



## Prospectus

For the Offer of 1,000 New Shares at an issue price of A\$0.10 cents to raise A\$100

## CoAssets Limited

ACN: 604 341 826

This Prospectus is a compliance prospectus:

- to facilitate secondary trading of Shares previously issued by the Company; and
- so that the Company can comply with the requirements to admission to the official list of the National Stock Exchange of Australia Limited (NSX).

**(Proposed NSX Code: CAX)**

This Prospectus provides important information about the Company. You should read the entire document including the application form. If you have any questions about the Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional advisor. An investment in the Shares offered under this Prospectus is highly speculative.

## IMPORTANT NOTICE

This Prospectus is dated 3 June 2015 and was lodged with ASIC on that date. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Application will be made for listing of the Company's securities offered by this Prospectus to the National Stock Exchange of Australia Limited (NSX) within 7 days after the date of this Prospectus. 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.

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.

The distribution of this Prospectus in jurisdictions outside Australia 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. 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 person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

**Web Site - Electronic Prospectus** A copy of this Prospectus is available and can be downloaded from the website of the Company at <https://coassets.com/prospectus/>. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. 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.

**Suitability of Investment & Risks** Before deciding to invest in the Company, prospective investors should read entirely this Prospectus and, in particular, the summary of the Company's business in section 5 and the risk factors in section 6. They should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional advisor before deciding to invest. Any investment in the Shares of the Company should be regarded as speculative.

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

**Exposure Period** This Prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC. This period may be extended by ASIC for a further period of up to 7 days. The purpose of this 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 in the exposure period and all applications received during the exposure period will be treated as if they were simultaneously received on the opening date.

**Incorporation by reference** In accordance with section 712 of the Corporations Act this Prospectus includes the Legal Opinion lodged by the Company with ASIC on 3 June 2015, a copy of which will be provided to you free of charge if you contact the Company during business hours on +61 8 9486 4036.

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## Corporate Directory

***Independent Non-executive Director & Chairman***

Chen Chik (Nicholas) Ong

***Registered Office***

Office J, Level 2, 1139 Hay Street  
West Perth, WA 6005

+61 8 9486 4036

***Executive Directors***

Getty Goh Te-Win  
Seh Huan Kiat

***Auditor\****

HLB Mann Judd (WA Partnership)  
Level 4, 130 Stirling Street Perth WA 6000

\*This party is named for information purposes only and was not involved in the preparation of this Prospectus.

***Independent Non-executive Director***

Daniel Smith

***Share Registry***

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross, WA 6153  
+61 8 9315 2333

***Company Secretary***

Samuel Edis

***Investigating Accountant***

HLB Mann Judd (WA Partnership)  
Level 4, 130 Stirling Street  
Perth WA 6000

***Solicitors to the Offer and Nominated Adviser***

Kings Park Corporate Lawyers  
Level 2, 45 Richardson Street  
West Perth WA 6005

***Adviser as to Singapore law<sup>1</sup>***

Harry Elias Partnership LLP  
SGX Centre 2 #17-01  
4 Shenton Way  
Singapore 068807

***Corporate Advisor***

Minerva Corporate  
Office J, Level 2, 1139 Hay Street  
West Perth, WA 6005  
+61 8 9486 4036

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<sup>1</sup> Other than as set out in this Prospectus, Harry Elias Partnership LLP was not involved in the preparation of the Prospectus and has not authorised or caused the issue of any part of or statement in the Prospectus and, to the maximum extent permitted by law, disclaims any responsibility or liability for any part of the Prospectus.

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## 1 INDICATIVE TIMETABLE

Lodgement of the Prospectus with ASIC	3 June 2015
Application for listing lodged with NSX	3 June 2015
Opening Date	11 June 2015
Closing Date	30 June 2015
Quotation of Shares on NSX*	6 July 2015

This timetable is indicative only, and may change. The Company reserves the right to extend the Closing Date or close the Offer early without notice, in its absolute discretion. Quotation of shares on NSX is at the discretion of NSX and is subject to the Company satisfying the listing requirements of NSX.

