation.
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3.9 How does IE Pay and IE Mall work?

The key attributes of the IE Pay and IE Mall platforms are as follows:

- (a) **Security:** We have applied to the PCI Security Standards²² Council for certification as a PCI Level 1 compliant service provider, which is the highest level of compliance available. IE Pay uses firewalls, denial of service mitigation appliances, advanced encryption, intrusion detection systems, two-factor authentication and other technology to keep merchant data secure.
- (b) **Scalability:** The cloud-based architecture of IE Pay and IE Mall has been designed and engineered to support sudden traffic and order spikes from merchants.
- (c) **Reliability:** Our platforms include cloud-based servers in geographically dispersed, co-located data centres that are fault-tolerant and ensure platform reliability.
- (d) **Performance:** The faster a merchant's shop appears to its customers, the more the merchant may sell. We have a dedicated team that is constantly profiling and optimising the performance of the IE Pay and IE Mall platforms.
- (e) **Deployment:** The platforms are “single branch” software, which means that merchants always use the latest version of IE Pay and IE Mall. The result is that there is no overhead in maintaining older versions of our platforms. The software deployment process enables us to quickly distribute new software as soon as it is ready. This is made possible by ongoing investment in end-to-end automation and comprehensive test suites.

Other features include:

- high data security;
- aggregated payment solution bringing a broad range of vendor payment options into a single, easy-to-use platform;
- QR technology enabling cross-border and local transactions and reduced risk of fraud;
- SaaS e-commerce platform offering different service offerings to SMEs;
- simple aggregated payment system;
- brand and customisation options for online shops;
- built-in mobile commerce shopping cart;
- language translation;
- T+0 to T+4 payment options;
- back office accounting transaction support;
- warehousing, logistics and distribution support; and
- marketing support

We aim to provide the full protection of domestic consumer law, including high security, QR code technology and anti-fraud features, while overcoming the impediments to trading with the world's consumer markets.



Figure 5: IE Pay and IE Mall settlement flowchart

The key features of IE Mall are as follows:

- **Real-Time Dashboard:** Provides merchants with a real-time overview of business performance, where orders are coming from (including by channel and by customer), products performance and actions needing the merchant's attention.
- **Products and Inventory Management:** Allows merchants to keep track of products, including adding and removing products, managing and organising product details, updating prices, changing product descriptions and photos, and tracking inventory.
- **Order Processing, Management and Fulfilment:** Provides a sales inbox where merchants can process and manage orders, capture payments and update fulfilment services.
- **Discounts and Gift Cards:** Allows merchants to offer discounts and coupons, and sell and manage gift cards.
- **Customer Management:** Gives merchants a single view of customers across channels, allowing them to manage those relationships, search, and analyse customer information for insights to help merchants provide customers with personalised shopping experiences.

- Reporting and Analytics: Provides merchants with real-time reports on products, orders, payments, customers, customer preferences and other matters.
- The most frequently used features of the IE Mall platform are available on Mobile, a mobile app for iPhone and Android. Merchants can use Mobile to view and process their orders wherever they are.
- Mobile Apps. Merchants can use our mobile software development kit to build native mobile apps that offer the in-app purchase of products.

3.10 Key agreements for the operation of our business

MyPay NZ is party to the following agreements to facilitate the operation of our business, further details of which are included in Section 8 of this Prospectus.

- Merchant Agreement with Merco Limited (**Merco**) which provides the company with its POLi Service and POLi Service System and other supporting services.
- Alipay Service Contract (Offline) to provide payments processing services via QR Code and other services to settlement, settlement currency and technical support.
- Alipay Service Contract (Online) to provide processing of online payments via the payments processing service and other related services and technical support.
- Weixin Payment Cross-border Acquiring Service Agreement with Tenpay Payment Technology Co., Ltd (**Tenpay**) to use "Weixin Payment Service" (also known as WeChat Pay) and related services.
- UnionPay Membership and Trademark License Agreement with UnionPay International Co., Ltd for providing merchants with processing services.
- Shared Services Agreement with IEFS, IE Tech, IE Money Limited (**IE Money**), and IE Finance Limited (**IE Finance**), effective from 22 December 2018.
- In addition, the company has entered into a Referral and Partnership Agreement with Christchurch International Airport Limited ("CIAL") to promote the company's offline and online payment services via Alipay's platform and CIAL's South Alipay Programme.

3.11 Intellectual Property

Software intellectual property









Pursuant to the Deed of Assignment of Intellectual Property between MyPay NZ as assignee and IE Tech as assignor dated 21 December 2018, all the rights, title and interests in the intellectual property in the following software (including all statutory and common law rights attaching to them) were transferred and assigned absolutely to MyPay NZ:

- IE Pay aggregated payment solutions platform;
- IE Mall SaaS e-commerce platform; and
- Inspiry Smart Box (our proprietary software interface with IE Pay hardware).

Other intellectual property

Set out below are all Australian and New Zealand trademark applications and registrations owned by MyPay NZ.

Mark	Owner	Country	Appln / Reg Number	Goods/ Services Class	Status
IE PAY	MyPay NZ	New Zealand	1104820	9, 35, 36, 42	Registered – renewal due 12 October 2028
M-IE PAY	MyPay NZ	New Zealand	1105866	9, 35, 36, 42	Accepted
  	MyPay NZ	New Zealand	1128514	9, 35, 36, 42	Accepted
	MyPay NZ	New Zealand	1129283	9, 35, 36, 42	Under Examination
MYPAY	MyPay NZ	New Zealand	1129284	9, 35, 36, 42	Under Examination
	MyPay NZ	New Zealand	1129285	9, 35, 36, 42	Accepted
	MyPay NZ	New Zealand	1129286	9, 35, 36, 42	Accepted
  	MyPay NZ	New Zealand	1129287	9, 35, 36, 42	Accepted
IE MALL	MyPay NZ	New Zealand	1129287	9, 35, 36, 42	Accepted
		New Zealand	1132653	9, 35, 36, 42	Accepted

Mark	Owner	Country	Appln / Reg Number	Goods/ Services Class	Status
IE PAY	MyPay NZ	Australia	1964097	9, 35, 36, 42	Under examination
M-IE PAY	MyPay NZ	Australia	1965493	9, 35, 36, 42	Under examination
  	MyPay NZ	Australia	2032434	9, 35, 36, 42	Awaiting examination
	MyPay NZ	Australia	2034748	9, 35, 36, 42	Awaiting examination
	MyPay NZ	Australia	2034749	9, 35, 36, 42	Awaiting examination
	MyPay NZ	Australia	2034750	9, 35, 36, 42	Awaiting examination
	MyPay NZ	Australia	2034751	9, 35, 36, 42	Awaiting examination
IE MALL	MyPay NZ	Australia	2034752	9, 35, 36, 42	Awaiting examination
	MyPay NZ	Australia	2044619	9, 35, 36, 42	Awaiting examination

3.12 Revenue and Business Model

The payments market is a highly competitive one, notable for its low margins. Our business model has been engineered to overcome both impediments through its separate but complimentary components: an aggregated payment platform delivering low-fee, fast settlement secure cross-border and domestic transactions and a compelling e-commerce offering to SME producers and merchants.

Providing SME producers and merchants with direct access to offshore consumers, through IE Mall aims to deliver demonstrable benefits to Trans-Tasman companies, dramatically increase traffic across the aggregated payments platform and significantly broaden revenue sources through its service offering.

We recognised that an aggregated payments platform bringing together multiple payment vendors into a single seamless platform would quickly drive our continuous push to facilitate strategic initiatives that bring the industry together and encourage market-led innovation in the New Zealand market and generate immediate revenue for merchants.

The Company continues to innovate and develop new products and proceeds from the IPO will be used to further develop its service offering through continuous technology innovation and the development of offshore markets.

The Company derives revenues from transaction fees, subscription solutions and merchant solutions.

(a) Transaction Fees

Transaction fees are generated on each approved transaction placed by the end customer through the payment platform. Transaction fees are charged at a fixed percentage of the transaction value (on average, approximately 1%), which comprise a fee charged by the Company, and a fee charged to the Company by third-party platforms (i.e. Alipay, Wechat Pay POLi and UnionPay). Additional revenue is generated through Inspiry Smart Box with QR Code capability once the merchant accepts it.

(b) Subscription Solutions

Subscription solutions revenues are generated through the sale of subscriptions to the Platform. Subscription plans are offered with various price points, from starter plans to an advanced edition, a plan for merchants with higher volume sales and additional functionality requirements. Subscription solution revenues are primarily comprised of monthly fees charged for the company's core offering: an online storefront and an easy-to-use digital store management platform. Sales of features such as themes, apps, and domain name registrations also contribute revenues to this segment. Monthly subscription fees are levied on merchants for different volumes of usage of IE Mall. Subscription fees are the base revenue and are received on a monthly recurring basis:

(c) Merchant solutions

Our goals are closely aligned with the goals of participating merchants. The more a merchant sells on the platform, the more revenue we generate as merchants upgrade their plans, add additional sales channels, process more transactions and use additional solutions. We intend to assist participating merchants by improving and expanding our platforms and providing additional solutions and resources. We believe that our market will expand as we provide new businesses with the technology that enables them to expand. In addition, we aim to increase our average revenue per merchant as our merchants grow and we further expand our offering. Merchant solutions are a supplementary part of our business to provide additional value to the core experience of IE Mall's merchants. Potential add-ons include Inspiry Smart Box hardware.

3.13 Growth Strategy and plans

New Zealand and Australian economies are dominated by SMEs, accounting for approximately 97% of business enterprises across Australasia²³. The Trans-Tasman SME markets are markedly under developed in terms of share of online revenue, use of social media and, because of the card dominated culture, use of mobile digital payment services. More than half of SMEs do not earn any revenue from online sales and only 39% generated more than 10% of sales from digital payment technology (Alipay, WeChat Pay etc.)²⁴.

There is a significant market opportunity to accelerate the undeveloped Trans-Tasman SME sector's engagement with the digital economy and its share of online revenue. The IE Mall proposition, supported by the aggregated payments platform, represents a paradigm shift for Trans-Tasman SMEs as it will enable direct supported access to global markets.

Our settlement options, including T+0, is a strong point of difference and enables merchants to better manage working capital and bring a stronger focus on revenue generation. By providing a low-cost, easy-to-use gateway to overseas markets for SMEs in New Zealand and Australia, we aim to lead the uptake and use of digital mobile payment across Oceania and, ultimately, to expand into other global markets.

Since September 2016, New Zealand merchants have been growing by approximately 30 to 50 merchants per month. Since July 2018, IE Mall has been adding on average approximately five merchants to the Mall. At this time, merchants are being incentivised to join the mall to build supply with a free month of service for the first month of trading.

The number of IE Pay merchants and IE Mall merchants will be key operating drivers for the business.

The IE Pay payment platform is a volume based business so securing merchant numbers is key to driving volume. Merchants are a marginal cost so higher transaction volume can generate incremental revenue. Increased merchants increase subscription and payment platform revenue.

Over the next 2 years, the Company expects to invest \$1.613 million (NZD\$ 1.7m) in customer acquisition, customer service and technology development.

We intend to focus on:

- (a) growing our merchant base through investment in marketing programs to enhance brand awareness and solutions among businesses at different stages of their lifecycle, from entrepreneurs to well-established businesses;

²³ Source: New Zealand Foreign Affairs & Trade, Supporting SMEs, <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/cptpp/supporting-smes/#valuable> & Corporate Traveller, Small business make a grand contribution, 19 Jun 2019, <https://www.corporatetraveller.com.au/news/world-sme-day>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

²⁴ Source: CPA Australia, 2018, CPA Australia Asia-Pacific Small Business Survey 2018, Page 68 <https://www.cpaaustralia.com.au/~media/corporate/allfiles/document/professional-resources/business-management/small-business-survey/small-business-survey-2018.pdf>. The Company is relying on ASIC Corporations (Consents to Statements) Instrument 2016/72. The authors have not provided their consent for the statements to be included in this Prospectus.

- (b) growing merchant revenue as the more a merchant sells on the platform, the more revenue we generate as they upgrade their plans, add additional sales channels, process more transactions and use additional solutions;
- (c) expanding our business in Australia by cooperation with, or acquisitions of, Australian based businesses;
- (d) growing and developing our ecosystem of app developers, theme designers and other partners to enhance the functionality of our platform;
- (e) maintaining the aggregate and security of our technology infrastructure by investing further in the data centre and network infrastructure to meet merchant needs. Specifically, expansion into the Australian market will require new servers and hardware equipment and upgrades to the existing app to support the Australian market;
- (f) building for the long-term by testing new ideas with a focus on maximising long-term value. As the Company continues to build for the future it may consider focused international expansion, strategic partnerships, new solutions and selective acquisitions; and
- (g) marketing to build brand awareness amongst merchants and end customers in New Zealand and Australia specifically targeting the SME market with the objective of significantly increasing merchants.

Our marketing plan involves:

- using the most efficient advertising channels for driving awareness and engagement;
- using public relations for high customer engagement, low cost and measurability;
- leveraging our sales team to be as efficient as possible;
- using a cut-through events idea to promote awareness to maximise lead capture; and
- selective use of social channels.

We market our products through direct selling, traditional advertising and digital marketing. We actively grow our audience through online channels, including paid search, organic search and social media. The offline channel strategy includes participating in trade shows and local events to generate awareness of IE Pay and IE Mall.

3.14 **Key dependencies**

Key dependencies to achieve our revenue goals include:

- (a) reliance on third party platforms such as Alipay and WeChat Pay for the products and services we provide;
- (b) increase in merchants and merchant sales volumes to create economies of scale. We now have in excess of 1,000 merchants generating fees so that our dependency on cornerstone merchants such as Green Cross Health and Worldwide Travel, has significantly reduced. Proceeds from the IPO will be used in part to accelerate merchant recruitment, further lessening dependency on single merchant accounts;

- (c) ongoing development of our proprietary technology to reduce dependency on external providers;
- (d) expansion into the Australian market to grow our market of merchants and end customers; and
- (e) copyright, trade secrets, trademark and other rights in Australia, New Zealand and other jurisdictions in which the company conducts its business. We have confidentiality and/or licence agreements with employees, contractors, merchants, distributors and other third parties, which limit access to and use of our proprietary intellectual property.

4. **RISK FACTORS**

4.1 **Introduction**

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

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risks factors, may have a material impact on the financial performance of the Company and the market price of Shares.

This Section is not intended to be an exhaustive list of the risk factors to which the Company is exposed. Some of the risks may be mitigated by the use of safeguards and appropriate systems and actions, but many are outside the control of the Company and cannot be mitigated.

4.2 **Company Specific Risks**

(a) **Loss of key merchant relationships**

We depend on continued relationships with our current retail merchant clients. There can be no guarantee that these relationships will continue or, will continue to be successful. Our contracts with retail merchant clients can be terminated for convenience on relatively short notice by either party so we do not have long term contracted revenues.

There is a risk that we may lose retail merchant clients for a variety of reasons including a failure to meet contractual or commercial requirements, or retail merchants adopting in-house solutions or competitor service providers.

Although our business does not currently depend on any one retail merchant, our business is still at a relatively early stage and retail merchant revenue is not as diversified as it might be for a more mature business. The loss of even a small number of our key retail merchant clients may materially and adversely impact our revenue and profitability, and increase marketing expenses to sign up new retail merchant clients to replace those lost. The loss of key retail merchants may also have a negative impact on our reputation with other retail merchants and with end customers.

There is also a risk that new agreements formed with merchant clients in the future may be on less favourable terms, including in relation to pricing and other key terms, due to unanticipated changes in the market in which we operate.

(b) **Failure to grow transaction volumes, customer and merchant numbers or establish our brand**

We are in the early stages of establishing our presence in Auckland and Sydney. Our ability to profitably scale our business is heavily reliant on increases in transaction volumes and in our end-customer and retail merchant base to increase revenues and achieve profitable operations. Establishing, expanding and maintaining our brand is important to growing our merchant client and end customer bases. Failure to do so may materially and adversely impact our ability to achieve economies of scale and to optimise our systems, which may adversely impact our ability to achieve future profitability.

Our growth strategy may also include the introduction of new services or technologies. There is a risk that expansion initiatives may result in additional costs and risks, or may not achieve the intended outcomes. Our strategy depends on increasingly expanding our retail merchant and end-customer bases, which may not eventuate as planned. Targeting rapid growth may present challenges in recruiting enough qualified employees to manage growth and maintain the necessary quality of service and support.

(c) Termination or non-renewal of Licences

Our value proposition is driven by the aggregation of mobile payment solutions from Alipay, WeChat Pay, UnionPay and POLi into a single platform. Early termination or non-renewal of licenses that we have with these vendors may reduce our offering and therefore competitiveness and limit growth, which may adversely impact our operations and revenue.

(d) Technology failure or disruption

Constant real time performance, reliability and availability of our technology and third party communication networks is crucial for our business. There is a risk that these systems may fail to perform as expected or be adversely affected by a number of factors, some of which may be outside our control, including damage, equipment faults, power failure, fire, natural disasters, computer viruses and external malicious interventions such as hacking or denial or service attacks. Such events may cause disruption to part or all of our technology systems and/or the communication networks we depend on. Our operational processes and contingency plans may not adequately address every potential event. This may disrupt transaction flow and adversely impact our financial performance and reputation.

(e) Protection and ownership of technology and intellectual property

We depend on our ability to commercially exploit our technology and intellectual property. We rely on laws relating to trade secrets, copyright and trademarks to assist in protecting our proprietary rights. However, there is a risk that unauthorised use or copying of our data, specialised technology or platforms may occur. In addition, competitors may be able to work around our intellectual property rights or independently develop technologies or services that are protected by our intellectual property rights and in so doing may be able to offer very similar services or products that are otherwise competitive, which could adversely affect our business.

(f) Reputational damage

Maintaining the strength of our reputation is important to retaining and increasing our end-customer and merchant client base, maintaining our relationship with our partners and other service providers and successfully implementing our business strategy. There is a risk that unforeseen issues or events may adversely impact our reputation. This may adversely impact our future growth and profitability.

Our reputation is closely linked to the timely and accurate provision of services to end customers. There is a risk that our actions and the actions of our suppliers and retail merchants may adversely impact our reputation. Any factors that diminish our reputation could result in end customers or other parties ceasing to do business with us, affect our ability to successfully provide our services, adversely affect our future business strategy and materially and adversely affect our financial position and performance.

(g) Competition

There is a risk that new entrants in the market may disrupt our business and market share. Our market involves rapidly evolving products and technological change. The industry in which we operate is subject to domestic and global competition. Competitors may have greater financial and other resources and as a result, may be in a better position to compete for future business opportunities. While we will undertake all reasonable due diligence in our business decisions and operations, we will have no influence or control over the activities or actions of our competitors. As such, there can be no assurance that we can compete effectively.

(h) Our technology may be superseded

We operate in a competitive environment. Technology systems are continuing to develop and are subject to rapid change while business practices continue to evolve. Our success will depend on our ability to offer services that remain current with the continuing changes in technology, evolving industry standards and changing customer preferences. There is a risk that we will not be successful in addressing these developments in a timely manner, or that expenses will be greater than expected. In addition, there is a risk that new products or technologies (or alternative systems) developed by third parties will supersede our technology. This may materially affect our financial performance.

(i) Aggregation of our technology with various merchant platforms

We use and rely on aggregation with third party systems and platforms, including websites and merchant systems. The success of our services, and our ability to attract additional end customers and merchant clients, depends on the ability of our technology and systems to integrate into and operate with various third party systems and platforms. In addition, as these systems and platforms are regularly updated, it is possible that such updates could cause our services to operate less efficiently. This would require us to change the way our systems operate which may take time and expense to resolve.

