



Digimatic Group



HELPING BRANDS CONNECT

ASX Announcement / Media Release

For immediate release – 6 March, 2017

Sale of Digimatic Solutions and Resignation of CEO

Digimatic Group Ltd (ASX:DMC) (**Company**) today announces the conditional sale of two of its subsidiaries, Digimatic Solutions Pte Ltd and Digimatic Australia Pty Ltd (together, '**Digimatic Solutions**') to Mr Hui Jie Lim, former CEO and Executive Director of the Company.

Upon completion of the transaction, the number of business units within the Company will be reduced to three which are Digimatic Creatives, Digimatic Media and Digimatic Ventures.

The Company has signed a conditional term sheet for the sale of Digimatic Solutions to Mr Hui Jie Lim, who has resigned today as CEO and Executive Director of the Company. The sale is in consideration of the Company buying back from Mr Lim and then cancelling 30,000,000 shares at a deemed issue price of S\$0.10 per share.

The sale of Digimatic Solutions is subject to prior shareholder approval pursuant to ASX Listing Rule 10.1, and shareholder approval of the selective buy-back of shares from Mr Lim. The Company is targeting completion of the proposed transaction for 31 March 2017.

Rationale

Digimatic Solutions Pte Ltd was initially acquired as part of the Company's IPO offering in 2015, together with interests in Digimatic Media Private Limited and Wewe Media Group Pte Ltd. Digimatic Solutions is a platform and technology provider for brands to market and manage their products and services to a global audience. Digimatic Solutions offer brands a comprehensive range of online and offline platform solutions to reach target audiences. Mr Lim was the founder of Digimatic Solutions Pte Ltd and had received 20,000,000 fully paid ordinary shares in the Company as part of the acquisition, which are escrowed by ASX until December 2017.

The expected synergy from the merger and collaboration within the group did not materialise due to the differing focus in business strategy and clientele base. Mr Lim and the Board has acknowledged their differences and pursue growth paths that suit their diverging needs.

Future Plans

The Board believes this proposed transaction will strengthen the group's fundamentals as well as provide greater clarity in pursuing a strategy that focuses on its core strength of Advertising Technology (AdTech), creating greater value in the group's endeavours moving forward.

Further details of the proposed transaction, together with a copy of an independent expert's report opining the proposed transaction is fair and reasonable to the non-associated shareholders are set out in the accompanying notice of meeting. Shareholders are strongly advised to read the notice of meeting and independent expert's report in its entirety.

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About Digimatic Group Ltd

Digimatic Group Ltd (ASX: DMC) is a Global Brand Enabler that empowers Brands to Connect to their Customers in the most effective way. As a thought leader in the digital space, Digimatic is a disruptive innovator that combines a unique blend of ROI Branding, ROI Marketing and ROI Commerce expertise to help clients achieve true value from their business investment.

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