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## 2 CAPITAL STRUCTURE

Shares currently on issue	130,630,011
Options currently on issue	0
Shares to be issued under Prospectus	1,000
Options to be issued under Prospectus	0
Total Shares on issue following Prospectus Offer	130,631,011
Total options on issue following Prospectus Offer	0

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### 3 CHAIRMAN'S LETTER

Dear Investor

It gives me great honour to introduce you to the Company which pursuant to a sale and purchase agreement has acquired all of the shares in CoAssets Pte Ltd (**CoAssets**), an operating business incorporated in Singapore. CoAssets is a web-based real estate education, research, advertising and targeted leads generation platform (**CoAssets Platform**). CoAssets is South East Asia's first real estate crowdfunding site with offices in Singapore and Malaysia. CoAssets brings developers and investors together, with in excess of S\$37 million worth of transactions taking place through its platform in the last 2 years. As a stakeholder of the crowdfunding space, CoAssets has also launched Crowdfunders.Asia, a magazine that is dedicated to all things crowdfunding.

The proposed listing on the National Stock Exchange of Australia Limited (**NSX**) will give the Company a more visible and prominent profile to better promote, market and commercialise the Group's products for the benefit of all stakeholders. It will also provide an orderly and transparent platform for the Company's shareholders and interested investors to trade in the Company's shares.

This Prospectus is issued in conjunction with an application by the Company for the listing of its shares on NSX. The Prospectus contains detailed information about the Group's operations, business plan and financial position. It also sets out the benefits of investing in the Company, including:

- crowdfunding<sup>2</sup> is a burgeoning business worldwide. Investors will become part of this growing field;
- retail investors in Asia are presently looking for bite-sized real estate investments. Investment in the Company will enable CoAssets to develop a more robust platform to service this market; and
- Malaysia may legalise equity crowdfunding. With adequate investments, CoAssets is poised to take advantage of Malaysia's equity crowdfunding regulations to support businesses and start-ups there.

While the Directors believe that the Company has high growth potential, investment in the Company carries with it substantial risks, the more significant ones being:

- Concentration of ownership. The Company's executive directors, Dr Seh Huan Kiat and Mr Getty Goh, will respectively hold 27.12% and 34.77% of the Company's issued share capital. They are in a position to exercise substantial influence over matters requiring shareholder approval, including the election of directors, and in

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<sup>2</sup> There are 2 primary types of crowdfunding: rewards crowdfunding and investment crowdfunding. Rewards crowdfunding is where a group of people contributes (usually financially) to a project in return for some type of incentive (e.g. a limited edition product or recognition in product literature). Investment crowdfunding is where a business seeks funds from a group of people in the form of equity or debt. **CoAssets is an investment crowdfunding platform.**

so doing, may not act in the best interests of minority shareholders. The concentration of ownership may also discourage, delay, or prevent a change in control of the Company, which would deprive the Company's shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company and might reduce the price for the Company's Shares.

- Platform dependence on internet and communication technology. To scale and to reach out to a large pool of investors, CoAssets relies on its Website and technology systems. External malicious interventions such as hacking and failures in technology infrastructures may affect CoAssets' business.
- Reputation risk to the CoAssets brand. CoAssets does not provide advice on the viability or the commercial merits of any projects and does not act as agent for either the Opportunity Providers or the Investors. Any collaboration in relation to the Projects is directly between the Opportunity Providers and the Investors. Notwithstanding this, the CoAssets business and brand are closely linked to the provision of opportunities from various Opportunity Providers. There is a risk of damage to the CoAssets reputation and brand arising from any association with its Opportunity Providers or other associates, which is perceived by consumers to be inappropriate, unsuccessful, unethical or inconsistent with CoAssets' business values.
- Competitive industry. Crowdfunding is characterised by rapid changes as it is a growing field. CoAssets is the first such platform in Southeast Asia, but operates in a competitive market with new entrants to the industry each year. CoAssets aims to compete effectively by building a highly competent and driven regional sales/business development team and investing in robust IT infrastructure as a differentiator.

Shareholders and interested investors are advised to read this Prospectus carefully and in full and, where necessary, seek professional advice before deciding whether to invest or trade in the Company's Shares following its admission to the Official List of NSX.

I believe that the journey ahead to realise the full potential of CoAssets will be an exciting one and while it may be arduous and unpredictable, there will be stages along the way where the Company will get its rewards and recognition.

Yours sincerely

Chen Chik (Nicholas) Ong  
Chairman

## 4 INVESTMENT OVERVIEW

This information is a selective overview only and is not intended to provide full information for investors intending on applying for Shares offered under this Prospectus. Prospective investors should read the Prospectus in full, including the experts' reports in this Prospectus before deciding to invest in Shares.