(j) Limited history

Our business operations are at an early stage. MyPay NZ has historically had no or very low levels of revenues due to the early stage of its development. There can be no guarantee that we can or will be able to further commercialise our products and/or profitably scale out business.

We are a newly established company with a limited operating history and limited historical financial performance. Depending on our ability to generate revenue from our operations, we may require further financing in addition to amounts raised under the Public Offer.

(k) Capacity constraints

Continued growth in transaction volumes may require us to expand and adapt our network infrastructure to avoid interruptions to our systems and technology. Any unprecedented transaction volumes may cause interruptions to our systems and technology, reduce the number of completed transactions, increase expenses and reduce the level of customer service, factors that may potentially adversely affect our financial performance.

(l) Loss making operation, future capital needs and additional funding

As at the date of this Prospectus and as set out in Section 6, MyPay NZ is currently loss making and is not cash flow positive, meaning it is reliant on the Company raising funds from investors to continue to fund its operations and product development.

The future capital requirements of the Company will depend on many factors, including the rate and scale of the development of its business and sales. The Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its technology and to meet its other longer term objectives.

Although the Directors believe that on completion of the Public Offer the Company will have sufficient working capital to carry out its stated business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that it can be obtained on favourable terms or at all.

Any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing and operating activities.

Our ability to raise capital from either debt or equity markets on favourable terms for future activities cannot be guaranteed and is dependent on a number of factors, including:

- (i) the general economic climate;
- (ii) the state of debt and equity capital markets; and
- (iii) the performance, reputation and financial strength of the Company.

There is no assurance that we will be able to obtain or access additional funding when required, or that the terms associated with that funding will be acceptable to the Company.

Any failure to raise capital, if and when needed, could delay or suspend our business strategy and could have a material adverse effect on our activities, financial condition and our ability to continue as a going concern. No guarantee or assurance can be given as to whether the business can be developed to the stage where it will generate positive cashflow or the timing of this.

(m) Banking performance

We rely on online payment gateways, banking and financial institutions for the validation of settlement and collection of payments. Any failures or disruptions to such platforms and technology may impact our financial performance.

(n) Reliance on the internet

We depend on the ability of our retail merchants and end customers to access the internet. Should access to the internet be disrupted or restricted, usage of our services may be adversely impacted.

(o) Loss of key personnel

Our ability to effectively execute our growth strategy depends upon the performance and expertise of our key personnel. We rely on experienced managerial staff and qualified technical staff to develop and operate our technology and to direct operational staff to manage the operational, sales, compliance and other functions of our business. The loss of, and failure to replace, key personnel with a depth of experience in, and knowledge of our business and the environment in which we operate could impact on our ability to operate our business and achieve our growth strategies including through the development of new systems and technology. This may result in delays in the aggregation of new systems, development of new technology and business expansion which may adversely affect our financial performance. We may not be able to hire and retain such personnel at compensation levels consistent with existing compensation and salary structure.

(p) Enforcement of contracts subject to foreign laws

Certain of MyPay NZ's key licencing agreements are subject to the laws of other countries. This exposes the Company to risks such as difficulty in enforcing contracts and changes to, or uncertainty, in the relevant legal and regulatory regime. This may increase the risk of enforcement of contracts, or associated litigation.

(q) Concentration of shareholding

On completion of the Offers, the existing major Shareholder in the Company (Lei (Andy) Zhang will hold approximately 45.13% (based on Minimum Subscription) and 43.76% (based on Maximum Subscription) of the total Shares on issue in the Company, and will continue to be able to exert significant influence over the Company, including in relation to the election of Directors, the appointment of new management and the potential outcome of matters submitted to the vote of Shareholders. There is a risk that the interests of the existing major Shareholder may be different from the interests of investors who acquire Shares under the Offers. There is also a risk that the continued shareholding of the existing major Shareholder, in particular until the end of the escrow period, may cause or contribute to limited liquidity in the market for Shares, which could affect the market price at which other Shareholders are able to sell.

There is also a risk that a significant sale of Shares by the major Shareholder after the end of the escrow period, or the perception that such a sale may occur, could adversely impact the price of Shares. The continued shareholding of the existing major Shareholder may also negatively impact the timing and effectiveness of any capital raising activities of the Company, which could adversely impact the Company's cost of capital and financial position.

4.3 Industry risks

(a) Adoption risk

The digital world requires a change in mind-set and therefore is susceptible to adoption risk. Older generations are far less likely to use the internet or smart phone technology. Customers continue to prefer paying 'cash' on delivery of the goods or services they are purchasing and therefore e-commerce adoption is somewhat constrained. Although our offering is relatively unique, many customers have become accustomed to the likes of Amazon. There is the possibility that customers would prefer to stay with a familiar provider rather than change providers. Although New Zealand and Australia (our initial target regions) have seen significant movements towards a 'cashless' society, many regions across the globe still uphold a traditional cash based society. These regions may be slow to adopt online digital payments systems and as such the Company's ability to grow its business may be restricted.

(b) Cyber security risks

Unlike computers, mobile phones are not usually protected with anti-virus and anti-phishing software and therefore are susceptible to security breaches. In the event that the cyber security of our systems, platforms or technology is compromised by exploitation or hacking, our technology may be perceived as not secure, which could lead to reputational damage and loss of merchant customers. We may also incur increased costs to enhance our cyber security system, all of which may adversely affect our financial performance.

(c) Regulatory compliance

We are required to comply with a range of legal and industry compliance requirements that are constantly changing. This includes privacy laws, consumer protection laws and contractual conditions. We may be subject to other laws in jurisdictions in which we plan to operate and the applicable laws may change from time to time. There is a risk that additional or changed legal, regulatory and industry compliance standards, may make it uneconomic to operate, or to expand in accordance with our strategy. This may materially and adversely impact our income and profitability, including by preventing our business from achieving sufficient scale.

There is also a risk that failure to comply with these laws, regulations and industry compliance may result in significantly increased compliance costs, unilateral termination of our contracts, cessation of certain business activities or the ability to conduct our business, litigation or regulatory enquiry or investigation and significant reputational damage.

(d) Data security breaches

We collect a wide range of confidential information in the ordinary course of our business. Various laws and regulations govern the collection, use, retention, sharing and security of the data received from and about our customers.

Alleged breaches of laws and regulations relating to privacy and data security and any relevant claims may expose the Company to potential liability and may require us to allocate significant resources to responding to and defending such claims. Such claims may subject us to penalties by data protection authorities and contractual parties and could result in the loss of MyPay NZ's ability to use various payments systems which may significantly reduce its product offering.

We may find it necessary or desirable to join self-regulatory bodies or other privacy related organisations that require compliance with their rules pertaining to privacy and data security. We may be bound by contractual obligations that limit our ability to collect, use, disclose, share and leverage user data and to derive economic value from it. New laws, amendments to, or differing interpretations of existing laws, rules of self-regulating bodies, industry standards and contractual obligations, as well as changes in user expectations and demands regarding privacy and data security, may limit our ability to collect, use, disclose, share and leverage user data and to derive economic value from it. Restrictions on our ability to collect, access, use or disclose customer data or any profiles that we develop using such data, may require us to expend significant resources to adopt to these changes.

Any failure or perceived failure by the Company to comply with privacy or security laws, policies, legal obligations, industry standards or any security incident that results in unauthorised release or transfer of personal data may result in governmental enforcement actions and investigations, fines and penalties and orders requiring the Company to cease processing or operate in a certain way. Litigation and/or adverse publicity could cause customers to lose trust in the Company, which could have an adverse effect on the Company's reputation and business.

Breaches of applicable laws or contractual obligations or security breaches by the Company's partners may place us in breach of our own obligations under privacy laws and regulations, which could have a material adverse effect on our business.

Increased regulation of data capture, analysis, utilisation and distribution practices, including self-regulation and industry standards, could increase our cost of operation, limit our ability to grow our operations, or otherwise adversely affect our business, operating results, and financial condition.

(e) Money Laundering and Terrorism Financing risk

There is an inherent risk of being a payment solutions provider given the relatively unknown nature and scale of money laundering and terrorism financing vulnerabilities associated with the sector. Recognised risks exist in relation to anonymity, new technology and evolving products with organised crime and economic criminals identified as presenting a particular threat in terms of using payment platforms.

Unlike merchant acquirers who also issue the means of payment and so have visibility of the entire transaction, MyPay NZ, as payment provider, sees only the merchant's side of any transaction. As MyPay NZ has no visibility over Alipay, WeChat Pay, UnionPay and POLi end users who use the mobile or online payment service, we can only monitor the activity of our own Alipay, WeChat Pay and POLi merchants.

As the development of our services involves a new technology that favours anonymity, there is potential for Alipay, WeChat Pay, UnionPay and POLi clients to exploit our services to engage or collude in money laundering and terrorism financing, for example by the purchase of non-existent goods. A high volume of transactions generated by Alipay and WeChat Pay users operating our service through bank accounts situated in China presents additional risks, given the elevated money laundering and terrorism financing risk in that region.

In general, international standards of money laundering and counter-financing of terrorism are set by the Financial Action Task Force ("FATF"). As a member of the FATF, Hong Kong implements recommendations promulgated by this inter-government body to combat money laundering and terrorist financing. If the payment activities under any Hong Kong law governed contracts are captured in this regime, legislation in Hong Kong, including the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, may be applicable. In addition, there are no specific provisions in the Alipay Service Contracts, Weixin Service Agreement and Union Pay Agreement limiting the liability of My Pay NZ.

There is a risk that certain transactions could breach relevant anti-money laundering and counter financing terrorism laws which could result in the cancellation of MyPay NZ's licences with Alipay or We Chat Pay. Further, authorities such as the Department of Internal Affairs (in New Zealand) and Austrac in Australia could take action against the Company whereby the Company could be exposed to public warning, remediation, penalty and/or prosecution.

The Company seeks to manage this risk through its anti-money laundering compliance program ("AML/FT Compliance Program").

The AML/FT Compliance Programme prescribes AML/FT controls which seek to minimise the inherent AML/FT risks that MyPay NZ is exposed in the provision of its services. As MyPay NZ has limited information about the mobile payment user, the controls in the AML/FT Programme are directed at MyPay NZ's retail merchant clients, to ensure that the retail merchant clients are operating legitimate businesses and that all transactions are genuine sale transactions.

MyPay NZ takes the following steps to combat ML/FT risks:

- the appointment of an AML/CFT Compliance Officer to administer and manage its AML/CFT programme;
- vetting of all senior managers, the AML/CFT Compliance Officer and any other employees who have AML/CFT duties;
- training of all staff with AML/CFT duties, including the AML Compliance Officer and senior managers;
- customer due diligence (CDD) on all customers (individuals, companies, trusts, etc.) and any beneficial owner of a customer (for companies, this includes directors and any shareholder with a 25% or more shareholding; for individuals this is any person with effective control); and any person acting on behalf of a customer;
- ongoing CDD and transaction monitoring to ensure that the business relationship and transactions are consistent with the reporting entity's knowledge about the customer, the customer's business and risk profile;
- annual review of all merchant customers' accounts;
- daily monitoring of transactions;
- monthly transaction analysis; and
- suspicious activity reporting.

MyPay NZ reviews its AML/FT controls regularly, and it may adjust such controls as it deems necessary to minimise AML/FT risks on an ongoing basis.

Although proactive and diligent monitoring may assist the identification and reporting of any money laundering and terrorism financing activity, the inherent risk cannot be obviated given the appeal the services have to criminals/launders and the likelihood they will attempt to access the services.

4.4 **General risks**

(a) **Economic risk**

General economic conditions in New Zealand, Australia and globally may impact the Company. Movements in interest and inflation rates, increases in expenses (including the costs of goods and services used by the Company), currency exchange rates, introduction of tax reform and new legislation, may have an adverse impact on the Company and its activities, as well as the ability to fund those activities. A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(b) **Legal proceedings**

Whilst as at the date of this Prospectus there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against the Company, legal proceedings may arise from time to time in the course of the business of the Company. Such proceedings brought by third parties including but not limited to customers, suppliers, business partners or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance.

(c) **Management of risk**

There is a risk that management of the Company will not be able to implement our growth strategy after completion of the Public Offer. The capacity of management to properly implement and manage the strategic direction of the Company may affect our financial performance.

(d) **Liquidity and volatility risk**

Upon listing on NSX, we will be a small company in terms of our market capitalisation. Investment in the Company's Shares will be regarded as speculative and the Company will have a narrow Shareholder base. There is a risk, particularly in times of share market turbulence or negative investor sentiment, that the market for the Shares will not be highly liquid. In addition, as set out in Section 9.23 certain Shares are likely to be classified as restricted securities. To the extent that Shares are classified as restricted securities, the liquidity of the market for the Shares may be adversely affected.

There is no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or sellers of Shares on the NSX at any particular time and the market price for Shares may be highly volatile. This may result in some Shareholders wishing to sell their Shares in the Company in circumstances where they may receive considerably less than the price paid under the Offers.

(e) **Market risk**

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- commodity price fluctuations;
- changes in investor sentiment;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(f) Insurance and uninsured risk

Where economically feasible, the Company may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. Certain insurance may also be cost prohibitive. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(g) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into consideration, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(h) Taxation risk

The acquisition and disposal of Shares will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the taxation and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company and its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Shares under this Prospectus.

(i) Accounting standards

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or financial condition.

(j) Unforeseen risk

There may be other risks of which the Directors are unaware at the time of issuing this Prospectus which may impact on MiePay, its operations and performance of its Shares. This is particularly so for an early stage business such as MiePay, where there is limited operating history.

4.5 **Investment speculative**

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

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

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

5. **BOARD OF DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE**

5.1 **Board of Directors**


As at the date of this Prospectus, the Board of the Company comprises:


- (a) Roger James Kerr - Non-Executive Chair;
- (b) Lei (Andy) Zhang - Managing Director;
- (c) Jack Zhong Yin - Non-Executive Director;
- (d) Chen Chik (Nicholas) Ong – Independent Non-Executive Director; and
- (e) Hing Chow (Tony) Leung – Independent Non-Executive Director

As at the date of this Prospectus, the Board of MyPay NZ comprises Lei (Andy) Zhang and Jack Zhong Yin.


5.2 **Director profiles**

Information regarding the Directors of the Company is summarised in the table below.

Director	Background
 <p data-bbox="296 591 507 618">Roger James Kerr</p> <p data-bbox="296 656 596 712">Independent Non-Executive Chair</p>	<p data-bbox="659 266 986 293">Appointed 25 September 2019</p> <p data-bbox="659 331 1037 358">Country of residence: New Zealand</p> <p data-bbox="659 394 1358 483">Mr Kerr holds a Bachelor of Commerce from the University of Canterbury. He has been an Associated Chartered Accountant since 1980.</p> <p data-bbox="659 519 1358 779">Mr Kerr has been closely associated with the changes and development of New Zealand's financial and investment markets since 1981, primarily as a specialist treasury management consultant and more recently in governance roles in the financial services sector. He is widely regarded as one of the leading professional advisers and commentators on local or international financial markets, the New Zealand economy and corporate treasury risk management.</p> <p data-bbox="659 815 1358 1137">He founded and established two treasury advisory consultancy firms that provide foreign exchange, debt and interest rate risk management advice to Australasian companies; namely Bancorp Treasury Services (1987 to 1998) and Asia-Pacific Risk Management (1998 to 2012). In 2012, PricewaterhouseCoopers New Zealand (PwC New Zealand) acquired Asia-Pacific Risk Management and Roger became a Partner in PwC New Zealand until June 2016. After contracting back to PwC New Zealand for two years, Roger established a new treasury consultancy firm, Barrington Treasury Services NZ in November 2018.</p> <p data-bbox="659 1173 1358 1370">Mr Kerr has extensive governance experience and is currently a director of Pie Funds Management Limited, Financial Services Complaints Limited, ETOS Limited and Hedgebook Limited. Mr Kerr previously held directorship and trustee roles with Trust Investments Management Limited, the National Provident Fund and the New Zealand Government Debt Management Office.</p> <p data-bbox="659 1406 1358 1462">Mr Kerr was the independent Board Chair and director of IEFS from February 2018 to July 2019.</p>



Director	Background
 <p>Lei (Andy) Zhang Managing Director</p>	<p>Appointed 1 November 2019</p> <p>Country of residence: New Zealand</p> <p>Andy holds a Bachelor of Business in Finance from Massey University. He was a registered Financial Services Provider, and a member of the Chinese Chamber of Commerce in New Zealand. He is also the Executive Director of the China Youth Returnee Association of New Zealand Chapter. Andy has been involved in Foreign Exchange markets for more than ten years. He worked closely with local and global teams on online marketing initiatives. His strengths are in the maintenance of competitive market landscape, expansion opportunities, and industry developments.</p> <p>Mr Zhang was appointed to the board of the Company as a director on incorporation and subsequently appointed as the Company' Managing Director. He is also a director of the following New Zealand proprietary companies: IEFS; IE Property Finance Limited; MyPay New Zealand Limited; IE Money; IE Tech; IE Healthcare Limited; IE Management Services Limited; NZ L J International Trading Limited; Silver Fern Management Limited; Taihe Innovation Management Limited; IE property Lending Limited and Mie Pay NZ Limited.</p>


Director	Background
 <p>Jack Zhong Yin</p> <p>Non-Executive Director</p>	<p>Appointed 1 November 2018</p> <p>Country of residence: New Zealand</p> <p>Mr. Yin holds a Bachelor of Business Studies (Accounting and Finance) from UNITEC Institute of Technology and a Master of Taxation Systems (Second Class Honours First Division) from the University of Auckland. He is a member of the New Zealand Institute of Directors and is a registered Financial Services Provider.</p> <p>He has over 20 years' investment management experience and was the Head of Asian Development for a large accountancy firm in Auckland. He previously held both project and case leader positions with the New Zealand Inland Revenue Department for over 8 years.</p> <p>Mr Yin has been an Executive Director of Marlborough Wine Estates Group Limited (NZX: MWE), an NZX grower and wine producer based in the Marlborough region since 30 June 2016. He is the director and founder of Food & Agricultural Trading New Zealand Limited, which is the general partner of New Zealand Food & Agricultural Capital LP, a limited partnership formed with the objective of investing in small and medium-sized New Zealand enterprises that export high quality food and beverage products to China. He is also the director of Beyond Capital Management Limited, a private fund management company formed with the objective of investing in New Zealand technology companies, particularly in the medical device technology sector.</p> <p>Mr Yin is a director of IEFS, having been appointed on 27 July 2017.</p>
 <p>Hing Chow (Tony) Leung</p> <p>Independent Non-Executive Director</p>	<p>Appointed 25 September 2019</p> <p>Country of residence: Australia</p> <p>Mr Leung holds a Bachelor of Science (Mathematics) degree from the University of Hong Kong.</p> <p>He is a professional with over 30 years' experience in executive and management roles in the financial industry. Until recently, he was a director of an American multinational financial services corporation responsible for the Asia Pacific regional partners servicing and business development.</p> <p>Mr Leung has an extensive background in mobile payment and e-commerce technologies deployment with strong exposure to the payment industry and branded consumer products development in Asia Pacific region.</p>