Question	Response	Where to find more information
<b>Introduction</b>		
Who is issuing this Prospectus?	CoAssets Limited (ABN: 57 604 341 826), a company incorporated in Australia ( <b>Company or Group</b> ) for the sole purpose of acquiring 100% of the issued share capital of CoAssets Pte Ltd.	Section 5
What is the purpose of this Prospectus?	This Prospectus is issued in conjunction with an application by the Company for the listing of its shares on NSX and to facilitate secondary trading of Shares issued by the Company on NSX.	Section 8
<b>CoAssets and its business</b>		
Who is the Company and what does it do?	The Company was incorporated for the sole purpose of acquiring CoAssets, a Singapore company whose business was established in 2013. CoAssets is a web-based real estate education, research, advertising and targeted leads generation platform.	Section 5
What is the Company's strategy and business model?	The Company's strategy is to create shareholder value through carrying on and developing CoAssets' existing principal businesses.	Section 5
What are the Company's key assets?	The Company is a holding company which, following completion of the Sale and Purchase Agreement, has acquired 100% of CoAssets. If NSX does not issue a conditional letter of admission of the company's shares to the official List of NSX, the Acquisition may be unwound.	Section 5.1
Who established	Dr Seh Huan Kiat and Mr Getty Goh.	Section 7.1



Question	Response	Where to find more information
CoAssets?		
How does CoAssets generate revenue?	<p>CoAssets currently generates its revenue via three separate streams:</p> <ul style="list-style-type: none"> <li>• Charging developers administration fees;</li> <li>• Fees charged through conferences and tradeshow; and</li> <li>• The publication and distribution of Crowdfunders.Asia.</li> </ul>	Section 5.14
What are the key investment highlights and benefits of investing in the Company?	<p>The benefits of investing in the Company include:</p> <ul style="list-style-type: none"> <li>• crowdfunding is a burgeoning business worldwide. Investors will become part of this growing field;</li> <li>• exposure to real estate development within growth markets throughout Asia, including Malaysia and Australia; and</li> <li>• retail investors in Asia are presently looking for bite-sized real estate investments. Investment in the Company will enable CoAssets to develop a more robust platform to service this market.</li> </ul>	Section 5.1
What material contracts has the Company entered into?	<p>The Company has entered the following material contracts:</p> <ul style="list-style-type: none"> <li>• Sale and Purchase Agreement with each shareholder of CoAssets under which the Company has acquired all of the shares in CoAssets on the basis of 10 Company Shares for every one share held in CoAssets.</li> <li>• The Minerva Services Agreement for the provision of company secretarial, accounting and administrative services.</li> </ul> <p>In addition, the Company has entered</p>	Section 5.17

Question	Response	Where to find more information
	into contracts with its Directors. See section 7.3 for more details.	
<p>What are the terms upon which the Company has acquired CoAssets?</p>	<p>The Company has acquired CoAssets following completion of a Sale and Purchase Agreement. The key terms and conditions of the Sale and Purchase Agreement are:</p> <ul style="list-style-type: none"> <li>(a) the holders of the shares in CoAssets agree to sell their shares in accordance with the terms of the Agreement;</li> <li>(b) CoAssets receiving (as escrow agents) original share certificates and executed share transfer forms for all of their shares; and</li> <li>(c) NSX issuing a conditional letter of admission of the Company's shares to the official list of NSX, subject to conditions satisfactory to the Company.</li> </ul> <p>If these conditions are not satisfied by 30 June 2015 (or such other date as the Company and CoAssets agree), the Sale and Purchase Agreement will be at an end.</p> <p>Conditions (a) and (b) have been satisfied. In the event condition (c) (a condition subsequent) is not satisfied, the Acquisition may be unwound.</p>	<p>Section 5.12</p>
<p>What is the financial position of the Company?</p>	<p>As the Company was incorporated on 18 March 2015 for the sole purpose of acquiring 100% of the issued share capital of CoAssets, no historical information for the Company has been presented.</p> <p>This Prospectus contains audited historical financial information of CoAssets as at 31 August 2014 and 31 January 2015, and proforma</p>	<p>Section 10</p>

Question	Response	Where to find more information
	consolidated financial information using a balance date of 31 January 2015 corresponding to the most recently available financial information of CoAssets subject to external audit.	
Why is the Company seeking to list on NSX?	<p>The Company is seeking to list on NSX to:</p> <ul style="list-style-type: none"> <li>• give the Company a more visible and prominent profile to better promote, market and develop the operations of CoAssets;</li> <li>• provide an orderly and transparent platform for the Company's existing shareholders and interested investors to trade in the Company's shares; and</li> <li>• provide a solid base for growth.</li> </ul>	Section 5.1
<b>Key risks</b> <p>There are a number of risks associated with investing in the share market generally and in the Company specifically. The following is a summary of the key risks that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations. Full details of these risks are set out in section 6 of this Prospectus.</p> <p>Please consider the risks described below and the information contained in other sections this Prospectus. You should also consider consulting with your professional advisers before deciding whether or not to apply for the Shares.</p>		
Limited operating history	The Company was established in March 2015. CoAssets has only been in operation since July 2013.	Section 6.1(a)
Concentration of ownership	The Company's executive directors, Dr Seh Huan Kiat and Mr Getty Goh, will respectively hold 27.12% and 34.77% of the Company's issued share capital. They are in a position to exercise substantial influence over matters requiring shareholder approval, including the election of directors, and in so doing, may not act in the best interests of minority	Section 6.1(b)

Question	Response	Where to find more information
	shareholders. The concentration of ownership may also discourage, delay, or prevent a change in control of the Company, which would deprive the Company's shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company and might reduce the price for the Company's Shares.	
CoAssets may be unable to attract sufficient traffic to its website.	The attractiveness of the CoAssets platform is influenced by CoAssets' ability to draw consumers, investors and opportunity providers to its Website. A decline in the level of traffic to the CoAssets Website could have a material adverse effect on the ability of CoAssets to generate revenue from the services it provides through its Website.	Section 6.1(c)
Reliance on website	The Company's business is largely dependent on its Website, which in turn depends on the performance, reliability and availability of its information technology and communications systems. These systems may be adversely affected by factors including damage, equipment faults, power failure, computer viruses, misuse by employees or contractors, external malicious intervention such as hacking, fire, natural disasters or weather interventions.	Section 6.1(d)
Reputation risk and damage to the CoAssets brand	CoAssets was officially launched in July 2013 as a web-based real estate education, research, advertising and targeted leads generation platform. CoAssets does not provide advice on the viability or the commercial merits of any projects and does not act as agent for either the Opportunity Providers or the Investors. Any	Section 6.1(e)

Question	Response	Where to find more information
	<p>collaboration in relation to the Projects is directly between the Opportunity Providers and Investors. Notwithstanding this, CoAssets business and brand are closely linked to the provision of opportunities from various Opportunity Providers. There is a risk of damage to CoAssets reputation and brand arising from any association with its Opportunity Providers or other associates, which is perceived by consumers to be inappropriate, unsuccessful, unethical or inconsistent with CoAssets business values.</p> <p>In particular, unsuccessful or incomplete Projects or default by an Opportunity Provider in relation to P2P lending may impact negatively on the CoAssets brand and reputation.</p>	
Property market risk	<p>The Company's business model is dependent in part on Opportunity Providers providing opportunities for Investors to invest in real property assets and demand by Users for opportunities in the property market. Market conditions and location of the assets may impact on the attractiveness of those real property opportunities. General economic and regulatory factors which are beyond the control of the Company may also have an impact on property market conditions, consumer sentiment and may affect demand and supply.</p>	Section 6.1(f)
Property development risk	<p>The real property developments in which Investors may invest will be managed by third party developers. Notwithstanding that the Company has no input on the planning, marketing and construction of those developments, if the third party</p>	Section 6.1(g)

Question	Response	Where to find more information
	<p>developers fail to develop the properties to an acceptable standard or manage their business suitably, this may produce adverse outcomes for Investors and in turn affect the CoAssets brand.</p>	
Competitive activity	<p>CoAssets' business is characterised by innovation, rapid change and disruptive technologies. The Group operates in a competitive market. The Group faces competition in the domestic market in which there are new entrants to the industry and some may have greater financial, marketing and other resources than the Group has. The Group's success depends on its ability to continue competing effectively against these competitors. Should there be any significant increase in competition or in the event that the Group is not able to compete effectively against other competitors or cope with changing market conditions by maintaining operating efficiency and improving price competitiveness, the Group's revenue and profit margins may be adversely affected.</p>	Section 6.1(h)