Director	Background
 <p>Chen Chik (Nicholas) Ong</p> <p>Independent Non-Executive Director and Company Secretary</p>	<p>Appointed 15 July 2019</p> <p>Country of residence: Australia</p> <p>Mr Ong holds a Bachelor of Commerce (Banking and Finance) from Murdoch University and a Master of Business Administration from the University of Western Australia.</p> <p>He was a Principal Listings Advisor at the ASX overseeing the listings of over a hundred companies. He has served as a company secretary and director to a number of ASX and NSX listed companies. In his role as the Managing Director of Minerva Corporate, Mr Ong has acted as Compliance Manager for numerous IPO's and RTO's on the ASX and the NSX. Minerva Corporate will act as the Nominated Adviser of the Company post listing.</p> <p>Mr Ong currently holds board positions in the following ASX listed companies in Australia: Black Star Petroleum Limited (ASX:BSP); Helios Energy Ltd (ASX:HE8); Vonex Limited (ASX:VNX); and Arrow Minerals Ltd (ASX:AMD).</p> <p>He is the Company Secretary of Indo Mines Limited (ASX:IDO); Love Group Global Ltd (ASX:LVE); and Beroni Group Limited (NSX: BTG).</p> <p>Mr Ong was a director of Tianmei Beverage Group Corporation Limited (Tianmei) from 8 September 2016 to his resignation on 11 February 2018. On or about 26 November 2018, ASIC applied to the Federal Court for orders to appoint provisional liquidators to Tianmei but discontinued those proceedings given the appointment of a liquidator to Tianmei by order of the Supreme Court of Victoria on 28 November 2018 following non-compliance with a statutory demand issued by Tianmei's former auditors for an amount of \$44,000.</p>

5.3 Key Management Personnel

Other than the Directors, the Group's key management personnel are as follows:

Employee	Background
 <p data-bbox="320 611 555 701">Richard Justice Chief Financial Officer</p>	<p data-bbox="639 264 948 293">Appointed 4 November 2019</p> <p data-bbox="639 327 1018 356">Country of residence: New Zealand</p> <p data-bbox="639 389 1385 517">Mr Justice holds a Bachelor of Commerce and a Master of Business Administration from the University of Auckland, gaining his Associated Chartered Accountant's qualification in 1979 and Institute of Chartered Secretaries qualifications in 1980.</p> <p data-bbox="639 551 1385 712">He has over 30 years in senior management roles working with companies listed in New Zealand, Australia, Canada and the United States, with past governance experience as a Director of both private and public companies, including as a Director of a NASDAQ listed IT business.</p> <p data-bbox="639 745 1385 842">Mr Justice has been involved with capital raising locally and internationally, for a range of companies, ranging from early stage start-ups, through to listed entities.</p>
 <p data-bbox="320 1200 592 1290">Chun-Ho (Jeremy) Cheng Chief Operating Officer</p>	<p data-bbox="639 882 938 911">To be appointed from listing</p> <p data-bbox="639 945 970 974">Country of residence: Australia</p> <p data-bbox="639 1008 1385 1169">Mr Cheng holds a Bachelor of Commerce (Accounting and Commercial Law) from the University of Sydney, a Master of Business Administration (Finance and Management) from the University of Technology Sydney and a Master of Arts in Social and Economic Issues from the University of Sydney</p> <p data-bbox="639 1202 1385 1364">He has more than 20 years' experience in the financial services industry with expertise in managing vendors, strategic account management, relationship management and business development. He has an ability to initiate and drive commercial strategies that result in revenue growth.</p> <p data-bbox="639 1397 1385 1727">Mr Cheng was the Global Merchant Service Project Manager of American Express in Australia. He was responsible for the oversight and governance of control and compliance programs and initiatives, which include leading global and local activities and execution against all components of the Amex Operational Risk framework. He developed effective network partner/client relationships with the designated business partners of each business Amex worked with globally. Currently he is a Community Relationship Advisor at Australian Hearing and is a go-to-person for minority communities across the Greater Sydney area.</p>

Employee	Background
 <p>Wei (Chris) Fan</p> <p>Chief Technology Officer</p>	<p>Appointed 1 November 2019</p> <p>Country of residence: New Zealand</p> <p>Mr Fan holds a Bachelor of Computer Science and Technology from the People's Public Security University of China.</p> <p>Mr Fan has more than 20 years IT experience in New Zealand and mainland China. He is the Chief Technology Officer of MyPay NZ and was the Full Stack Developer and Operations of IE Money, having designed the overall architecture of the web application.</p>

5.4 Interests of Directors

Other than as set out in this Prospectus and as follows, no Director or proposed Director holds at the date of this Prospectus, or held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

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

no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with the formation or promotion of the Company or the Offers.

5.5 Security holdings of Directors

Directors are not required under the Company's Constitution to hold any Shares.

As at the date of this Prospectus, Directors and their related entities have the following interest in Shares:

Director	Shares held as at date of Prospectus	Shares held and voting power upon completion of the Offers (%)			
		Minimum Subscription	%	Maximum Subscription	%
Roger Kerr	Nil	Nil	0	Nil	0
Lei (Andy) Zhang	144,353,333	144,353,333	45.13	144,353,333	43.76
Jack Zhong Yin	4,580,000	4,580,000	1.43	4,580,000	1.39
Hing Chow (Tony) Leung	Nil	Nil	0	Nil	0
Chen Chik (Nicholas) Ong	Nil	Nil	0	Nil	0

5.6 Remuneration of Directors

Director	Proposed remuneration for year ended 31 March 2020	Remuneration for year ended 31 March 2019
Roger Kerr	36,028	Nil
Lei (Andy) Zhang	NZD 155,396 ¹	Nil
Jack Zhong Yin	20,203	Nil
Hing Chow (Tony) Leung	20,203	Nil
Chen Chik (Nicholas) Ong	28,316	Nil

¹ See Section 5.8 below.

5.7 Related Party Transactions

The Company has entered into the following related party transactions on arm's length terms:

- executive service agreement with Lei (Andy) Zhang (refer to Section 5.8 for details);
- letters of appointment with each of its Directors on standard terms (refer to Section 5.8 for details);
- service agreement with Minerva Corporate of which Mr Chen Chik (Nicholas) Ong is a director and shareholder (refer to Section 5.8 for details); and
- deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 5.10 for details); and

- (e) shared services agreement with IEFS, IE Tech, IE Money, and IE Finance (refer to Section 8.8 for details).

Other than as detailed in this Prospectus, there are no existing agreements or arrangements and there are currently no proposed transactions in which the Company was, or is to be, a participant, and in which any related party has or will have a direct or indirect material interest.

All future related party arrangements (if any) will be determined by the Board, having regard to their duties as Directors, and, where required, all requisite approvals, including but not limited to, shareholder approval, will be obtained.

5.8 Executive services and employment agreements

(a) Employment agreement – Mr Lei (Andy) Zhang

The Company entered into a letter of confirmation with Lei Zhang dated 26 November 2019 pursuant to which he serves the Company and MyPay NZ as Managing Director effective from 1 November 2019 and is responsible for the overall management of the Company's activities, operations and affairs including its strategic and financial objectives, subject to control and direction of the board.

MyPay NZ is party to an individual employment agreement with Mr Lei Zhang ("Zhang Agreement") pursuant to which he is employed as the Managing Director of MyPay NZ and the Company from 1 November 2019. The remuneration payable to Mr Zhang by MyPay NZ is NZD \$400,000 per annum and a car bay, valued at NZD \$6,120 per annum. The Company and My Pay NZ are intending to enter into a shared services agreement in relation to Mr Zhang's employment following listing.

Mr Zhang is entitled to the equivalent of 3 months base annual salary as redundancy compensation, as well as a 3 month notice period for redundancy.

Mr Zhang is subject to restrictions in relation to the use of confidential information during and after employment and a non-solicitation and non-competition period of 6 months in the areas of New Zealand and Australia where there is potential for the type of work carried out by MyPay NZ. He is also restricted from updating, amending or providing any detail on any new employment, business or venture he is involved in any capacity which competes or may compete with MyPay NZ on any social media, personal or business website or any other media forum (including print or television), without the consent of MyPay NZ.

In all other respects, the agreement contains standard provisions for agreements of this nature in New Zealand, with the exception of clause 25 of the Zhang Agreement which allows MyPay NZ to appoint Mr Zhang to any office at MyPay NZ's discretion.

(b) Director Agreements – Messrs Kerr, Leung and Yin

The Company has entered into separate director letter agreements with Messrs Kerr, Leung and Yin pursuant to which the Company has agreed to pay:

Mr Kerr a director's fee of \$70,299 (inclusive of superannuation) per year for services provided to the Company; and

Mr Leung and Mr Yin a director's fee of \$39,420 (inclusive of superannuation) per year for services provided to the Company;

The appointments of Messrs Kerr and Leung were effective from 25 September 2019 and Mr Yin from 1 November 2018.

The director letter agreements are subject to the laws of New South Wales.

(c) Services Agreement – Minerva Corporate

The Company has entered into a services agreement with Minerva Corporate for the provision of director, company secretarial and Nominated Adviser services.

Effective from 12 July 2019, Nicholas Ong is engaged as a non-executive director for a monthly fee of \$3,000 plus GST. Mr Ong was also appointed as company secretary for the Company on 3 December 2019 for a monthly fee of \$3,000 plus GST. Minerva Corporate will act as nominated adviser from listing for a monthly fee of \$1,000 plus GST.

The Agreement is subject to the laws of Western Australia.

5.9 Senior Management Agreements

(a) Total Performance Solutions Limited and Richard Justice Services Agreement – Chief Financial Officer

On 4 November 2019, MyPay NZ entered into a services agreement with Total Performance Solutions Limited ("TPSL") ("TPSL Agreement") pursuant to which Richard Justice will provide Chief Financial Officer services to MyPay NZ and the Company.

Pursuant to the TPSL Agreement, the Company has agreed to pay TPSL an hourly rate of NZD\$105.00 per hour and reimbursable expenses. The Agreement is for an indefinite duration, until terminated in accordance with the terms of the TPSL Agreement. TPSL and Richard Justice are subject to restrictions in relation to the use of confidential information and are subject to non-competition and non-solicitation restraints for a period of 3 months from termination of the TPSL Agreement. The agreement is governed by the laws of New Zealand.

(b) Employment Agreement – Wei (Chris) Fan – Chief Technology Officer

MyPay NZ has entered into an individual employment agreement with Wei (Chris) Fan for his appointment as Chief Technology Officer of MyPay NZ and the Company ("Fan Agreement") from 25 November 2019. Pursuant to the Fan Agreement, the Company has agreed to pay Mr Fan a base annual salary of \$123,000 per annum.

Mr Fan is subject to restrictions in relation to the use of confidential information during and after his employment and is subject to non-competition and non-solicitation restraints for a period of 6 months after his employment with the Company ends.

In all other respects, the agreement contains standard provisions for agreements of this nature in New Zealand, with the exception of clause 25 of the Fan Agreement, which allows MyPay NZ to appoint Mr Fan to any office at MyPay NZ's discretion.

(c) Employment Agreement – Chun Ho (Jeremy) Cheng – Chief Operating Officer

On 11 November 2019, the Company entered into an employment contract with Mr Cheng (Cheng Agreement) for his appointment as Chief Operating Officer on a part time basis. Mr Cheng's appointment will commence on the date the Company is listed on the NSX or such other date as may be agreed between the parties. Pursuant to the Cheng Agreement, the Company has agreed to pay Mr Cheng a remuneration package of \$11,388 per annum.

Mr Cheng is subject to restrictions in relation to the use of confidential information during and after his employment and is subject to a non-solicitation restraint for a period of 6 months after his employment with the Company ends.

5.10 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must allow the officers to inspect Board papers in certain circumstances.

5.11 Directors disclosures

No director of the Company has been subject to any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor's decision as to whether to subscribe for Shares in the Company.

With the exception of Mr Ong who was a director of Tianmei prior to the appointment of a liquidator to Tianmei by the Supreme Court of Victoria following that company's non-compliance with a statutory demand (as set out in Section 5.2), no other director of the Company has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within 12 months after they ceased to be an officer.

5.12 Corporate Governance

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has adopted what it considers to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

As at the date of this Prospectus, the Company has adopted the following corporate governance policies, all of which are available on its website:

- (a) Board Charter
- (b) Code of Conduct
- (c) Continuous Disclosure and Communications Policy
- (d) Securities Trading Policy
- (e) Audit & Risk Committee Charter
- (f) Related Party Transaction Policy
- (g) Remuneration and Nomination Committee Charter
- (h) Anti-Bribery and Corruption Policy
- (i) Whistle-blower Policy

5.13 As the Company develops, the implementation of additional corporate governance policies will be reviewed.

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

The Company's compliance with the Recommendations as at the date of this Prospectus is set out below which also includes an overview of the Company's main corporate governance policies and practices against Recommendations.

Principles and Recommendations	Comply Yes/No	Explanation
Principle 1 – Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should disclose: <ul style="list-style-type: none"> (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. 	Yes	<p>The roles and responsibilities of the Board and management are set out in the Board Charter, available on the Company's website.</p> <p>The Board is responsible for the corporate governance of the Company and operates in accordance with the principles set out in the Board Charter.</p> <p>The Board Charter also provides for the Company's statement of delegated authority to set out the Company's policy relevant to the delegation of authority to management to conduct the day to day management of the Company.</p> <p>The Company recognises that the roles and functions of the Board must necessarily be flexible to deliver the Company's objectives</p>
Recommendation 1.2 A listed entity should: <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. 	Yes	<p>The process of appointment and re-election is set out in the Board Charter.</p> <p>The Company will undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director.</p> <p>The Board will provide shareholders with all material information in the possession of the Company to enable shareholders to make an informed decision on the appointment and re-election of directors.</p>
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	<p>The Company has a written agreement with each director and senior executive setting out the terms of their appointment.</p>
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	<p>The Company Secretary is appointed and removed by the Board and reports to, and is directly accountable to, the Board, through the Chair, on all matters to do with the proper functioning of the Board</p>

Principles and Recommendations	Comply Yes/No	Explanation
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	No	<p>The Company does not currently have an express diversity policy but is committed to developing a business model that values and achieves diversity on its workforce and on its Board. The Company intends to develop a diversity policy, which will be announced to NSX in due course and will be made available on the Company's website. Management will monitor and report to the Board on the Company's progress on the development of its diversity policy.</p>

Principles and Recommendations	Comply Yes/No	Explanation
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>The Board is responsible for the evaluation and review of the performance of the Board and its committees (if any) and senior executives. The Chair is primarily responsible for the evaluation and review of the performance of individual non-executive directors. The Chair should disclose the process for evaluating the performance of those directors.</p> <p>The Board (other than the Chair) is responsible for the evaluation and review of the performance of the Chair, and review of the effectiveness and programme of Board meetings.</p> <p>The process of the performance evaluation of the Board, its committees (if any), directors and senior executives, generally involves an internal review. From time to time as the Company's needs and circumstances require, the Board may commission an external review of the Board, and its composition.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	No	<p>The Company intends to develop its senior executive performance evaluation procedures so as to enable an evaluation to be undertaken within the first 12 months of Admission to the NSX against key objectives.</p>
Principle 2 – Structure the board to add value		

Principles and Recommendations	Comply Yes/No	Explanation
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively</p>	Yes	<p>The Company believes it is not of a size to justify a separate Nomination Committee. The Board will execute the responsibilities of the nomination committee as outlined in the Nomination and Remuneration Committee Charter available on the Company's website.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	No	<p>The Board seeks to achieve a balance of entrepreneurial, capital markets, technical, operational, commercial and financial skills from the resources industry and broader business backgrounds. The Board will establish a skills matrix setting out the mix of skills and diversity that the Board currently has or is seeking to acquire.</p>

Principles and Recommendations	Comply Yes/No	Explanation
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Yes	<p>The Company will disclose in its Annual Report those Directors it considers independent Directors and the basis for determining independence.</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	Yes	<p>The Board comprises one executive director and two non-executive directors. The executive director, Mr Zhang is not considered to be an independent director in terms of the ASX Corporate Governance Council's discussion of independent status. Despite this relationship, the Board believes that Mr Zhang is able, and will make quality and independent judgements in the best interests of the Company on all relevant issues before the Board. Mr Kerr, Mr Ong and Mr Leung are considered to be independent directors in terms of the ASX Corporate Governance Council's discussion of independent status.</p> <p>Directors are entitled to seek independent professional advice at the Company's expense in the furtherance of their duties. Under the Company's Constitution, no director except the Managing Director may hold office for a period in excess of three years or beyond the third annual general meeting following the director's election without being submitted for re-election. At every annual general meeting one third of the Directors or the number nearest to but not exceeding one third must retire from office and are eligible for re-election.</p>

Principles and Recommendations	Comply Yes/No	Explanation
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity	Yes	The Chair, Mr Roger Kerr, is considered independent.
Recommendation 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.		Upon appointment to the Board, new Directors are provided with Company policies and procedures and are provided an opportunity to discuss the Company's operations with the management team and the Board. The Company encourages its Directors to participate in ongoing professional development.
Principle 3 – Act ethically and responsibly		
Recommendation 3.1 A listed entity should: <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. 	Yes	<p>The Board has adopted a Code of Conduct to promote lawful, ethical and responsible decision-making by directors, management and employees. The Code promotes compliance with laws and regulation and avoidance of conflicts of interest, embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity. The Code of Conduct is available on the Company's website.</p> <p>The company has also adopted the following policies which are available on its website:</p> <ul style="list-style-type: none"> (a) Securities Trading Policy – promoting awareness of the law in relation to insider trading, specifying blackout periods and providing notification protocols. (b) Anti-Bribery and Corruption Policy - setting out the conduct expected by the Company to minimise the risk of bribery or corruption occurring in connection with its operations and activities; and provide guidance on how to deal with instances of bribery or corruption; and (c) Whistle-blower Policy - to promote a positive culture of openness, responsible corporate governance and ethical behaviour where Mie Pay Staff are able to report incidents of corrupt, illegal or unethical work related conduct without fear of reprisal.