Question	Response	Where to find more information
Exposure to regulatory differences and changes in existing regulatory frameworks	CoAssets plans to expand its operations into various countries including Malaysia, Indonesia and Australia. There is a risk that the laws and regulations of other jurisdictions may place restrictions on CoAssets' activities which may constrain the Company's expansion plans. Further, any changes to the existing regulatory framework could result in increased compliance and administrative costs for the Company which could impact adversely on the financial viability of the business.	Section 6.1(i)
Key personnel	The Company's prospects depend, in part, on the entrepreneurial drive and business experience of key executives. There can be no assurance that the Group will be able to retain these key personnel.	Section 6.1(j)
Internal controls	The system of internal controls currently implemented by the Group is designed for the operations of an owner-managed enterprise. The Directors are of the opinion that while this system of internal control is adequate and effective for the current level of operations, it may become inadequate after the Group's business expands.	Section 6.1(k)
Growth	Expansion of the Group's business potentially involves the Group attracting new Users and new Projects offered by Opportunity Providers. The effectiveness of the Group's operations in User and project listings will require the Group to continue to improve, and where appropriate, upscale its operational and financial systems, procedures and controls as well as expand, retain, manage and train its employees. There is a risk of	Section 6.1(l)

Question	Response	Where to find more information
	a material adverse effect on the Group's financial performance if it is not able to manage its growth efficiently and effectively.	
Currency and Foreign Exchange	Revenue generated, and capital and operating costs incurred, by the Group will largely be denominated in Singapore's currency, the Singapore Dollar. The Group expects to report financial results in Singapore Dollars.	Section 6.1(m)
Political, economic and social reforms	There is no assurance that any change that occurs as a result of political, economic or social reforms in Singapore will have a positive effect on Singapore's economic development or that the Group's operating companies will benefit from or will be able to capitalise on these reforms.	Section 6.1(n)
<b>Directors and Management</b>		
Who are the Directors of the Company?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> <li>• Chen Chik (Nicholas) Ong (Independent Non-executive Director and Chairman);</li> <li>• Getty Goh (Executive Director);</li> <li>• Seh Huan Kiat (Executive Director); and</li> <li>• Daniel Smith (Independent Non-executive Director).</li> </ul>	Section 7.1
What benefits are being paid to Directors?	Subject to Shareholder approval at the Company's next annual general meeting, the Directors will be paid directors' fees for operating the Company. Dr Huan Kiat and Mr Goh are Executive Directors working for the Company on a full time basis, for which each of them will be paid a salary of S\$90,000 per annum. Messrs Ong and Smith will each be paid S\$12,510 per annum in director fees.	Section 7.3



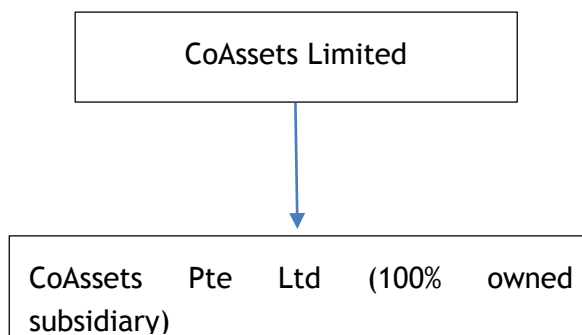
Question	Response	Where to find more information
What material contracts has the Company entered into with Directors and management?	<p>The Company has entered into the following material contracts with its Directors and management: They are:</p> <ul style="list-style-type: none"> <li>• The Sale and Purchase Agreement with all shareholders of Co Assets, including Getty Goh and Seh Huan Kiat.</li> <li>• The Minerva Services Agreement.</li> </ul> <p>Summaries of the key terms of these contracts are included in this Prospectus.</p>	Section 5.17
Will the Company pay dividends?	<p>The Company's focus will be on generating capital growth. The Company has no immediate plan to declare or distribute dividends. Payment of future dividends will depend on matters such as the future profitability and financial position of the Company.</p>	Section 5.22
<b>Miscellaneous</b>		
Where will the Shares be quoted?	<p>An application will be made to the NSX for quotation of the Shares under the trading symbol "CAX".</p>	Important information
How can I obtain further advice?	<p>By speaking to your accountant, stockbroker or other professional advisor.</p>	

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## 5 COMPANY AND BUSINESS OVERVIEW

### 5.1 Introduction

The Company was incorporated in Australia on 18 March 2015 for the sole purpose of acquiring CoAssets Pte Ltd (**CoAssets**), a Singapore business established in July 2013 (**Acquisition**). The Company's acquisition of CoAssets' was completed on 12 May 2015. The corporate structure of the Group is as follows:



The above corporate structure is the result of completion of material contracts entered into by the Company and/or its subsidiary, details which are set out in section 5.17 below.