Principles and Recommendations	Comply Yes/No	Explanation
Principle 4 – Safeguard integrity in corporate reporting		
<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner</p>	Partially	<p>The Company does not currently have an Audit Committee. The Board considers that the formation of an Audit Committee is not warranted at this time given the stage of the Company's development. The full Board carries out the duties that would ordinarily be assigned to the Audit Risk Committee as set out in the Audit & Risk Committee Charter available on the Company's website.</p> <p>The Board will at some time consider forming an Audit Committee if the size of the Board increases and efficiencies may be derived from a formal committee structure.</p>

Principles and Recommendations	Comply Yes/No	Explanation
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively	Yes	Consistent with the requirements of the Corporations Act and best practice recommendations, the Managing Director and Chief Financial Officer are required to make a statement to the Board that the Company's financial records Company have been properly maintained and that the Company's financial statements comply with accounting standards and present a true and fair view of the Company's financial condition and operational results.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The opportunity for shareholders to question a listed entity's external auditor at the AGM is an important safeguard for the integrity of the corporate reporting process. The Company's external auditor will attend each annual general meeting to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.
Principle 5 – Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. 	Yes	The Board places a strong emphasis on full and appropriate disclosure and has adopted a Continuous Disclosure and Communications Policy to ensure timely and accurate disclosure of price-sensitive information to shareholders through the lodgement of announcements with NSX. Clear procedures govern the preparation, review and approval of all announcements. The Company's Continuous Disclosure and Communications Policy is available on its website.
Principle 6 – Respect of the Rights of Security		

Principles and Recommendations	Comply Yes/No	Explanation
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website	Yes	The Company is committed to open and accessible communication with its shareholders, employees, customers and other stakeholders. The Company will publish all relevant announcements on its website after NSX has acknowledged that the announcements have been released. The Continuous Disclosure Policy can be found on the Company's website. Subject to NSX disclosure rules, the Company communicates regularly with shareholders, brokers and analysts and publishes the information provided on its website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has a Continuous Disclosure and Communications Policy to facilitate effective shareholder communication.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Company will provide appropriate notification of shareholder meetings and will allocate question time at Shareholder meetings to facilitate participation at such meetings.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company's corporate governance and Communications policies on its website set out the options to receive communications from and send communications to the Company and its share registry electronically.
Principle 7 – Recognise and manage risk		

Principles and Recommendations	Comply Yes/No	Explanation
<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	Yes	<p>The Board is committed to ensuring that the risks associated with the Company's business activities are properly identified, monitored and managed and to embedding in its management and reporting systems a number of risk management controls. Operational management regularly reviews the risks and controls and updates the Board in light of changing circumstances and emergent risk factors and weightings.</p> <p>The Board considers that the Company is not of a size sufficient to warrant the establishment a separate risk management committee. The Board as a whole oversees the Company's risk management framework and the Company employs appropriate processes for continually improving the effectiveness of risk management and internal control processes.</p>
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>Strategic and operational risks will be reviewed at least annually as part of the budgeting process. The Company maintains a risks register, which it actively monitors.</p>

Principles and Recommendations	Comply Yes/No	Explanation
Recommendation 7.3 A listed entity should disclose: <ul style="list-style-type: none"> (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes 	Yes	The Managing Director and Chief Financial Officer are required to provide a declaration in writing to the Board as to whether the declaration in accordance with section 295A of the Corporations Act is founded on a sound system of internal control and that the system is operating effectively in all material respects in relation to financial risks.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Aside from the risks outlined in section 4 of this Prospectus, the Company does not have material exposure to other economic, environmental or social sustainability risks.
Principle 8 – Remunerate fairly and responsibly		

Principles and Recommendations	Comply Yes/No	Explanation
<p>Recommendations 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	<p>The Directors consider the current size of the Board does not warrant the establishment of a separate Remuneration Committee. The Board may consider forming a Remuneration Committee in the future if it considers that efficiencies may be derived from a formal committee structure.</p> <p>In the meantime, the Board as a whole performs the functions of the Remuneration Committee, which includes setting the Company's remuneration structure, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.</p>
<p>Recommendations 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>The Company separately distinguishes the remuneration of its executives and non-executive directors. Disclosure of the remuneration arrangements for Directors and senior executives will be disclosed in the Annual Reports of the Company.</p>

Principles and Recommendations	Comply Yes/No	Explanation
<p>Recommendations 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>		<p>There are no schemes for retirement benefits, other than superannuation, for nonexecutive directors.</p>

6. FINANCIAL INFORMATION

6.1 Introduction

(a) Financial Information

The financial information contained in this Section 6 includes the historical financial information for the subsidiary company, MyPay NZ for the financial years ended 31 March 2017 (FY17), 31 March 2018 (FY18) and 31 March 2019 (FY19). The historical financial statements of MyPay NZ for FY18 and FY19 were audited by PwC New Zealand. An unqualified audit opinion was issued in FY18 and a disclaimer opinion in FY19.

This Section 6 contains a summary of the:

- Statutory historical financial Information, comprising:
 - My Pay NZ's statutory historical statement of comprehensive income for FY17 (unaudited), FY18 (audited) and FY19 (disclaimed) (Statutory Historical Income Statements);
 - My Pay NZ's statutory historical cash flow statements for FY18 (audited) and FY19 (disclaimed) (Statutory Historical Cash Flows); and
 - Mie Pay's statutory historical unaudited consolidated statement of financial position as at 31 March 2019 (Statutory Historical Statement of Financial Position),

(together, the **Statutory Historical Financial Information**); and

- Pro Forma Historical Statement of Financial Position, comprising the:
 - Mie Pay's pro forma historical consolidated statement of financial position as at 31 March 2019 (**Pro Forma Historical Statement of Financial Position**).

The Statutory Historical Financial Information and Pro Forma Historical Statement of Financial Position is together referred to as the "Financial Information".

MyPay NZ has a 31 March financial year end, as has Mie Pay.

In addition, Section 6 summarises:

- the basis of preparation and presentation of the Financial Information (see Section 6.2.);
- information regarding certain non-IFRS financial measures (see Section 6.2(d));
- the key operating and financial metrics (see Section 6.2.4);
- management's discussion and analysis of the historical statement of comprehensive income and statement of cash flows (see Section 6.6 and 6.7(a));
- the pro forma adjustments to the Statutory Historical Financial Information (see Section 6.8);
- information regarding liquidity and capital resources (see Section 6.15);
- information regarding Mie Pay's contractual obligations, commitments and contingent liabilities (see Section 6.16);
- Mie Pay's dividend policy (see Section 6.18);
- the Independent Limited Assurance Report, set out in Section 7;

- the indicative capital structure described in Section 9.7; and
- a description of Mie Pay's critical accounting policies (see Schedule 1).

The information in Section 6 should also be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

All amounts disclosed in Section 6 are presented in NZD and, unless otherwise noted, are rounded to the nearest thousand. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

6.2 Basis of preparation and presentation of the Financial Information

(a) Overview and preparation and presentation of the Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of Mie Pay.

Given the fact that Mie Pay is in an early, growth stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of New Zealand Accounting Standards (NZAS) adopted by the New Zealand Accounting Board (NZASB), which are consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Mie Pay's accounting policies. Mie Pay's significant accounting policies are described in Schedule 1. The Directors are not aware of any reconciliatory differences between the application of IFRS and AIFRS which require disclosure within this financial information section. Following the listing the Company will continue to report under IFRS, and report in NZD, which is its elected presentation currency.

The Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles of NZAS other than it includes certain adjustments which have been prepared in a manner consistent with NZAS, that reflect (a) the exclusion of certain transactions that occurred in the relevant periods and (b) the impact of certain transactions as if they had occurred on or before 31 March 2019.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by NZAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The historical financial statements were prepared in NZD and in accordance with IFRS. For the purposes of the Prospectus and the disclosure in this financial information and to reflect the functional (AUD) and presentational currency (NZD) that MIE Pay Ltd will report in going forward as an NSX listed company the Historical and Pro Forma Financial Information has been presented in NZD.

In addition to the Financial Information, this Section 6 describes certain non-IFRS financial measures that Mie Pay use to manage and report on the business that are not defined under or recognised by NZAS or IFRS.

As at 31 March 2019, MyPay NZ was in a net liability position of NZD\$184k, had cash outflows from operating activities of NZD\$1m and had incurred a net loss of NZD\$664k for the financial year then ended, which in turn may cast significant doubt on MyPay NZ's ability to continue as a going concern. MyPay NZ may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. Management is in the process of preparing Mie Pay (the ultimate parent of MyPay NZ) for an IPO. Mie Pay has accepted the responsibility of providing and undertaking to provide sufficient financial assistance to MyPay NZ as and when it is needed to enable it to continue its operations and fulfil all of its financial obligations now and in the future. In order to meet these responsibilities, Mie Pay has raised AUD\$1m of pre IPO funding subsequent to 31 March 2019 to support MyPay NZ's ongoing business and new developments. The ability to raise sufficient funding is a material uncertainty that may cast significant doubt about MyPay NZ's ability to continue as a going concern.

There is a material uncertainty over MyPay NZ's ability to continue as a going concern due to the uncertainty over the ultimate parent entity capital raising. The financial statements do not include any adjustments should MyPay NZ be unable to continue as a going concern. Assets may not be recovered based on their carrying value and may need to be reclassified and additional liabilities may need to be accrued.

The sourcing of pre IPO funding and the success or otherwise of the IPO itself is unknown. Accordingly, PwC New Zealand were unable to obtain sufficient appropriate audit evidence to enable them to form an opinion as to whether the going concern assumption is appropriate. As a result, PwC New Zealand were unable to determine whether any adjustments are necessary to the amounts recorded in the financial statements and the consequential impact on the statement of comprehensive income and the statement of changes in equity.

An audit of the FY17 year was not undertaken given the limited number of transactions that occurred.

Mie Pay was incorporated on 1 November 2018 as an Australian unlisted public company and is the holding company of MIE Pay NZ Limited (a New Zealand registered holding company incorporated on 19 December 2018) which in turn holds MyPay NZ (the New Zealand operating company) and was established to enable the listing on the NSX.

On 21 December 2018, MyPay NZ was spun out of IE Financial Services Limited and sold to Mie Pay to form a separate group that would focus on the development of digital payments solutions for the Trans-Tasman market (refer to Section 3.3). MyPay NZ is the operating entity and was incorporated in New Zealand on 9 May 2016. There are limited actual historical consolidated financial results for Mie Pay, given its recent date of incorporation. Consequently, only the MyPay NZ entity financial information has been disclosed in this Financial Information Section as it is the operating company within the group.

(b) Independent Limited Assurance Report

The Financial Information (as defined above) has been reviewed by RSM Corporate Australia Pty Limited in accordance with the Australian Standard on Assurance Engagements ASAE 3450: "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information" as stated in its Independent Limited Assurance Report set out in Section 7. Investors should note the scope and limitations of the Independent Limited Assurance Report.

(c) Preparation of the Financial Information

The Financial Information has been presented on both a statutory and a pro forma basis.

The Statutory Historical Financial Information for FY17 for MyPay NZ has been derived from the FY18 audited financial statements of MyPay NZ, although the FY17 comparative period is unaudited.

The Statutory Historical Financial Information for FY18 for MyPay NZ has been derived from the FY18 audited financial statements of MyPay NZ.

The Statutory Historical Financial Information for FY19 for MyPay NZ has been derived from the FY19 disclaimed financial statements of MyPay NZ. In FY19, MyPay NZ applied a tier 1 level of disclosure in their financial statements using an XRD approach and which is consistent with a public interest entity. This was due to the election to undertake an IPO occurring in FY19.

The Pro Forma Historical Statement of Financial Position has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Statement of Financial Position has been derived from the unaudited Statutory Historical Financial Information of Mie Pay and adjusted for the effects of the pro forma adjustments.

Section 6.8 Table 6.3 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position. Pro forma adjustments were made to the Statutory Historical Statement of Financial Position to reflect the impact of the Offer on the Mie Pay group as if it had occurred as at 31 March 2019.

In preparing the Financial Information, Mie Pay's accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

(d) Explanation of certain non-IFRS financial measures

To assist in the evaluation of the performance of Mie Pay, certain measures are used to report on the Company that are not recognised under NZAS or IFRS. These measures are collectively referred in this Section 6 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

EBITDA is earnings / (losses) before interest (net finance income), taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non cash impact of depreciation, amortisation and before interest and taxation. Mie Pay also calculates EBITDA margin, which is EBITDA expressed as a percentage of total revenue. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of Mie Pay operations;

EBIT is earnings / (losses) before interest (net finance income) and taxation; and

Operating cash flow is EBITDA after the removal of non cash items in EBITDA (e.g. share based payment expenses, movements in provisions and other assets) and changes in working capital. Mie Pay uses operating cash flow to indicate the level of operating cash flow generated from EBITDA.

Potential investors should also refer to the description of the key financial terms set out in Section 6.3.

Although the Directors believe that these measures provide useful information about the financial performance of Mie Pay, they should be considered as supplements to the statement of comprehensive income or cash flow statement measures that have been presented in accordance with NZAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on NZAS or IFRS, they do not have standard definitions, and the way Mie Pay calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

6.3 **Summary of Statutory Historical Statement of Comprehensive Income**

Table 6.1 sets out MyPay NZ's Statutory Historical Statement of Comprehensive Income for FY17, FY18 and FY19.

TABLE 6.1: Summary of Statutory Historical Income Statements

NZD\$'000				
Year ended 31 March	Notes	Unaudited FY17	Audited FY18	Disclaimed FY19
Revenue from contracts with customers	(a)	-	8	156
Related party recharges	(b)	-	16	87
Total revenue		-	24	243
Commission expenses	(c)	-	(3)	(24)
Other expenses	(d)	(3)	(132)	(670)
Shared service expenses from related parties	(e)	-	-	(183)
Total operating expenses		(3)	(135)	(877)
EBITDA		(3)	(111)	(634)
Depreciation and amortisation	(f)	-	-	(21)
EBIT		(3)	(111)	(655)
NLBT		(3)	(111)	(655)
Income tax expense	(g)	-	-	(9)
Loss for the year		(3)	(111)	(664)

6.4 Description of key financial terms

Set out below is a description of the key financial terms used in the presentation of the Historical Financial Information:

- (a) Revenue from contracts with customers: represents fees that are earned for facilitating transaction payments;
- (b) Related party recharges: represents revenue generated from the recharge of shared salary and back office costs and invoices that MyPay NZ paid on behalf of other IE Financial Services Limited Group entities, under the terms of the Shared Services Agreement (refer Section 8.8);
- (c) Commission expenses: this represents commissions paid to staff who acquire new merchants for the Company;
- (d) Other expenses: this includes include salaries and wages, legal expenses, consultancy fees, accounting and audit fees, marketing expenses and other office expenses;
- (e) Shared service expenses from related parties: this represents shared costs which have been allocated from other IE Financial Services Limited group entities under the Shared Services Agreement, refer Section 8.8. These expenses primarily include back office expenses such as rent, marketing, professional fees, insurance and other certain common costs applicable to both businesses;
- (f) Depreciation and amortisation: refers to depreciation of computer equipment and amortisation of software development costs; and
- (g) Income tax expense: The NZ corporate tax rate is 28%.

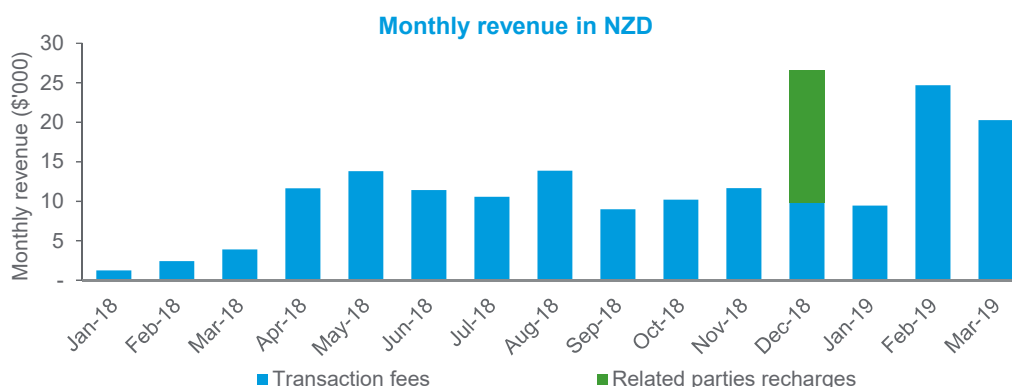
6.5 General factors affecting the historical operating results of MyPay

Below is a discussion of the main factors which affected the MyPay NZ operations and the relative financial performance in FY17, FY18 and FY19, which MyPay NZ expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the MyPay NZ historical operating and financial performance, nor everything which may affect the MyPay NZ's operations and financial performance in the future.

6.6 Management discussion and analysis of the historical statement of comprehensive income

MyPay primarily derives its revenue through transaction fees that are earned for facilitating transaction through the WeChat pay, Alipay and POLi platforms. Recently, the Company has also executed agreements with UnionPay and a number of credit and debit card providers in the New Zealand market, from which they will also facilitate transactions and generate transaction fees. Increases in transaction revenue over FY18 and FY19 is primarily due to MyPay only commencing operations and starting to generate revenue from January 2018 onwards.

	FY18	FY19
Transaction fee revenue (\$'000)	8	156
No of merchants	486	856
Transaction value (\$'000)	6,511	37,281



Related party recharges relate to primarily salary and back office (e.g. rent) recovered from other IEFS Financial Services Limited Group entities under the Shared Services Agreement.

The need for the Shared Services Agreement arose in December 2018, following the sale of MyPay NZ from IEFS to Mie Pay NZ, a wholly owned New Zealand subsidiary of Mie Pay. IE Financial Services Limited and its subsidiaries are related parties by virtue of common shareholders and management.

Other expenses primarily include salaries and wages, professional (consultancy, legal, accounting and marketing) fees and other expenses, and a summary of the total operating expenses have been summarised below:

NZD\$'000	FY17 Unaudited	%	FY18 Audited	%	FY19 Disclaime d	%
Salaries and wages	-	0%	70	52%	312	36%
Shared services expenses from related parties	-	0%	-	0%	183	21%
Legal expenses	-	0%	11	8%	127	14%
Consultancy fees	3	100%	2	1%	118	13%
Accounting advisory services	-	0%	2	2%	38	4%
Audit fees	-	0%	23	17%	22	3%
Marketing and advertising	-	0%	1	1%	27	3%
Commission expense	-	0%	3	2%	24	3%
Travel and entertainment	-	0%	2	2%	6	1%
Service fee	-	0%	18	13%	-	0%
Other expenses	-	0%	3	2%	20	2%
Total operating expenses	3	100%	135	100%	877	100%

Salaries and wages includes wages and salaries, share based payments, holiday pay and KiwiSaver payments. Salaries and wages have increased primarily due to increases in headcount.

Shared services expenses from related parties represents costs charged to MyPay under the Shared Services Agreement.

Legal expenses increased during FY19 associated with the drafting and execution of the Shared Services Agreement and the sale of MyPay NZ to Mie Pay.

Increase in consultancy fees is primarily due to amounts paid to the temporary financial controller and consulting fees related to the proposed IPO.

Accounting advisory services primarily includes the cost of tax advice obtained in relation to group restructuring, the sale of MyPay NZ to Mie Pay and the proposed IPO.

The increase in marketing and advertising expenses is primarily in relation to the attendance at, and sponsoring of, various conferences and expos by the Company in an effort to increase brand awareness.

6.7 Summary of Statutory Historical Cash Flows

Table 6.2 sets out Statutory Historical Cash Flows for FY18 and FY19.

Table 6.2: Summary of Statutory Historical Cash Flows

NZD\$'000		
Year ended 31 March	Audited FY18	Disclaimed FY19
Operating cash flows		
EBITDA	(111)	(634)
Movement in working capital, other assets and provisions	44	(409)
Net operating cash out flows	(67)	(1,043)
Investing cash flows		
Payment for PP&E	-	(15)
Development expenditure capitalised	-	(77)
Net investing out cash flows	-	(92)
Financing cash flows		
Net capital contributions from related parties	51	542
Net advances from related parties	28	695
Net financing cash inflows	79	1,237
Net change in cash and cash equivalents	12	102
Cash at the beginning of the period	-	12
Cash at the end of the period	12	114

(a) **Management discussion and analysis of the historical cash flows**

Net operating cash outflows increased from (NZD\$67k) in FY18 to (NZD\$1 m) in FY19 primarily due to the increased cost base of the Company, and subsequent decrease in EBITDA. The movement in working capital is in relation to timing of payments from service providers and to merchants, and are cleared immediately following year end.

Net investing cashflow was (NZD\$92k) in FY19 primarily due to additional software development costs being spent and capitalised.

Net financing cash inflow increased from NZD\$79k in FY18 to NZD\$1.24m in FY19 primarily due to loans payable to the new parent company, Mie Pay NZ and the forgiveness of the related party balances that related to the Spin Off in December 2018. In June 2019, MyPay NZ completed a restructure of its balance sheet, in conjunction with its former parent company IE Financial Services Limited to write off amounts due to and amounts due from IE Financial Services Limited group.

6.8 **Statutory Historical Statements of Financial Position and Pro Forma Historical Statement of Financial Position**

Table 6.3 sets out the Statutory Historical Statement of Financial Position of Mie Pay and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position for Mie Pay. These adjustments take into account the effect of the convertible note issue, pre IPO shares issued, accrual of interest on the convertible notes and their subsequent conversion on IPO and the proceeds of the Offer and related transaction costs and pro forma adjustments as if they had occurred as at 31 March 2019.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Mie Pay's view of its financial position upon Completion of the Offer or at a future date. Further information on the sources and uses of funds of the Offer is contained in Section 9.6.