The objectives of the Company are to create shareholder value through carrying on and developing the Group's existing principal businesses, namely web-based real estate education, research, advertising and targeted leads generation platform.

### 5.2 Principal business

CoAssets was officially launched in July 2013. CoAssets is a web-based real estate education, research, advertising and targeted leads generation platform, [www.coassets.com](http://www.coassets.com) (**Website** or **Platform**).

The Website is provided by CoAssets Pte Ltd (Registration No. 201310357R), a company registered in Singapore and having its registered address at 38C North Canal Road, Singapore 059294 (**CoAssets**). CoAssets is not required to be licensed by the Monetary Authority of Singapore to carry on its activities based on its current business activities as described in this Prospectus and on prevailing laws in Singapore as at the date set out in the Legal Opinion referred to in section 5.16 of this Prospectus.

The CoAssets business model is to bring together property developers looking for alternative financing and investors looking for investment diversification.

Users of the Website may be either:

- (a) investors (**Investors**); or
  - (b) real estate developers, agents, owners or businesses seeking investments for real estate projects (**Opportunity Providers**),
- (collectively, the **Users**).

Opportunity Providers must be in at least one of the following three categories to meet the requirements to list on CoAssets' Website:

- (a) Developer: must provide a developer licence number from Singapore or from their home country;
- (b) Registered Property Agent, Broker and/or Realtor: must provide their agent license number either from Singapore or from their home country; or
- (c) Land and/or Property Owner: must provide documentary proof of ownership such as title deeds, title searches, certificates of title.

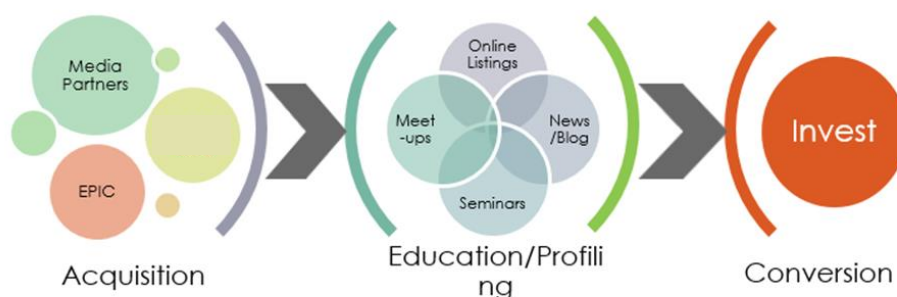
Opportunity Providers may submit their projects to CoAssets, who will decide in its absolute discretion which projects may be e-listed on the Website for Investors to view.

The CoAssets Website has two tiers of membership, being normal and premium membership. Premium members comprise primarily attendees of talks organised by CoAssets, participants who attend training courses conducted by CoAssets or training partners appointed by CoAssets. Normal members can sign up online for free. Premium members have access to a wider range of research tools. Both levels of membership allow members to obtain property news, access advertisements by participating Opportunity Providers, and to participate in forum discussions.

In terms of advertising, Opportunity Providers may be listed on the CoAssets Platform by paying an advertising fee. The Opportunity Provider can be from anywhere around the world as the CoAssets Platform is web-based.

The interactive Platform allows Opportunity Providers and Investors to engage amongst themselves. Investors may view the Projects e-listed on the Website and indicate their interest before investing in a Project. Opportunity Providers then decide whether to hold an offline event to engage such interested Investors on a Project. The networking can be done online or offline. Online networking includes fan pages and/or micro-sites containing information on the Opportunity Providers, while offline networking includes events and expos. An example of a networking event conducted by CoAssets is the inaugural Expo for Property Investing & Crowdfunding (EPIC) held on 18 and 19 July 2014 at the DBS Auditorium, Singapore. EPIC is planned as an annual event for Opportunity Providers to network with Investors.

The CoAssets funnelling model is as follows:



Any collaboration in relation to investments is directly between the Opportunity Providers and the Investors. CoAssets does not act as agent for either the Opportunity Providers or the Investors.

The CoAssets Platform does not constitute an offer of, or invitation, to subscribe for or to purchase any securities in any jurisdiction. Information contained on the Website is for information only and no part of the Website shall form the basis of or be relied upon in connection with any contract, commitment or investment decision.

CoAssets may, in its absolute discretion, terminate or suspend any e-listing of a Project, subject to prior notice to the respective Opportunity Provider

### **5.3 CoAssets' products**

CoAssets currently has four products, three of which are available on its Website, with two more under development. The four products currently offered are:

- (a) Opportunities listing for Opportunity Providers to advertise their deals;
- (b) Micro-portal to allow Opportunity Providers to build their network;
- (c) Regional research tools; and
- (d) EPIC - Expo for Property, Investing and Crowdfunding.

The key products under development are the automated CRM module, legal and payment infrastructure. These products are expected to come online within the next year and will augment CoAssets' existing offering to secure the Company's lead in the market by:

- (a) enabling microtransaction (as low as S\$50 per investment) to truly realise the benefit of the P2P Funding model;
- (b) improving User experience by enabling a transaction to be carried out completely within the Platform instead of instructing the User's bank to wire the money or having to write a cheque;
- (c) bringing the entire funding process online and thereby reducing the cost structure and time to fund a Project; and
- (d) improving customer engagement and increased customer life-time value by reselling new products to key clients.

### **5.4 Opportunities listing for Opportunity Providers and news update**

Opportunities listings & news update is the core feature of a User's homepage. Opportunities and news updates are personalised based on the User's interests as well as sharing activity. Factors that will determine what gets listed include how many friends have invested or commented on a certain piece of news or investment.

The CoAssets Platform ([www.coassets.com](http://www.coassets.com)) matches deals uploaded by Opportunity Providers with potential Investors.

Within the CoAssets Platform, CoAssets provides the following:

- Finding & listing viable property deals. At present, the real estate funding market lacks transparency and only high net worth individuals and investment funds have access to deals that give attractive returns. CoAssets allows attractive deals to be listed and allows Investors to potentially profit from crowdfunding them. The Platform helps Opportunity Providers to reach out and aggregate Investors for their projects.
- Standardised funding process. CoAssets facilitates participating in a deal by providing online e-signing to speed up the investment process.

As part of the funding process, CoAssets will provide standardised legal documents and processes such as requiring the Opportunity Provider to provide a personal guarantee for the loan, administrative support for the collection of the funded sum and distribution of payouts at the end of the term and recovery processes in the event of default.

## 5.5 Types of project listings

Opportunity Providers may e-list four types of projects on the Website:

- (a) a bulk purchase, where Investors invest in multiple real estate units (**Bulk Purchase**);
- (b) crowdfunding (**Crowdfunding**), where:
  - (i) Investors co-invest in real estate units with others (**Co-Investment**); or
  - (ii) Peer-to-peer funding by Investors to Opportunity Providers (**P2P Funding**); and
- (c) pre-sales, where Investors invest in real estate units before the official launch of the development (**Pre-Sales**),

(each a **Project** and collectively, the **Projects**).

The purpose of the listing is to generate a list of Investors who are interested in the Project (“hot” leads). Investors can indicate their interest by clicking on the “I’m interested” or “I have a question” buttons. CoAssets also generates a list of “warm” leads. These are investors who have viewed the Project listing but did not indicate their interest. CoAssets tracks the time spent and the number of times they view the listing.

Based on the amount of leads, CoAssets then contacts the Opportunity Providers to check if they want to organise an event to engage Investors. The Opportunity Providers will not have access to the contact details of the Investors but they will know how many hot leads and warm leads their projects have attracted.

Except in relation to P2P Funding Projects (referred to below), CoAssets does not at any time accept or collect any funds or deposits. It does not invest in any Projects. Neither does it provide any advice on investments, Projects or the raising of funds.

## **5.6 Bulk Purchase for real estate: wholesale property transactions**

Traditionally buyers of development projects can buy multiple units in order to negotiate a discount from the developer. “Units” are units in real estate properties, not units in shares or debentures. The bulk purchaser can then offload some of the units to realise a profit. The CoAssets Platform allows developers to advertise their projects and their willingness to provide a discount if a certain minimum number of units are purchased. The Investors can then participate to purchase those units as a group and thereby obtain the discount.