Table 6.3: Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 31 March 2019

As at 31 March 2019 NZD\$'000	Notes	Mie Pay unaudited	Min. Pro forma	Max. Pro forma	AUD Min. Pro forma*	AUD Max. Pro forma*
Current assets						
Cash and cash equivalents	(a),(b), (e) & (f)	-	5,517	6,580	5,192	6,192
Trade and other receivables	(f)	-	658	658	619	619
Amounts due from related parties		1,010	163	163	153	153
Prepayment		4	6	6	6	6
GST refund		4	34	34	32	32
Total current assets		1,018	6,378	7,441	6,002	7,002
Non current assets						
Property, plant and equipment		-	13	13	13	13
Intangible assets		-	306	306	288	288
Total non current assets		-	319	319	301	301
Total assets		1,018	6,697	7,760	6,303	7,303
Current liabilities						
Trade and other payables		-	709	709	667	667
Financial liabilities	(a), (c) & (d)	-	-	-	-	-
Amounts due to related parties		12	148	148	140	140
Income tax provision		-	9	9	8	8
Deposits held		-	3	3	3	3
Total current liabilities		12	869	869	818	818
Total liabilities		12	869	869	818	818
Net assets		1,006	5,828	6,891	5,485	6,485
Equity						
Issued share capital	(b), (d), (e) & (f)	1,043	6,705	7,756	6,310	7,299
Reserves		-	(190)	(190)	(179)	(179)
Retained deficits	(c), (d) & (f)	(37)	(687)	(675)	(646)	(635)
Total equity		1,006	5,828	6,891	5,485	6,485

*Represents the NZD pro forma balance sheet converted to AUD using the 19 November 2019 spot rate of \$1NZD:AUD\$0.94

The following transactions and events had not occurred prior to 31 March 2019 but have taken place or will take place on or before the Allotment Date. The pro forma financial information in this Section 6 assumes that they occurred on or before 31 March 2019:

The following subsequent event transactions have occurred since 31 March 2019:

- (a) The issue of convertible notes amounting to \$1m (NZD\$1.04m), which accrue interest at 11% p.a (refer to Section 8.10); and
- (b) The issue of 5,000,000 ordinary shares at \$0.10 (NZD\$0.11) to raise a total of \$0.5m (NZD\$531k) and the issue of 8,333,333 ordinary shares at \$0.06 (NZD\$0.06) to raise a total of \$0.5m (NZD\$531k) (combined total of \$1m (NZD\$1.06m)).

In addition, the following pro forma transactions and events will take place pursuant to this Prospectus:

- (c) One year of interest will accrue on the convertible notes upon IPO, totalling \$0.1m (NZD\$115k);
- (d) Upon IPO, the convertible notes (including accrued interest) will convert into 15,857,143 ordinary shares (refer to Section 8.10);
- (e) The completion of the Public Offer, raising \$3.3m (NZD\$3.5m) (Minimum Subscription) with a maximum subscription up to \$4.3m (NZD\$4.6m); and
- (f) Expenses associated with the Minimum Subscription amounting to \$584k (NZD\$621k), with NZD\$86k being capitalised, NZD\$525k being expensed and a GST input tax credit of NZD\$10k. Expenses associated with the maximum Offer amounting to \$585k (NZD\$622k), with NZD\$98k being capitalised, NZD\$514k being expensed and a GST input tax credit of NZD\$10k. As at 31 March 2019, NZD\$10k of the Offer costs had been prepaid. Refer to Section 10.8 for a detailed summary of the expenses of the Offer.

6.9 Business Combination

Mie Pay Ltd, MIE Pay NZ, and MyPay NZ are owned and controlled by the same shareholders before and after the business combination, and the control is not transitory (Section 3.3). Therefore, the business combination represents a common control combination.

Business combination involving entities under common control is scoped out under IFRS 3 *Business Combination*. IFRS provides no guidance on the accounting for these types of transactions; however requires an entity to develop an accounting policy. The two most common methods utilised are the acquisition method and the pooling of interest type method (predecessor method). A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties, both before and after the business combination, and control is not transitory.

The Directors have determined that the pooling of interest type method to be the most appropriate. The pooling of interest type method requires that the financial statements to be prepared using the predecessor book value without any step up to fair value. The differences between any consideration given and aggregate book value of the assets and liabilities of the acquired entity are recorded as an adjustment to equity. This may be recorded in a reserve and no additional goodwill is created by the transaction. This transaction assuming a 31 March 2019 pro forma balance sheet date has created a common control reserve amounting to (\$190k), which equates to the negative net asset positions of both Mie Pay NZ (\$6k) and MyPay NZ (\$184k) at 31 March 2019.

All transaction costs incurred in relation to the business combination are expensed to the consolidated statement of comprehensive income.

There will be no settlement of the related party loans payable at IPO (NZD\$148k) as they relate to shared service costs charges which will continue to be charged and paid, in accordance with the shared services agreement. Refer below for a summary of the related party balances and transactions at 31 March 2019.

6.10 Related party transactions

The tables below provide a breakdown of transactions with related party receivable, payables and transactions.

6.11 Related party receivables

NZD\$'000	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-19
	Unaudited	Audited	Disclaimed
Mie Pay	-	-	11
IE Finance	-	-	63
IE Management Services Limited	-	-	-
IEFS	-	53	71
IE Money	-	-	29
Total related party receivables	-	53	174

6.12 Related party payables

NZD\$'000	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-19
	Unaudited	Audited	Disclaimed
MIE Pay NZ	-	-	603
IE Finance	-	-	5
IEFS	-	-	90
IE Money	-	63	8
IE Tech	-	18	45
Total related party payables	-	81	751

6.13 Transaction with related parties

NZD\$'000	FY17	FY18	FY19
	Unaudited	Audited	Disclaimed
<u>Intercompany recharge</u>			
IE Finance	-	-	40
IEFS	-	16	18
IE Money	-	-	29
Total intercompany recharge	-	16	87
<u>Settlement of expenses on behalf of MyPay</u>			
IE Money	-	-	42
IE Tech	-	-	45
IEFS	-	-	90
IE Finance	-	-	6
Total intercompany recharge	-	-	183

Under the Shared Services Agreement the parties are obliged to issue GST invoices for the amounts incurred by each company on behalf of other companies under the agreement. The issued invoices are payable by the recipient company on a 30 day cycle or as set out under the agreement.

The intergroup payables occur when another entity within the Group requires expenses paid on their behalf which includes wages, salaries, and other services fees.

The amount from MIE Pay NZ Limited is repayable on demand. However, MIE Pay NZ has pledged not to call the amount for repayment unless My Pay NZ is able to meet the obligation from its own resources. The amount is also unsecured and is interest free.

6.14 Recognition of a deferred tax asset

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits that will flow in future periods.

6.15 Liquidity and capital resources

Following Completion of the Offer, the Company will have on a pro forma basis cash of \$5.2m (NZD\$5.5m) as at 31 March 2019 arising from the Minimum Subscription.

The Company expects that it will have sufficient cash to meet its short and medium term operational requirements and other business needs.

6.16 Contractual obligations, commitments and contingent liabilities

On 21 April 2019 Mie Pay entered into a 1 year operating lease located at Suite 403, Level 4, 165-167, Phillip Street, Sydney NSW. There is no option renewal clause. The annual rent is \$45k plus GST and the Lessee's proportion of outgoings is 0.7%.

Mie Pay has entered into several material contracts that create contractual obligations in the ordinary course of business. Refer to Section 8 of the Prospectus for a summary of the material contracts.

The Company has no contingent liabilities as at 31 March 2019.

6.17 Critical Accounting Policies

Preparing financial statements in accordance with NZAS requires Management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements Mie Pay has made in the application of NZAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied are in respect of tax, as described in the significant accounting policies outlined in Schedule 1.

6.18 Dividend Policy

The payment of dividends by the Company is at the complete discretion of the Directors. Given the stage of development of Mie Pay, the Directors have no current intention to declare and pay a dividend.

In determining whether to declare future dividends, the Directors will have regard to Mie Pay's earnings, overall financial condition, capital requirements and the level of franking credits available. There is no certainty that the Company will ever declare and pay a dividend.

6.19 New Accounting Standards Adopted

(a) NZ IFRS 15 Revenue from Contracts from Customers

NZ IFRS 15 supersedes NZ IAS 11 Construction Contracts, NZ IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. NZ IFRS 15 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. MyPay NZ adopted NZ IFRS 15 in FY19 using the full retrospective

method of adoption. This has had no material impact on the revenue previously recognised by MyPay NZ.

(b) NZ IFRS 9 Financial Instruments

NZ IFRS 9 Financial Instruments replaces NZ IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. With the exception of hedge accounting, which the MyPay NZ applied prospectively, MyPay NZ adopted NZ IFRS 9 in FY19 using the full retrospective method of adoption. This has had no material impact on the financial assets and liabilities previously recognised by MyPay NZ.

6.20 New Accounting Standards Future Adoption

(a) AASB 16 Leases

This standard is effective for reporting periods beginning on or after 1 January 2019. The full impacts of AASB 16 on the Company has not yet been assessed and it is expected that the Company will adopt AASB 16 for the year ended 31 March 2020. In applying the new standard for the first time, AASB 16 provides a number of transition options, which may involve an adjustment to opening retained earnings at 31 March 2019 or the restatement of comparatives. The full impacts of the transition provisions have not yet been fully assessed by the Company.

7. INVESTIGATING ACCOUNTANT'S REPORT



12 December 2019

The Board of Directors
Mie Pay Limited
Suite 403,
Level 4, 165 Phillip Street
SYDNEY, NSW, 2000

RSM Corporate Australia Pty Ltd

Level 13, 60 Castlereagh Street
Sydney NSW 2000
T +61 (02) 8226 4500
F +61 (02) 8226 4501
rsm.com.au

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report on Mie Pay Limited's statutory historical financial information and pro forma historical financial information

We have been engaged by Mie Pay Limited ("Mie Pay" or "the Company") to report on certain statutory historical financial information and pro forma historical financial information for inclusion in a Prospectus dated on or about 12 December 2019.

The Prospectus relates to the Company's proposed listing of ordinary shares on the National Stock Exchange of Australia Limited ("NSX") via an Initial Public Offering ("Offer"), to raise up to approximately \$4.3 million.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Statutory Historical Financial Information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the statutory historical financial information of MyPay NZ Limited (MyPay NZ) included in Section 6 of the Prospectus, comprising:

- the statutory historical income statements for the years ended 31 March 2017 (unaudited), 31 March 2018 (audited) and 31 March 2019 (disclaimed); and
- the statutory historical cash flow statements for the years ended 31 March 2018 (audited) and 31 March 2019 (disclaimed).

collectively "the Statutory Historical Financial Information".

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

Mie Pay Ltd was incorporated on 1 November 2018 as an Australian unlisted public company and is the holding company of MIE Pay NZ Limited (a New Zealand registered holding company) which in turn holds MyPay NZ (the New Zealand operating company) and was established to enable the listing on the NSX.

On 21 December 2018, MyPay NZ was spun out of IE Financial Services Limited and sold to Mie Pay Limited to form a separate group that would focus on the development of digital payments solutions for the Trans Tasman market (refer to section 3.3 of the prospectus for the group structure). MyPay NZ is the operating entity and was incorporated in New Zealand on 9 May 2016. There are limited actual historical consolidated financial results for Mie Pay, given its recent date of incorporation. Consequently, only the MyPay NZ entity financial information has been disclosed as it is the operating company within the group.

The Statutory Historical Financial Information of MyPay NZ has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in New Zealand Accounting Standards and Mie Pay's adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the audited financial statements of MyPay NZ, the New Zealand operating company. These financial statements were audited by PwC New Zealand (PwC) for the years ended 31 March 2018 (FY18) and 31 March 2019 (FY19). An unqualified audit opinion was issued in FY18 and a disclaimer opinion in FY19. As at 31 March 2019, MyPay NZ is in a net liability position of NZD\$184k, has cash outflows from operating activities of NZD\$1.1m and has incurred a net loss of NZD\$664k for FY19, which in turn may cast significant doubt on MyPay NZ's ability to continue as a going concern. MyPay NZ may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. Management is in the process of preparing MIE Pay Limited (the ultimate parent of the Company) for an IPO. MIE Pay Limited has accepted the responsibility of providing an undertaking to provide sufficient financial assistance to MyPay NZ as and when it is needed to enable MyPay NZ to continue its operations and fulfil all of its financial obligations now and in the future. In order to meet these responsibilities, MIE Pay Limited has raised AUD\$1m of pre-IPO funding subsequent to 31 March 2019 to support the ongoing business and new developments. The ability to raise sufficient funding is a material uncertainty that may cast significant doubt about MyPay NZ's ability to continue as a going concern.

There is a material uncertainty over MyPay NZ's ability to continue as a going concern due to the uncertainty over the ultimate parent entity capital raising. The FY19 financial statements do not include any adjustments should MyPay NZ be unable to continue as a going concern. Assets may not be recovered based on their carrying value and may need to be reclassified and additional liabilities may need to be accrued.

The sourcing of pre-IPO funding and the success or otherwise of the IPO itself is unknown. Accordingly, PwC were unable to obtain sufficient appropriate audit evidence to enable them to form an opinion as to whether the going concern assumption is appropriate. As a result, PwC were unable to determine whether any adjustments are necessary to the amounts recorded in the financial statements and the consequential impact on the statement of comprehensive income and the statement of changes in equity. The financial information is set out in Section 6 of the Prospectus.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested RSM to review the pro forma historical financial information of Mie Pay included in Section 6 of the Prospectus and comprising:

- the pro forma unaudited historical statement of financial position of Mie Pay as at 31 March 2019; and
- the pro forma adjustments as described in Section 6 of the Prospectus.

collectively referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Mie Pay and MyPay NZ, adjusted for the transactions/adjustments summarised in Section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement requirements of New Zealand Equivalents to International Financial Reporting Standards (NZIFRS) and International Financial Reporting Standards (IFRS) and Mie Pay's adopted accounting policies applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in section 6 and Schedule 1 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information.

Due to its nature, the Pro Forma Historical Financial Information does not represent Mie Pay's actual or prospective financial position.

The Pro Forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' responsibility

The directors of Mie Pay are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information; and
- the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation, to the Statutory Historical Financial Information and Pro Forma Historical Financial Information;
- a review of Mie Pay and MyPay NZ's work papers, accounting records and other supporting documents;
- enquiry of directors, management personnel and advisors; and
- the performance of analytical procedures applied to the Statutory Historical Financial Information and Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of MyPay NZ, as described in Section 6 of the Prospectus, and comprising:

- the statutory historical income statements for the years ended 31 March 2017 (unaudited), 31 March 2018 (audited) and 31 March 2019 (disclaimed); and
- the statutory historical cash flow for the years ended 31 March 2018 (audited) and 31 March 2019 (disclaimed);

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of Mie Pay, as set out in Section 6 of the Prospectus, and comprising:

- the pro forma statement of financial position of Mie Pay as at 31 March 2019; and
- the pro forma adjustments as described in Section 6 of the Prospectus,

is not presented fairly in all material aspects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 6.2, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Declaration of Interest

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this report for which normal professional fees will be received.

Yours faithfully,

A handwritten signature in black ink that reads "Tim Goodman".

RSM CORPORATE AUSTRALIA PTY LTD
Tim Goodman
Director

8. MATERIAL CONTRACTS

Set out below is a brief summary of certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

8.1 Merco Agreement (POLi)

MyPay NZ is party to a payment provider agreement with Merco Limited (**Merco**) (a master distributor of POLi services in New Zealand) dated 21 August 2018 pursuant to which Merco, for a service fee, provides MyPay NZ with the following services in New Zealand:

- (a) implementation services of POLi Service and POLi Service System (i.e. a transaction processing platform which delivers a variety of payment application functions); and
- (b) access to the POLi Service to permit the initiation of transactions using the software that is designed to be integrated for the use of POLi Service, and other supporting services.

The agreement is for a term of 1 year and continues in force after the end of the 1 year term unless it is terminated by either party with 3 months' written notice. As at the date of this Prospectus, MyPay NZ has not received, nor issued, any notices of termination under the Merco Agreement.

The agreement may be terminated:

- (a) by Merco if any regulatory determination or change of law or regulations or policy prevents Merco from providing or operating POLi Service in New Zealand;
- (b) by Merco if the Master Distribution Agreement between Merco and Centricom Pty Ltd, the licensor of POLi Service under the Master Distribution Agreement, is terminated; or
- (c) by either party if the other party is in breach of the agreement or the other party becomes insolvent.

Merco can suspend use of services for non-payment, or if Merco reasonably believes that a third party is intending to interfere with POLi, or any action contravenes any law, or a regulatory event has occurred.

The Merco agreement contains additional provisions considered standard for agreements of this nature.

The agreement is governed by New Zealand law.

8.2 Alipay Service Contract (Offline)

MyPay NZ is party to a service contract with Alipay.com Co., Ltd (Alipay) dated 16 January 2019, pursuant to which Alipay will provide MyPay NZ and its merchants with the following payment services:

- (a) processing, authorisation and settlement services to enable Alipay users to make payments for purchases made at participating merchant's stores by scanning the available QR codes; and
- (b) other associated payment services and ongoing technical support including marketing platform services to allow merchants to promote their businesses.

The agreement is for a term of 1 year with automatic renewals for successive 1 year terms. The agreement can be terminated:

- (a) by Alipay, without cause upon 30 days' written notice; or
- (b) immediately by Alipay if it suspects a breach by My Pay NZ ; or
- (c) immediately by Alipay if it determines that the arrangement violates applicable law.

As at the date of this Prospectus, MyPay NZ has not received, nor issued, any notices of termination under the Alipay Service Contract (Offline).

The agreement contains additional provisions considered to be standard for agreements of this type and nature.

All disputes between the parties must be referred to the Hong Kong International Arbitration Centre in accordance with its Arbitration Rules. The contract is subject to the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

8.3 Alipay Service Contract (Online)

MyPay NZ is party to a service contract with Alipay dated 16 January 2019, pursuant to which Alipay provides MyPay NZ and its merchants with the following payment services:

- (a) processing, authorisation and settlement services to enable Alipay users to make online payments for purchases made from a merchant's online store; and
- (b) other associated payment services and ongoing technical support including marketing platform services to allow merchants to promote their businesses.

Similar to the Alipay service contract for offline payments, the agreement is for a term of 1 year with automatic renewals for successive 1 year terms. The agreement can be terminated:

- (a) by Alipay, without cause upon 30 days' written notice or,
- (b) immediately by Alipay if it suspects a breach by My Pay NZ; or
- (c) immediately by Alipay if it determines that the arrangement violates applicable law.

As at the date of this Prospectus, MyPay NZ has not received, nor issued, any notices of termination under the Alipay Service Contract (Online).

All disputes between the parties must be referred to the Hong Kong International Arbitration Centre in accordance with its Arbitration Rules. The agreement is subject to the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

8.4 Weixin Service Agreement (WeChat Pay)

MyPay NZ is party to a licence agreement with Tenpay Payment Technology Co., Ltd (**Tenpay**) dated 26 October 2017 (Weixin Service Agreement) pursuant to which, for a service fee payable to Tenpay, My PayNZ is licenced to:

- (a) use the Weixin Payment Service (**WeChat Pay**), a third-party payment system and funds transferring service provided by Tenpay via the cross-platform communication tool which supports real-time communication services for either single or multi-person participation; and
- (a) offer merchants the use of We Chat Pay.

Tenpay has the right to adjust the charge rate by way of written notice to MyPay NZ upon changes in the regulatory regime and the law in the People's Republic of China.

The agreement was for an initial term of 1 year with automatic renewal for a further 1 year period unless either party requests termination by 1 month's written notice prior to the expiration of the agreement. The agreement is current, having been automatically renewed for a further 1 year period.

The agreement may be terminated by either party for reasons including:

- (a) if the use of "Weixin Payment Service" is prohibited under the laws and regulations of the People's Republic of China or of the country or region where MyPay NZ is located; and
- (b) if a party fails to pay any amount (in aggregate) in excess of US\$100,000 at any time outstanding.

Tenpay has the right to unilaterally terminate the agreement upon certain events, with MyPay NZ liable for compensating Ten Pay, including merchant conduct.

As at the date of this Prospectus, MyPay NZ has not received, nor issued, any notices of termination under the Weixin Service Agreement.

All disputes are required to be referred to the Hong Kong International Arbitration Centre in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules.

The agreement is subject to the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

8.5 **UnionPay Agreement**

MyPay NZ is party to a Membership and Trademark License Agreement with UnionPay International Co., Ltd (**UnionPay**) dated 17 September 2019 ("UnionPay Agreement"). Under the UnionPay Agreement, My Pay NZ has been granted geographically-based membership of UPI (an international payment scheme) for providing merchants with processing services.

The services are provided to My Pay NZ subject to terms and conditions in the UnionPay Agreement, Bylaws of Membership, Operating Regulations, pricing structure UPI Rules and service fees and other charges as per the UPI pricing structure.

MyPay NZ directly engages in the collection of funds or settlement services provided to merchants and cash withdrawal services provided to UnionPay cardholders arising from the acceptance of or from using various payment instruments ("Acquiring Transactions") which must be operated via a UnionPay QR Code-based payment method within New Zealand.

The Agreement is for a term of 5 years with automatic renewal for 5 year incremental periods unless either party gives 120 days written notice of their intention to terminate. As at the date of this Prospectus, MyPay NZ has not received, nor issued, any notices of termination under the UnionPay Agreement.

MyPay NZ is bound by the UPI Rules which govern the relationship amongst the members including: membership termination events; obligation to provide information; compliance with data privacy and protection laws; risk management rules and procedures; UnionPay QRC-based payment rules and payment obligations (i.e. membership fees).

The UnionPay Agreement is subject to the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

8.6 Merchant Agreements

(a) Application Form

By signing the application form, the merchant agrees to use services provided by Alipay, WeChat Pay and POLi services, if granted by MyPay NZ, in accordance with the terms and conditions set out in each respective merchant agreement with MyPay NZ. The merchant warrants and undertakes to promptly notify MyPay NZ of any significant changes in either its business activities and/or products supplied by it or, in the case the merchant is a company, of any change in shareholding greater than 25% of shares held by the merchant. All merchants of MyPay NZ must complete relevant identity verification in accordance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (Cth). The application form also includes in Appendices 1 and 2 respectively, the terms of the Alipay services, and the WeChat Pay services.

(b) Appendix 1 - Alipay Merchant Agreement

MyPay NZ has entered into an agreement with each of its merchants to agree to:

- (i) process transaction payments via Alipay on behalf of its merchants and;
- (ii) provide payment aggregation and settlement services to its merchants.

(c) Appendix 2 – WeChat Pay/Weixin Merchant Agreement

Under the WeChat Pay/Weixin Merchant Agreement, MyPay NZ allows the merchant to use the Weixin payment service and provides a funds settlement service to enable the merchant to receive payments from its customers made via the Weixin payment service in New Zealand dollars.

The merchant pays a non-refundable service fee for each transaction to MyPay NZ (being a percentage of each transaction amount, exclusive of taxes). The service fee is deducted by MyPay NZ from the transaction amount to be settled with the merchant. If Tenpay increases the amount it charges MyPay NZ, MyPay NZ may increase the service fee by a commensurate amount by giving notice to the merchant.

In addition to paying the service fee, the merchant agrees to (amongst other things):

- (i) develop, procure and install "Acquiring Devices" (devices with a communications function which can be used to scan or display a QR code or barcode) and will bear the equipment and communications costs;
- (ii) display, hang and maintain the "Weixin Payment" logo in a prominent position on the Acquiring Devices, its business place or website;
- (iii) not charge customers any additional fee as a consequence of choosing Weixin payment service;
- (iv) comply with all applicable laws;
- (v) be responsible for all complaints, product returns and customer disputes;
- (vi) actively take precautions against unauthorised customer transactions;
- (vii) not reverse engineer any software, payment systems or applications developed by Tenpay; and
- (viii) provide MyPay NZ with 20 business days' notice of any relocation or suspension of the merchant's business.

The agreement is for an initial term of 12 months, unless terminated earlier renews automatically for successive 12 month terms until terminated by either MyPay NZ or the merchant providing one months' notice prior to the end of the then current term.

Either party may terminate the agreement with immediate effect by written notice for material breach if such breach is not remedied within 20 business days of having been notified or if the other party.

The merchant agrees to indemnify MyPay NZ, Tenpay and each of their affiliates from and against all losses, damages, costs, expenses and liabilities the indemnified party may suffer or incur as a direct or indirect result of any breach of the agreement, fraud, or illegal or negligent act or omission by the merchant.

The terms of the agreement are intended to be enforceable by Tenpay (as provider of the Weixin payment service), as per the provisions of the Contract and Commercial Law Act 2017.

The agreement is governed by the laws of New Zealand.

8.7 IE Mall Merchant Agreement

There are four versions (0,1,2 and 3) of the standard IE Mall Merchant Agreement ("IE Mall Agreement") entered into between MyPay NZ and a merchant which provide various levels of functionality.

A merchant entering into an IE Mall Agreement is also required to be a party to the merchant agreements.

Under the IE Mall Agreement, MyPay NZ agrees to provide the merchant with one or more of the following products:

- (a) access to a dedicated site on its IE Mall platform where it can display and advertise its products for online sale;
- (b) an aggregated payment service (contracted and paid for separately under the merchant agreements);
- (c) technical support services;
- (d) a dashboard showing sales, orders and the level of traffic on its site; and
- (e) an inventory management system to track product stock levels.

In consideration for the services the merchant agrees to pay a monthly service fee. The level of fee depends on the service plan and package the merchant selects. Service fees are non-refundable and payable in advance on a monthly basis.

The agreement continues indefinitely until terminated with 30 days' written notice by either party. Under Version 1, however, the term of the agreement is one year with automatic renewal for successive one year terms until terminated by either MyPay NZ or the merchant providing 30 days' notice prior to the end of the then current term.

MyPay NZ may terminate the agreement immediately if it determines that compliance with the agreement would cause it (or its affiliates) to be in breach of any law, contract or compliance policy. MyPay NZ may also terminate or suspend its services without notice if it reasonably suspects that the merchant has breached or defaulted under any term of the agreement.

In addition, under Version 1 a party may terminate the agreement if the other party does not remedy a material breach or becomes insolvent.

Under Versions 0, 2 and 3, the merchant grants to IE Mall a non-exclusive, non-transferrable, royalty-free licence to use, during the term, the merchant's intellectual property to the extent necessary for IE Mall to perform its obligations under the agreement.

Under Version 1, MyPay NZ owns all rights, title and interest in and to IE Mall and the services. MyPay NZ authorises the merchant to use its intellectual property during the term of the agreement solely for the limited purpose of the MyPay NZ services.

MyPay NZ may delegate its obligations under the agreement to any of its affiliates, provided that it remains responsible to the merchant for the performance of all of its obligations under the agreement.

The agreement is governed by New Zealand law.

8.8 Shared Services Agreement

MyPay NZ has entered into a shared services agreement with IEFS, IE Tech, IE Money, IE Finance Group Limited and IE Finance, effective from 1 July 2019. The parties agree to operate and share the costs of a back office services function ("Back Office Service Function").

IE Tech grants a non-exclusive licence to occupy Level 13, Tower One, 205 Queen Street, Auckland 1010 as commercial offices to MyPay NZ and the other parties to the agreement. Each party agrees to contribute to the cost of the rent and other outgoings payable by IE Tech ("Licence to Occupy").

In relation to:

- (a) the Back Office Service Function, each service recipient indemnifies the service provider against all losses which the service provider may incur in connection with any third party claim or proceedings arising out of the service provider's performance of the back office services; and
- (b) the Licence to Occupy, each licensee indemnifies IE Tech against all losses which IE Tech may become liable in respect of any act or omission by the licensee which, if committed by IE Tech would constitute a breach of the lease, any careless use by the licensee and any accident or damage to property or person arising from an act or omission of the licensee.

The agreement expires upon termination of the operation of the Back Office Services Function and all of the Licences to Occupy.

The Back Office Services Function may be terminated at any time by written agreement, or at any time by a party providing 90 days' notice to the other, or with immediate effect by providing notice in the event of insolvency.

The Licence to Occupy terminates automatically and with immediate effect if the lease is cancelled, expires or is not renewed. Each Licence to Occupy may be terminated at any time by written agreement. IE Tech may terminate each Licence to Occupy with immediate effect in the event of any insolvency event. MyPay NZ (and the other parties to the agreement) may terminate its Licence to Occupy on 90 days' notice, if IE Tech renews the lease without their prior written consent.

The Shared Services Agreement contains additional provisions considered standard for agreements of this nature. The agreement is governed by New Zealand law.

The Company believes the Shared Services Agreement is an interim measure until such time as it can generate sufficient revenue to fund its own independent back office function.

On 21 April 2019, MyPay NZ signed a lease for its Sydney office supporting this strategy.

MyPay NZ have already invested in a separate accounting support function with an independent CFO and dedicated accounting support staff and accounting platform thereby providing a clear line of separation and segregation between MyPay NZ and IEFS, IE Tech, IE Money, IE Finance Group Limited and IE Finance.

8.9 Referral and Partnership Agreement

MyPay NZ and CIAL are party to a Referral and Partnership Agreement dated 19 March 2019.

The Referral and Partnership Agreement provides that CIAL will refer merchants who are participating in its Alipay marketing programme ("South Alipay Programme") to MyPay NZ, so the merchant has an opportunity to enter a Merchant Agreement with MyPay NZ. In return, MyPay NZ will refer its Merchants to join the South Alipay Programme.

Referrals are at the discretion of the referring party, therefore MyPay NZ is not obliged to refer its Merchants to CIAL.

The agreement is for a term of one year, but automatically renews for a further year unless terminated by either party on 30 days' notice.

Either party can terminate the agreement for a material breach, if (provided the breach is capable of cure) such a breach is not cured within 30 days' notice, or the other party is subject to an insolvency event.

MyPay NZ may also terminate for convenience with 90 days' notice to CIAL.

As at the date of this Prospectus, MyPay NZ has not received, nor issued, any notices of termination under the agreement.

The agreement contains additional provisions considered standard for agreements of this nature. The agreement is governed by New Zealand law.

8.10 **Convertible Loan Agreement and Amendment Deed**

On 11 April 2019, the Company (as borrower) entered into a convertible loan agreement ("Convertible Loan Agreement") with Mr Peng Jiang (as lender) pursuant to which it borrowed AU\$1 million (**Convertible Loan**). Interest is payable at the rate of 8% per annum or in the event of default, at 12% per annum. The repayment date is 18 May 2020.

The principal sum and interest accrued from the drawdown date of 18 April 2019 for 12 months may be converted to Shares at the lender's election on 1 May 2020. If the lender does not elect to convert, the borrower must repay the principal sum and interest accrued from the drawdown date for 13 months and capitalised on the repayment date.

On 15 November 2019, the Company entered into an amendment deed ("Amendment Deed") with Mr Peng Jiang pursuant to which it was agreed that a total amount of \$1,110,000 (including 12 months interest calculated at 11% per annum) will be automatically converted into 15,857,143 Shares at a conversion price of \$0.07 upon the Company receiving conditional approval from the NSX for admission to the NSX and is able to satisfy the conditions for admission including the minimum subscription condition under the Public Offer.

The Convertible Loan Agreement and Amendment Deed are governed by the law of the State of New South Wales.

9. DETAILS OF THE OFFERS

9.1 The Public Offer

Pursuant to this Prospectus, the Company invites applications for Shares at an issue price of \$0.10 per Share to raise a minimum of \$3,300,000 by the issue of 33,000,000 Shares and a maximum of \$4,300,000 by the issue of 43,000,000 Shares.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. Further details of the material rights and liabilities attaching to the Shares are set out in Section 10.1.

The Directors may reject any application made under the Public Offer or allocate fewer Shares than the Applicant has applied for.

The Company reserves the right to withdraw the Public Offer at any time before the Shares are issued under it.

9.2 Cleansing Offer

The Cleansing Offer is an offer of 1 Share at an issue price of \$0.10.

The Share offered under the Cleansing Offer will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.1

The purpose of the Cleansing Offer is not to raise capital, but to facilitate the secondary trading of Shares issued by the Company by complying with section 708A(11) of the Corporations Act so that the Shares are able to be offered for sale within 12 months of their issue.

An application for the Share under the Cleansing Offer must be made using the Cleansing Offer Application Form. You should not complete a Cleansing Offer Application Form unless specifically directed to do so by the Company.

Application for quotation of the Share issued under the Cleansing Offer will be made to NSX no later than 7 days after the date of this Prospectus.

9.3 Minimum Subscription

The minimum subscription for the Public Offer 33,000,000 Shares at \$0.10 per Share to raise \$3,300,000 before costs (**Minimum Subscription**).

Subject to any legal extension, of the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

9.4 Conditions of the Public Offer

The Public Offer is conditional upon the Company raising the Minimum Subscription and the Company receiving NSX approval for quotation of the Company's Shares. No Shares will be issued if these conditions are not satisfied.

9.5 Not underwritten

The Offers are not underwritten.

9.6 Use of Funds

The Company intends to apply funds raised from the Public Offer together with existing cash reserves, over the next two years following admission of the Company to the Official List to NSX as follows:

Available funds	Minimum subscription \$	Percentage of funds available (%)	Maximum subscription \$	Percentage of funds available (%)
Source of funds				
Cash on hand as at 31 October 2019 ¹	678	15.1	678	12.4
Pre IPO funds received after 31 October 2019 ²	500	11.2	500	9.1
Funds raised under the Public Offer	3,300	73.7	4,300	78.5
Total funds available	4,478	100.0	5,478	100.0
	Minimum subscription \$	Percentage of funds raised (%)	Maximum subscription \$	Percentage of funds available (%)
Use of funds				
Ongoing development of aggregated payment platform technology ³	785	23.8	785	18.3
Sales and marketing ⁴	725	22.0	725	16.9
Customer support ⁵	103	3.1	103	2.4
Corporate overheads ⁶	2,137	64.8	2,137	49.7

Costs of the Offers, net of GST recoverable remaining to be paid ⁷	396	12.0	397	9.2
Cash reserves and working capital ⁸	332	10.1	1,331	31.0
Total funds allocated	4,478	135.7	5,478	127.4

Notes:

1. Cash on hand at 31 October 2019

2. Pre IPO funds received

Represents funds received from the issue of 8,333,333 ordinary shares at \$0.06 per share, amounting to \$500,000, completed during November 2019.

3. Ongoing development of aggregated payment platform technology (\$785k)

Primarily represents funds required for the ongoing development of the MyPay Payment platform and IE Mall.

(a) My Pay NZ Payment platform (\$335k)

The MyPay NZ Payment platform aggregates mobile digital payment solutions from different vendors into a single aggregated platform, leveraging existing payment systems owned by Alipay and WeChat Pay to provide cross border solutions to local merchants. This ongoing development is largely comprised of Inspiry Smart Box internal development and hardware purchases (\$190k) and PCI compliance and security (\$120k).

Inspiry Smart Box internal development and hardware purchase primarily includes the cost of purchasing approximately 2,000 Inspiry Smart Boxes (\$99 per Inspiry Smart Box) which will act as mobile payment terminals at retailers across New Zealand. MyPay NZ currently has approximately 1,000 merchant customers and expects to add more. The Company intends to place one Inspiry Smart Box at each merchant customer, with large merchants having two to three Inspiry Smart Boxes; and

PCI compliance and security relates to the cost of establishing the required security standard applicable to a business that stores, processes or transmits cardholder data. The cost of PCI compliance is approximately \$94k per annum, with the cost of cloud based servers an additional \$19k.

(b) IE Mall Development (\$365k)

Service marketplace launching represents expenses associated with the IE Mall Service Marketplace development and beta run including back end development, front end development, data entry, testing and UI / UX design.

(c) General (\$85k)

Unified merchant QR code and API development represents the cost to develop, test and design the China UnionPay QR code processing engine, which is a high security and

performance API based system. The cost primarily includes front and back end development, security, aggregation and testing.

4. Sales and marketing (\$725k)

Sales and marketing includes the estimated cost to increase the market visibility of MyPay NZ, including recruitment of a new sales team in the Sydney office. The key costs include:

- (a) A new sales team comprising 4 people will be established in the Sydney office amounting to \$250k;
- (b) PR articles amounting to \$100k will be paid to journalists for articles and advertisements to be included in newspapers and magazines. The Company intends to advertise in both English and Chinese language. The Company plans to spend approximately \$100k across both English language advertisements targeting customers in New Zealand and Australia, and Chinese language advertisements targeting customers in China;
- (c) SEO deployment costs amounting to \$80k will be spent on an external provider to implement and deploy the Company's SEO plan, which includes generating an increased level of 'traffic' to the Company's website. The Company plans to spend a minimum of \$5.5k per month on outsourced SEO services;
- (d) Networking opportunities represent monthly marketing packages and event sponsorship. As the Company is intending to establish an office in Sydney and greater presence in Australia, \$75k;
- (e) \$50k each on Smartbox payment hardware promotion, an online customer relationship management tool, branded ads, and use of online communities; and
- (f) \$20k on email marketing.

5. Customer support (\$103k)

Customer support represents the cost of improving the customer service and support function, required to meet the needs of merchants and end customers. Inhouse IT support represents two fulltime equivalent employees (\$93k) required to provide IT and technical support, together with initial installation and maintenance of the Inspiry Smart Boxes (\$10k).

6. Corporate overheads (\$2.1m)

Primarily includes salaries and director fees, shared expenses from related parties and other general overheads. The key costs include:

- (a) Salaries and director fees (\$1.1m). Salaries and wages represent the salaries paid to existing employees, together with the cost of a new role (Assistant to the Managing Director) which is expected to be filled. Director fees primarily represents service fees paid (including superannuation) to the Chair, other Directors, company secretary and nominated advisor of the Company following completion of the offer. The salaries of key executives were approved by the Board after giving consideration to appropriate remuneration and to market rates, with a review of the skills, performance, experience and level of responsibilities of the respective employees. In line with the Remuneration and Nomination Charter, the Board needs to balance the desire to attract, retain and motivate high quality personnel and the need to not pay excessive remuneration. There is a shared services arrangement between MyPay NZ, the entity that pays the salaries of the Executives, that allocates portions of such costs to IEFS, IE Tech, IE Money and

IE Finance. The net cost impact on the Company is reduced to the extent that only 60% of the Managing Director's salary and 80% of the CTO's salary is incurred as an expense by the Company.

- (b) Shared expenses from related parties represents expenses allocated under the Shared Services Agreement (\$394k);
- (c) Professional services includes accounting, legal, tax advisory and consultants fees (\$395k);
- (d) Travel and marketing primarily includes marketing, sponsorship, domestic and international travel (\$165k);
- (e) Other corporate overheads primarily includes the Sydney rent, insurance, IT and other office expenses. Other corporate overheads are expected to increase primarily due to the Company taking out directors' insurance for the new Directors and rent for the new Sydney office (\$111k).

7. Costs of the Offer, net of GST recoverable remaining to be paid

Represents various expenses associated with the Offer remaining to be paid. At 31 October 2019, approximately \$179k of the total offer costs had already been paid out of the \$584k (minimum) and \$585k (maximum) expenses of the Offer. The Company expects to receive a GST input tax credit amounting to \$9k. Refer to Section 10.8.

8. Cash reserves and working capital

Primarily includes funds required to allow the Company to promote its T+0 early settlement option (where Alipay and WeChat Pay operate on a T+2 settlement basis). The settlement date may be up to T+7 due to holidays in China during which Ali Pay and WeChat Pay will not make any settlements, therefore these cash reserves are needed to fund this anticipated working capital requirement.

After related party payables are netted off against related party receivables, there is a net receivable of \$25K which can be used to fund the net operating liabilities. The Company expects that only limited funds from the working capital balance will be applied towards existing balance sheet liabilities. The Company also reserves the right to pay a commission of up to 6% (plus GST) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and which an element of this cost has been included in the cash reserves value. Refer to Section 9.21.

The Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from its ongoing business activities.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

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

9.7 Capital Structure

The pro forma capital structure of the Company following completion of the Offers is set out below:

	Minimum subscription			Maximum subscription		
	Number of securities	% interest	Value Per Share	Number of securities	% interest	Value Per Share
Shares:						
Spin off shares	217,666,667	68.05	\$0.0422	217,666,667	65.99	\$0.0422
Subsequent share issues:	0	0.00	\$0.0000	0	0.00	\$0.0000
22. Jianlin Zhou	40,000,000	12.51	\$0.0250	40,000,000	12.13	\$0.0250
23 Investor 1 (Weidong HE)	5,000,000	1.56	\$0.1000	5,000,000	1.52	\$0.1000
24 Investor 2 (Bin Guo)	8,333,333	2.61	\$0.0600	8,333,333	2.53	\$0.0600
	0	0.00	\$0.0000	0	0.00	\$0.0000
Shares currently on issue	271,000,000	84.73	\$0.0413	271,000,000	82.16	\$0.0413
Shares to be issued on conversion of Convertible Loan	15,857,143	4.96	\$0.0700	15,857,143	4.81	\$0.0700
Shares to be issued under the Offers	33,000,001	10.32	\$0.1000	43,000,001	13.04	\$0.1000
Total Shares following completion of the Offers	319,857,144	100.00	\$0.0487	329,857,144	100.00	\$0.0503

The value per share of the Spin Off shares of \$0.0422 is a deemed value reflecting the value of MyPay NZ calculated at NZD \$ 9,979,368.84/217,666,667 shares= \$0.0458 NZD/ \$0.0422 AUD. See also section 3.3 and 9.23.

The issue price of the Share subscriptions and Convertible Loan Agreement following the Spin Off referred to in the table above reflect arms-length negotiations by the Company with each party.

Shares to be issued under the Offers represent 10.32% (based on Minimum Subscription) and 13.04% (based on Maximum Subscription) of the Company's total issued Share capital following completion of the Offers

9.8 Applications under the Public Offer

If you wish to apply for Shares under the Public Offer, you may:

- apply online using an online Application Form and pay the application monies electronically; or
- complete a paper based application using the Application Form attached to or accompanying this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

9.9 How to apply and pay

An application for Shares under the Public Offer can only be made using the Application Form.

9.10 Paper Application

Complete the hard copy of the Application Form accompanying the hard copy of this Prospectus and mail or hand deliver the completed Application Form with cheque or bank draft to the Share Registry at the address shown on the Application Form so it is received before 5:00pm (ADST) on the Closing Date.

Completed Application Forms and accompanying cheques in Australian dollars for the full amount of your application monies must be made payable to "Mie Pay" and crossed "Not negotiable" and must be mailed or delivered to the address set out on the Application Form by no later than 5:00 pm AEDT on the Public Offer Closing Date

By post to:	Delivered to:
Mie Pay	Mie Pay
C/- Computershare Investor Services Pty Limited	C/- Computershare Investor Services Pty Limited
GPO Box 52	Yarra Falls
Melbourne VIC 3001	452 Johnston Street
	Abbotsford VIC 3067

9.11 BPAY® or Electronic Funds Transfer (EFT)

Applicants in Australia may also apply for Shares by applying online at <https://www-essentialservices-tpl-generalipoweb.site.thereachagency.com/offer/>. An Applicant must comply with the instructions on the website.

An Applicant paying the application monies by BPAY® must use the unique BPAY® customer Reference Number provided.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution. You should schedule your payment to occur on the same day that you complete your Application Form. Applications without payment will not be accepted.

You should be aware that your own financial institution may implement earlier cut off times with regard to BPAY or other electronic payments and you should take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY or other electronic payments are received by 5:00pm (ADST) on the Closing Date.

An Applicant paying the application monies by electronic funds transfer must follow the payment instructions on the online application

By completing an Application Form, each Applicant under the Public Offer will be taken to have declared that all details and statements made by it are complete and accurate and that it has personally received the Application Form together with a complete and unaltered copy of the Prospectus.

The Application Form must be completed in accordance with the instructions set out on the Application Form.

Applicants applying from within Australia should make their cheques payable in A\$ based on an issue price of \$0.10 per Share. For Applicants applying from within New Zealand, the Company will accept a minimum application of AUD\$2,000 in value (based on an exchange rate of 1AUD = 1.075 NZD) to ensure that any shares allocated to an Applicant in New Zealand will comprise a parcel of shares with a value of at least \$2000 when application monies are converted from New Zealand to Australian dollars.

Applications for Shares must be for a minimum of 20,000 Shares and thereafter in multiples of 5,000 Shares and payment for the Shares must be made in full at the issue price of \$0.10 per Share.

Application Forms must not be circulated to prospective investors unless accompanied by a copy of this Prospectus.

The Company reserves the right to extend the Offers or close the Offers early without notice.

An original, completed and lodged Application Form, together with a cheque or bank draft for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be a valid Application Form. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

If the Application Form is not completed correctly, or if the accompanying payment of the application monies is the wrong amount, it may still be treated as valid. The Directors decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offers.

9.12 Applications under the Cleansing Offer

Applications for Shares under the Cleansing Offer should only be made if you are instructed to do so by the Company.

9.13 Application money held in trust

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

9.14 Allocation policy

The Company reserves the right to reject any Application or to allocate to any Applicant fewer Shares than the number applied for. The Company also reserves the right to reject or aggregate multiple applications in determining final applications.

In the event that an Application is not accepted or accepted in part only, the Application Monies, or relevant portion of the Application Monies will be returned to Applicants (without interest).

No Applicant under the Offers has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offers;
- (c) the desire for investor spread, including institutional investors; and
- (d) the desire for an informed and active market for trading Shares following completion of the Offers,

The Company will not be liable for any person not allocated Shares or not allocated the full amount applied for.

The Company reserves the right to withdraw this Prospectus and Offers in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.

The Company also reserves the right to Close the Offers early, or extend the Offers, or accept late Application Forms either generally or in particular cases.

9.15 NSX Listing and Official Quotation

The Company has applied to NSX for admission to the Official List and for the Shares, including those offered under this Prospectus, to be granted Official quotation (apart from any Shares that may be restricted securities).

If NSX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all application monies will be refunded to Applicants (without interest) as soon as practicable.

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

9.16 Issue of Shares

No issue of Shares under this Prospectus will occur unless:

- (a) the Minimum Subscription condition to the Public Offer is satisfied; and
- (b) NSX grants conditional approval for the Company to be admitted to the Official List (Section 9.4).

Upon these conditions being met, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Holding Statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (**CHESS**) holders will be mailed to Applicants being issued Shares pursuant to the Offers as soon as practicable after their issue.

It is the responsibility of Applicants to determine their allocation prior to trading in Shares issued under the Offers. Applicants who sell Shares before they receive their holding statements do so at their own risk.

9.17 **CHESS**

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

The Company will not issue certificates to Shareholders. Instead, as soon as practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shares issued to them. The holding statement will also provide details of a Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer-sponsored sub-register).

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

9.18 **Applicants outside Australia and New Zealand**

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

No action has been taken to register or qualify the Shares, or the Offers, or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia and New Zealand. Applicants who are resident in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any formalities need to be considered and followed.

If you are outside Australia or New Zealand, it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty by you that all necessary approvals and consents have been obtained.

9.19 **New Zealand mutual recognition warning statements**

Warning statement

Each of the Offers to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offers. If you need to make a complaint about the Offers, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. See Sections 10.2.1 and 10.2.2 respectively for a general summary of tax issues for Australian tax resident investors and New Zealand tax resident investors who acquire Shares under this Prospectus.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Currency Exchange Risk

The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between Australian dollars and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Trading on the NSX

The Company will apply for listing of the Company's securities on the NSX. If you wish to trade Shares through that market, you will have to make arrangements for a participant in that market to sell the Shares on your behalf. As the NSX does not operate in New Zealand, the way in which the NSX operates, the regulation of participants in that market and the information available to you about the Shares and trading may differ from financial products markets that operate in New Zealand.

9.20 Sponsoring Broker

The Company has appointed CPS Capital (Sponsoring Broker) as sponsoring broker to the Public Offer pursuant to the Sponsoring Broker Mandate dated 15 October 2019.

Under the Sponsoring Broker Mandate, the Sponsoring Broker will provide assistance to the Company in relation to the Public Offer for a fee of \$10,000 plus GST payable on the Company's successful listing on the NSX. The Sponsoring Broker is also entitled to be paid expenses associated with the Public Offer.

9.21 Commissions Payable

The Company reserves the right to pay a commission of up to 6% (plus GST) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

9.22 Dividend policy

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company. At the date of this Prospectus, the Company does not intend to declare or pay any dividends in the immediately foreseeable future. However it is the aim of the Company that in the longer term, its financial performance and position will enable the payment of dividends. Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to the dividends can be given by the Company.

9.23 Restricted Securities

None of the Shares issued pursuant to the Public Offer will be subject to any NSX imposed escrow restrictions. NSX may however determine that certain securities may be classified as restricted securities and may be required to be escrowed for up to 24 months from the date of the commencement of Official Quotation. The Company estimates that a total of 187,033,810 Shares will be restricted, details of which are set out in the table below.

Shareholder	Number of Shares held	Number of Shares to be restricted (as estimated)	Date of issue	Issue price (Deemed issue price) ²⁵	Restriction period

²⁵ Prior to the Spin Off the deemed value of the Spin Off shares was \$0.004 calculated as the number of Spin Off shares divided by the cash \$1,021,766 being the subscription paid by Mr Jianlin Zhou in IEFIS prior to the Spin Off and the cash subscription by Shareholders in the Company at incorporation of \$21,766. As a result of the Spin Off, reflecting the value of MyPay NZ, the deemed value of Spin Off shares was calculated as NZD \$ 9,979,368.84/217,666,667 shares, being \$0.0458 NZD/ \$0.0422 AUD

		by the Company)			
Lei Zhang (Director)	144,353,333	144,353,333	1/11/18	0.0422	24 months from commencement of quotation
Jianlin Zhou (Unrelated seed capitalist)	40,000,000	30,000,000	01/02/19	0.025	12 months from the date of issue
Jack Zhong Yin (Director)	4,580,000	4,580,000	01/11/18	0.0422	24 months from commencement of quotation
Zhou Zhang (Related party)	10,000	10,000	01/11/18	0.0422	24 months from commencement of quotation
Bin Guo (Unrelated seed capitalist)	8,333,333	3,333,334	05/11/19	0.06	12 months from the date of issue
Peng Jiang (Unrelated seed capitalist)	15,857,143	4,757,143	Conversion of Convertible Loan prior to listing ²⁶	0.07	12 months from the date of issue

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

Based on the Company's calculations, the Company's free float is estimated as 25.35% (based on Minimum Subscription) and 27.61% (based on Maximum Subscription).

The Company will announce to NSX the number of Shares required by NSX to be restricted and the duration of the escrow period prior to the commencement of trading on NSX.

9.24 Enquiries

²⁶ See Section 8.10

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the Shares offered by this Prospectus before deciding to apply for Shares. If you do not understand this Prospectus, you should consult your stockbroker, accountant or other professional advisor in order to satisfy yourself of the contents of this Prospectus.

Questions relating to the Offers can be directed to the Company on +61 2 9221 1451 (Australia) or +64 9 6006545 (New Zealand).

10. **ADDITIONAL INFORMATION**

10.1 **Rights and liabilities attaching to Shares**

Set out below is a summary of the more significant rights and liabilities attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with the Corporations Act and the Constitution.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

(c) **Dividend rights**

Subject to and in accordance with the Corporations Act the NSX Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time decide to pay a dividend to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Directors may rescind a decision to pay a dividend if they decide before the payment date, that the Company's financial position no longer justifies the payment.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine.

No dividend shall carry interest as against the Company.

The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the NSX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, to be applied by the Company to the payment of the subscription price of Shares.

(d) Winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind or in whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. No Shareholder is obliged to accept any Shares, securities or other assets in respect of which there is any liability.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the NSX Listing Rules.

(g) Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.2 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs and taxation residency of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants, however a general description of certain Australian and New Zealand tax consequences of applicants participating in the Offers for those persons who are tax residents of Australia or New Zealand is set out in Sections 10.2.1 and 10.2.2 below.

All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares pursuant to the Offers, from a taxation perspective and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing **for Shares under this Prospectus**.

10.2.1 Summary of tax issues for Australian tax resident investors

The following comments provide a general summary of Australian tax issues for Australian tax resident investors who acquire Shares under this Prospectus.

The categories of investors considered in this summary are limited to individuals, complying superannuation entities, companies (other than life insurance companies or banks), trusts, and partnerships, each of whom hold their shares on capital account.

This summary does not consider the consequences for non-Australian tax resident investors, or Australian tax resident investors who are insurance companies, banks, investors that hold their shares on revenue account or carry on a business of trading in shares or investors who are exempt from Australian tax. This summary also does not cover the consequences for Australian tax resident investors who are subject to Division 230 of the Income Tax Assessment Act 1997 (the Taxation of Financial Arrangements or TOFA regime).

The summary in this Section is general in nature and is not exhaustive of all Australian tax consequences that could apply in all circumstances of any given investor. The individual

circumstances of each investor may affect the taxation implications of the investment of the investor.

It is recommended that all investors consult their own independent tax advisers regarding the income tax (including capital gains tax ("CGT")), stamp duty and Goods and Services Tax ("GST") consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.

The summary in this section is based on the relevant Australian tax law in force, established interpretations of that law and understanding of the practice of the relevant tax authority at the time of issue of this Prospectus. The summary does not take into account the tax law of countries other than Australia.

Tax laws are complex and subject to ongoing change. The tax consequences discussed in these summaries do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences should be reconsidered by investors in light of the changes. The precise implications of ownership or disposal of the Shares will depend upon each Shareholder's specific circumstances.

This summary does not constitute financial product advice as defined in the Corporations Act.

(a) Dividend - Individuals and Complying Superannuation Entities

Where dividends on a Share are distributed, those dividends will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year they derive the dividend, together with any franking credit attached to that dividend if they are a "qualified person" (refer further comments below). Such investors should be entitled to a tax offset equal to the franking credit attached to the dividend subject to being a "qualified person" or where the investor receives less than \$5,000 in franking credits from all sources for the income year. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income in an income year, such investors should be entitled to a tax refund.

Where a dividend paid is unfranked, the investor will generally be taxed at their prevailing tax rate on the dividend received with no tax offset.

(b) Dividend - Corporate Investors

Corporate investors are required to include both the dividend and associated franking credit in their assessable income, subject to being a "qualified person". A tax offset is then allowed up to the amount of the franking credit on the dividend.

An Australian tax resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credit attached to the dividend received. Such corporate investors can then pass on the benefit of the franking credits to their own investor(s) on the payment of dividends.

Excess franking credits received cannot give rise to a refund, but may be able to be converted into carry forward tax losses.

(c) Dividend - Trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include both the dividend and the associated franking credit in their assessable income in determining the net income of the trust or partnership. Subject to being a “qualified person”, the relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary’s or partner’s share of the franking credit received by the trust or partnership.

(d) Shares held at risk

The benefit of franking credits can be denied where an investor is not a “qualified person” in which case the investor should not include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a qualified person, an investor must satisfy the holding period rule including, if necessary, the related payment rule.

The holding period rule requires an investor to hold the Shares “at risk” for more than 45 days continuously, in the period beginning the day after the day on which the investor acquires the Shares, and ending on the 45th day after the day on which the Shares become ex-dividend. The date the Shares are acquired and disposed of are ignored for the purposes of determining the 45-day period. Any day on which an investor has a materially diminished risk or loss of opportunity for gain (through transactions such as granting options or warrants over Shares or entering into a contract to sell the Shares) will not be counted as a day on which the investor held the Shares “at risk”. This holding period rule is subject to certain exceptions. Special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where an investor or their associate passes on the benefit of the dividend to another person.

The related payment rule requires the investor to have held the Shares at risk for a period commencing on the 45th day before, and ending on the 45th day after the day the Shares become ex-dividend. Practically, this should not impact investors who do not pass the benefit of the dividend to another person. Investors should obtain their own tax advice to determine if these requirements have been satisfied.

(e) Dividend washing

The benefit of franking credits can be denied where an investor engages in dividend washing and triggers specific dividend washing integrity measures. Where these measures apply, no tax offset is available and no amount is required to be included in your assessable income in respect of franking credits received as a result of dividend washing. Investors should consider the impact of these rules having regard to their own personal circumstances.

(f) Disposal of Shares

The disposal of a Share by an investor will be a CGT event. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the Share (broadly, the amount paid to acquire the Share plus any transaction costs). In the case of an arm’s-length on-market sale, the capital proceeds will generally be the cash proceeds from the sale.

A CGT discount may be applied against the capital gain (after reduction of total capital gains by capital losses) where the investor is an individual, complying superannuation entity or trustee, the Shares have been held for more than 12 months, and certain other requirements have been met.

Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half, after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

Where the investor is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Investors that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the investor in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

(g) Tax file numbers (“TFN”)

Resident investors may, if they choose, notify Mie Pay of their TFN or ABN or a relevant exemption from withholding tax with respect to dividends. In the event Mie Pay is not so notified, tax will automatically be deducted as the highest marginal rate (including where relevant, the Medicare levy and Temporary Budget Repair Levy) from unfranked dividends and / or distributions.

Australian tax resident investors may be able to claim a tax credit / rebate (as applicable) in respect of any tax withheld on dividends in their income tax returns.

(h) Stamp duty

Investors should not be liable for stamp duty in respect of their holding of Shares. Under current stamp duty legislation, no stamp duty would ordinarily be payable by investors on any subsequent transfer of Shares.

Investors should seek their own advice as to the impact of stamp duty in their own particular circumstances.

(i) GST

No GST should be payable by investors in respect of the acquisition or disposal of their Shares in Mie Pay regardless of whether or not the investor is registered for GST.

Investors may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by investors in this respect relevant to their particular circumstances.

No GST should be payable by investors on receiving dividends distributed by Mie Pay.

10.2.2 Summary of tax issues for New Zealand tax resident investors

The following comments provide a general summary of New Zealand tax issues for New Zealand tax resident investors who acquire Shares under this Prospectus.

The categories of investors considered in this summary are limited to individuals, trusts and companies (other than life insurance companies or banks) each of whom hold their shares on capital account.

This summary does not consider the consequences for non-New Zealand tax resident investors, or New Zealand tax resident investors who are insurance companies, banks, investors that hold their shares on revenue account or carry on a business of trading in shares or investors who are exempt from New Zealand tax.

This summary is general in nature and is not exhaustive of all New Zealand tax consequences that could apply in all circumstances of any given investor. The individual circumstances of each investor may affect the taxation implications of the investment of the investor.

The summary in this section is based on the relevant New Zealand tax law in force, established interpretations of that law and understanding of the practice of the relevant tax authority at the time of issue of this Prospectus. The summary does not take into account the tax law of countries other than New Zealand.

Tax laws are complex and subject to ongoing change. The tax consequences discussed in these summaries do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences should be reconsidered by investors in light of the changes. The precise implications of ownership or disposal of the Shares will depend upon each Shareholder's specific circumstances.

(a) New Zealand income tax treatment of Shareholding

New Zealand tax resident Shareholders may be subject to New Zealand tax in respect of foreign shareholdings, including their Shares, under either:

- (i) ordinary tax rules applying to share investments; or
- (ii) New Zealand's Foreign Investment Fund (FIF) regime.

The FIF regime should not apply to the Shares on the basis that the Company meets the exemption criteria that it is:

- (i) listed on the All Ordinaries in Australia, or another ASX approved index; and
- (ii) required by Australian tax law to maintain a franking account.

If for any reason the Company does not meet its listing requirements in any income year, New Zealand tax resident Shareholders may be subject to the FIF regime in respect of their holding of the Shares. In the event that the FIF regime applies, Shareholders should obtain professional tax advice.

If New Zealand's ordinary tax rules apply to Shares held by New Zealand tax resident Shareholders, only dividends received (see below) and gains on disposal of the Shares, in limited circumstances (see below) may be taxable.

(b) Dividend - Individual and Trustee Investors

Where dividends on a Share are distributed, those dividends will constitute assessable income of a New Zealand tax resident investor. New Zealand tax resident Shareholders that are individuals or trustees of a trust will generally be required to include in their assessable income the gross dividend actually received, which includes any New Zealand imputation credits attached to that dividend and withholding taxes. New Zealand tax resident Shareholders would then be subject to New Zealand tax at their applicable tax rate on the gross dividend amount (which includes the imputation credit and any applicable withholding taxes amount, but does not include franking credit).

New Zealand tax resident Shareholders should be entitled to a tax credit against their New Zealand tax liability equal to the New Zealand imputation credits attached to the dividend and/or withholding tax (subject to specific calculations). The tax credit will reduce the tax payable on the New Zealand tax resident Shareholder's taxable income.

(c) Dividend – Corporate Investors

Tax treatment of New Zealand tax resident Shareholders that are portfolio corporate shareholders holding less than 10% shareholding interest in the Company will generally be the same as tax treatment applicable to individual shareholders. Such shareholders are required to include in their assessable income the gross dividend actually received, which includes any New Zealand imputation credits attached to that dividend and withholding taxes. New Zealand corporate Shareholders would be subject to New Zealand tax at the corporate tax rate (currently 28%) on the gross dividend amount (which includes the imputation credit and any applicable withholding taxes amount, but does not include franking credit).

Non-portfolio New Zealand corporate Shareholders (holding 10% or greater shareholding interests in the Company) should not be subject to income tax on any dividends received from the Company.

(d) Franking credits / withholding tax

Australian withholding tax will apply for any unfranked dividends (but not for fully franked dividends).

Should the Company be required to deduct Australian withholding tax on any dividend it pays, New Zealand tax legislation allows a foreign tax credit to be claimed by New Zealand tax resident Shareholders in respect of that amount of overseas tax paid.. However, the amount of the credit for the foreign tax is restricted to the amount of the New Zealand tax payable calculated under certain rules.

Foreign tax credits are non-refundable credits and, if not utilised in the income year to which they relate, will be forfeited. New Zealand tax resident Shareholders are not entitled to a New Zealand tax credit for any Australian franking credits attached to dividends, but likewise are not taxed on the amount of any franking credits attached to dividends.

(e) Capital Gains

New Zealand does not have a CGT regime. However, profits derived from the disposal of the Shares may be subject to income tax for some investors (see below).

(f) Disposal of Shares

Amounts derived by New Zealand tax resident Shareholders from the sale or disposal of the Shares should not be included in assessable income for New Zealand tax purposes if the Shares are held on capital account.

For completeness, Shareholders will be subject to tax on gains realised on the sale or disposal of Shares where:

- (i) the Shareholder is in the business of dealing in shares; or
- (ii) the Shares were acquired for the purpose of resale; or
- (iii) the Shares were acquired as part of a profit-making undertaking or scheme; or
- (iv) the Shares are otherwise held on revenue account.

New Zealand tax resident Shareholders should seek their own tax advice about whether the proceeds from the sale of the Shares will be taxable in New Zealand.

(g) Goods and services tax

Under current New Zealand law, no New Zealand goods and services tax liability will arise on either the issue of the Shares or transfer of the Existing Shares pursuant to the Offers or on the subsequent transfer of the Shares.

(h) Stamp duty

As there is no stamp duty in New Zealand, neither the acquisition nor disposal of Shares will attract stamp duty in New Zealand.

10.3 Differences between Australian IFRS and New Zealand IFRS

The Statutory Historical Financial Information provided in respect of Mie Pay and each of its subsidiaries in Section 6: "Financial Information" has been prepared in accordance with NZAS. As such, that financial information complies with NZ IFRS. All ongoing financial information prepared by Mie Pay and provided directly to Shareholders or the NSX will be prepared in accordance with the requirements of AIFRS as a listed Australian company. There may be some presentation, disclosure and classification differences between financial information prepared in accordance with NZ IFRS and financial information prepared in accordance with Australian IFRS. None of these differences in presentation, disclosure or classification would be expected to materially change the financial results reported under NZ IFRS or AIFRS.

10.4 Litigation

As at the date of this Prospectus, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative proceedings, or criminal or government prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

10.5 Substantial Shareholders

Those Shareholders holding a relevant interest in 5% or more of the Shares on issue as at the date of this Prospectus and on completion of the Offers (based on minimum and maximum subscription being raised under the Offers and assuming no Options are exercised prior to completion of the Offers) are set out in the table below. None of these Shareholders have provided a commitment to participate in the Offers.

Shareholder	As at the date of this Prospectus		Upon completion of the Offers Minimum Subscription		Upon completion of the Offers Maximum Subscription	
	Shares	%	Shares	%	Shares	%
Lei Zhang	144,353,333	53.27	144,353,333	45.13	144,353,333	43.76
Jianlin Zhou	40,000,000	14.76	40,000,000	12.51	40,000,000	12.13
Xianzhen Huang	33,333,334	12.30	33,333,334	10.42	33,333,334	10.11
Weidong He	16,500,000	6.09	16,500,000	5.16	16,500,000	5.00

10.6 Interests of Promoters, Experts and Advisers

Except as follows and as disclosed in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (c) the Offers;

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or the
- (b) Offers.

CPS Capital has acted as Sponsoring Broker to the Public Offer as set out in this Prospectus. The Company estimates it will pay CPS Capital a total of approximately \$10,000 (excluding GST) pursuant to the Public Offer. During the 2 years preceding lodgement of this Prospectus with ASIC, CPS Capital has not received any fees from the Company for any other professional services

HFW Australia has acted as Australian legal advisor to the Company in connection with its application to list on NSX. The Company has paid or will pay an aggregate of approximately NZD\$214,000 (including GST) to HFW Australia for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 2 years preceding lodgement of this Prospectus with ASIC, HFW Australia has not received any fees from the Company for any other professional services.

HFW Hong Kong has acted as Hong Kong legal advisor to the Company in connection with its application to list on NSX. The Company has paid or will pay an aggregate of approximately NZD\$51,000 to HFW Hong Kong for these services. During the 2 years preceding lodgement of this Prospectus with ASIC, HFW Hong Kong has not received any fees from the Company for any other professional services.

Lane Neave has acted as New Zealand legal advisor to the Company in connection with its application to list on NSX. The Company has paid or will pay an aggregate of approximately NZD\$75,000 (including GST) to Lane Neave for these services. During the 2 years preceding lodgement of this Prospectus with ASIC, Lane Neave has not received any fees from the Company for any other professional services.

PwC New Zealand has acted as auditor of MyPay NZ and has prepared the accounts set out in Section 6. In respect of this work, the Company has paid or will pay a sum of NZD\$72,450 (including GST) for these services. During the 2 years preceding lodgement of this Prospectus with ASIC, PwC New Zealand has not received any fees from MyPay NZ or the Company for any other professional services

RSM Corporate Australia Pty Ltd has acted as Investigating Accountant and has prepared the Limited Assurance Report included in Section 7 of this Prospectus. In respect of this work, the Company has paid or will pay a sum of NZD\$78,000 (including GST) for these services. During the 2 years preceding lodgement of this Prospectus with ASIC, RSM Corporate Australia Pty Ltd has not received any fees from the Company for any other professional services.

10.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the persons referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim all liability and take no responsibility for any part of this Prospectus other than a reference to their name or a statement included in this Prospectus with the consent of that person specified in this section;
- (c) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus; and
 - (iii) has not caused or authorised the issue of this Prospectus:

Name	Role	Statement/Report
CPS Capital Group Pty Ltd	Sponsoring Broker	Nil
RSM Corporate Australia Pty Ltd	Investigating Accountant	Independent Limited Assurance Report Section 7
HFW Australia	Australian Solicitors	Nil
HFW Hong Kong	Hong Kong Solicitors	Nil
Lane Neave	New Zealand Solicitors	Nil
PwC New Zealand	Auditor of MyPay NZ	Nil
Computershare Investor Services Pty Limited	Share Registry	Nil

10.8 Expenses of the Offers

The total expenses of the Offers payable by the Company are set out in the table below. See also section 10.6 for further details.

NZD\$'000 (Excl GST)	Min offer	Percentage of funds raised Min offer %	Max offer	Percentage of funds raised Max Offer %
Tax advice	44	1.33	44	1.02
Legal fees – Australia, New Zealand, Hong Kong and China	350	10.61	350	8.14
Investigating accountants' fees	78	2.36	78	1.81
Share registry fee	4	0.12	4	0.09
Research reports	42	1.27	42	0.98
Broker cost	12	0.36	12	0.28
NSX listing fee	84	2.55	85	1.98
Printing and related costs	7	0.21	7	0.16
Total Offer costs (inclusive of GST)	621	18.81	622	14.46
Total Offer costs (inclusive of GST) in AUD Represents the NZD amount converted to AUD using the 19 November 2019 spot rate of \$1NZD:AUD\$0.94	584		585	

10.9 Continuous Disclosure obligations

Following admission of the Company to the Official List, the Company will be a disclosing entity (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. The Company will be required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or value of the Company's securities (unless a relevant exception to disclosure applies).

Price sensitive information will be publicly released through NSX before it is disclosed to Shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the NSX. In addition, the Company will post this information on its website after the NSX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.10 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC wishes to encourage the distribution of an electronic prospectus and electronic application form, subject to compliance with certain requirements. If you have received this Prospectus as an electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

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

10.11 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at Suite 403, Level 4, 165-167 Phillip Street, Sydney, NSW:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 10.7 of this Prospectus.

10.12 Financial Forecasts

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

10.13 Privacy

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

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisors, and to NSX and regulatory authorities.

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

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

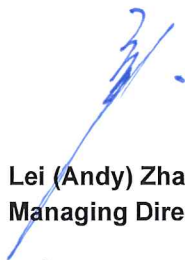
11. **DIRECTOR'S AUTHORISATION**

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors knowledge, before any issue of the Shares pursuant to this Prospectus.

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

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

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



Lei (Andy) Zhang
Managing Director

Dated: 24 December 2019

12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ or A\$	means an Australian dollar.
AEDT	means Australian Eastern Daylight Time as observed in Sydney, New South Wales.
Alipay	means Alipay.com Co., Ltd
App	a computer program or piece of software designed for a particular purpose that can be downloaded onto a mobile phone or other mobile device.
Applicant	means a person who submits an Application Form
Application	means a valid application for Shares under this Prospectus.
Application Form	means the application form attached to or accompanying this Prospectus relating to the Public Offer.
Application Monies	means application monies received from persons applying for Shares pursuant to the Offers under this Prospectus.
ASIC	means the Australian Securities and Investments Commission.
ASX	means Australian Securities Exchange Limited (ACN 008 624 691) or the financial market operated by it, where the context requires.
ASX Settlement	means ASX Settlement Pty Ltd (ACN 008 504 532).
Board	means the board of Directors as constituted from time to time.
CHESS	means the Clearing House Electronic Sub-register System operated by ASX Settlement.
Cleansing Offer	means the offer of 1 Share as set out in Section 9.2
Cleansing Offer Application Form	means the application form attached to or accompanying this Prospectus relating to the Cleansing Offer
Cleansing Offer Closing Date	means the closing date of the Cleansing Offer as set out in the indicative timetable in the Key Offer Information Section of this Prospectus (subject to the Company reserving the right to extend the Cleansing Offer Closing Date or close the Cleansing Offer early).
Companies Act	means the Companies Act 1993 (NZ) as amended from time to time.

Companies Office	means the New Zealand Companies Office.
Company or Mie Pay	means Mie Pay Ltd (ACN 629 754 874).
Constitution	means the constitution of the Company.
Convertible Loan	means the convertible loan as described in Section 8.10
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the directors of the Company at the date of this Prospectus.
e-commerce SaaS platform	means e-commerce software-as-a-service platform
Exchange Rate means	\$1NZD:AUD\$0.94
Exposure Period	means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.
Financial Markets Authority	means the New Zealand Financial Markets Authority established by the Financial Markets Authority Act 2011 (NZ).
Financial Markets Conduct Act	means the Financial Markets Conduct Act 2013 as amended from time to time.
Group	means the Company and its subsidiaries.
GST	means Goods and Services Tax.
IE Finance	means IE Finance Limited (NZBN 9429041284698)
IEFS	means IE Financial Services Limited (NZBN 9429042385455).
IE Mall	means the e-commerce SaaS platform aggregating online stores operated by MyPay NZ.
IE Money	means IE Money Limited (NZBN 9429030787131) .
IE Pay	means the aggregated payments platform operated by MyPay NZ.
IE Tech	means IE Technology Limited (NZBN 9429042244356)
Investigating Accountant	means RSM Corporate Australia Pty Ltd ACN 050 508 024.

IPO	means initial public offer.
Merco	means Merco Limited (NZBN 9429032398212) .
Minimum Subscription	means the minimum amount to be raised under this Prospectus, being \$3,300,000
Maximum Subscription	means the maximum amount to be raised under this Prospectus, being \$4,300,000
Mie Pay NZ	means Mie Pay NZ Limited (NZBN 9429047199743)
MyPay NZ	means MyPay New Zealand Limited (NZBN 9429042341765)
NSX	means the National Stock Exchange of Australia ACN 000 902 063 or the financial market operated by it, where the context requires.
NSX Listing Rules	means the rules governing the listing of securities on the NSX.
NZD	means a New Zealand dollar
Offers	means the Cleansing Offer and the Public Offer pursuant to this Prospectus or one of them as the context requires.
Official List	means the official list of entities that NSX has admitted and not removed.
Official Quotation	means official quotation by NSX in accordance with the NSX Listing Rules.
Opening Date	means the date of which the Offer opens, being 27 December 2019.
Original Prospectus	means the Company's prospectus dated 12 December 2019 and lodged with ASIC on that date.
POLi	means POLi services and POLi service system provided by Merco.
Prospectus	means this prospectus.
Public Offer Closing Date	means the closing date of the Public Offer as set out in the indicative timetable in the Key Offer Information Section of this Prospectus (subject to the Company reserving the right to extend the Public Offer Closing Date or close the Public Offer early.
Section	means a section of this Prospectus.
Share	means a fully paid ordinary share in the capital of the Company.

Share Registry or Computershare	means Computershare Investor Services Pty Limited ACN 078 279 277.
Shareholder	means a holder of Shares.
SME	means small to medium enterprises
Sponsoring Broker or CPS Capital	means CPS Capital Group Pty Ltd, the holder of Australian Financial Services Licence Number 294848.
Sponsoring Broker Mandate	means the mandate between the Company and CPS Capital Pty Ltd dated 15 October 2019, as summarised in Section 9.21.
T+0, T+1, T+2, T+3, T+4	means settlement options for merchants on a transaction-plus-day basis
Ten Pay	means Tenpay Payment Technology Co., Ltd (Company no. 440301103463379)
UnionPay	means UnionPay International Co., Ltd (Company no. 310000000114651)
WeChat Pay	means Weixin Payment Service.

SCHEDULE 1

KEY ACCOUNTING POLICES

(a) Revenue recognition

(i) Revenue from contracts with customers

The Company is in the business of providing digital payment solutions to customers predominantly in New Zealand. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

(ii) Transactional revenue

Transaction fees are earned for facilitating transactions and are recognised at a point in time once the transaction is executed.

(iii) Finance income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the finance income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(iv) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(v) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section 2.8

(vi) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(b) Commission and Other Expenses

All commissions and expenses are recognised on an accrual basis in the period in

which the expenditure is incurred.

(c) Foreign currencies

(i) Foreign currency transactions

The Financial Statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). Transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated to the entity's functional currency at rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the Statement of Comprehensive Income in the period in which they arise.

(ii) Foreign operations

For the purpose of presenting the consolidated Financial Statements, the assets and liabilities of the Company's foreign operations are expressed in New Zealand dollars using exchange rates prevailing at the end of the reporting period. Items in the Statement of Comprehensive Income are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in Other Comprehensive Income and accumulated as a separate component of equity in the Company's Foreign Currency Translation Reserve. Such exchange differences are reclassified from equity to income (as a reclassification adjustment) on disposal of the net investment.

(d) Goods and Services Tax (GST)

The Company registered in terms of the Goods and Services Tax Act 1985 from 1 December 2018. Prior to this date, the financial statements have been prepared so that all components are stated inclusive of GST. Post 1 December 2018, expenses and assets are recognised net of the amount of GST, except:

- when the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- when receivables and payables are stated with the amount of GST included
- the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

(e) Income tax

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:
 - when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
 - when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

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

(f) **Property, Plant and Equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses where applicable. Such cost includes expenditure that is directly attributable to the acquisition of the items. Expenditures on improvements on a leasehold property are capitalised when the future economic benefits associated with them will flow to the Company in a period longer than 12 months and the costs are reliably measured.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probably that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Class of Property, Plant and Equipment	Method	Depreciation Rate
Motor vehicles	Straight line	30%
Office furniture & equipment	Straight line	10%-50%
Leasehold improvement	Straight line	10%-20%

The depreciation methods, assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(g) **Intangible assets**

Intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Software and development expenditure

All costs directly incurred in the purchase or development of major computer software or subsequent upgrades and material enhancements, which can be reliably measured and are not integral to a related asset are capitalised as intangible assets. Direct costs may include payroll and on-costs for employees directly associated with the project. Costs incurred on computer software maintenance are expensed to the Statement of Comprehensive Income as they are incurred. Computer software is amortised on a diminishing value method at a rate of 50%. Amortisation commences once the computer software is available for use.

An intangible asset arising from development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

Research

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the Statement of Comprehensive Income when incurred.

(h) Impairment of non-financial assets other than goodwill

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(i) Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(j) Trade Receivables

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Individual debts that are known to be uncollectable are written off in the period they are identified.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(m) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. Ordinary shares are classified as equity. The equity portion of compound financial instruments is included in equity.