The purchase is regarded as a regular real estate transaction as the buyer will own a whole unit (or multiple of whole units).

Any agreements in relation to the Projects are entered into directly between the Investors and the Opportunity Providers. CoAssets is not a registered property agency and does not broker projects. Any Bulk Purchase opportunities are usually listed by property agents or developers and any dealing is directly between the Users, being the property Investors and the Opportunity Providers. All information displayed on the Website is provided by the Opportunity Providers. Such information is not independently verified by CoAssets.

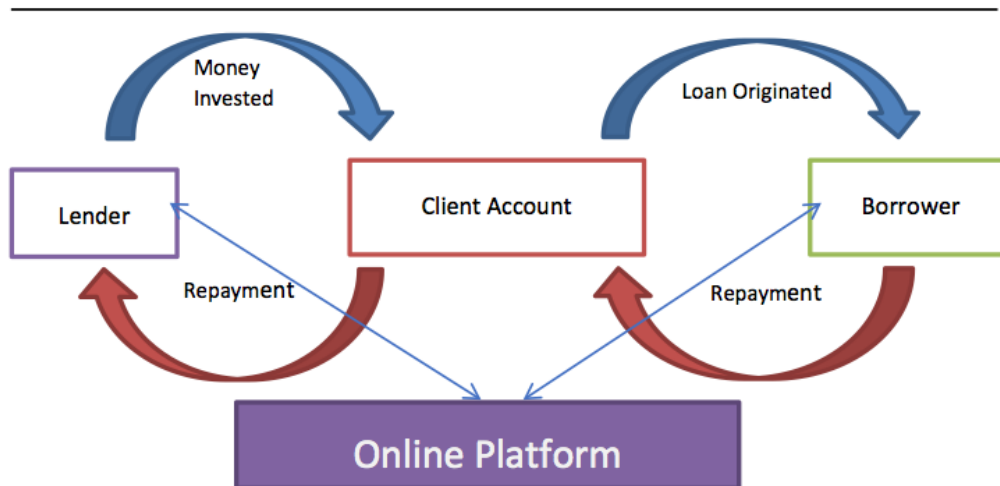
## **5.7 Crowdfunding for real estate: bringing investors together**

The CoAssets model of crowdfunding involves creating an interactive platform for the purpose of bringing together property investors to network with Opportunity Providers to co-invest in real estate projects and also to share knowledge and expertise. This is in contrast to other forms of crowdfunding through funding a project or venture by raising small amounts of money from a large number of people, typically via the internet. CoAssets does not crowdfund this way.

CoAssets has attracted Opportunity Providers from different geographic regions and has funded projects from Malaysia, Thailand, Philippines, Australia, United Kingdom, and China. The value of deals listed on the CoAssets Platform is in excess of S\$45 million. To date S\$37 million has been invested in listed deals across approximately 18 deals. There are over 10,100 registered Users of the CoAssets Website.

Based on a report by the International Organisation of Securities Commission (IOSCO), CoAssets’ business model can be deemed as a Client Segregated Account Model (Source: <http://www.iosco.org/research/pdf/swp/Crowd-funding-An-Infant-Industry-Growing-Fast.pdf>)

Under this business model, a funder is matched to an opportunity provider through an intermediary platform and a contract is set up between the individuals with little participation by the intermediary platform. All funds between the stakeholders are separated from the platform’s balance sheet and go through a legally segregated client account, over which the platform has no claims. As such the contractual obligation between Investors and Opportunity Providers are independent of the Website.



Source: IOSCO Research Department

### Client Segregated Account Model

#### 5.8 Co-Investment: Peer-to-peer funding for real estate projects

For Co-Investment, project developers raise funds from Investors to invest into the development projects. CoAssets can fund development at different stages - i.e. land purchase, mezzanine/working capital, pre-launch marketing funding. Opportunity Providers which are corporations may seek financing from investors in the form of promissory notes with face values of not less than S\$100,000 and maturity periods of not more than 12 months.

The developer will put a project up on the Platform stating the term, percentage return and minimum sum required. The funding process will take place over 30 days (any extension will be determined on case-by-case basis). At the end of the funding period, if the minimum is achieved, the Project will be deemed as successful and CoAssets will assist in fund collection from the Investors for distribution to the developer.

As part of the funding process, CoAssets provides standardised legal documents and processes (including requiring the developer to provide a personal guarantee for the loan), administrative support for the collection of the funded sum and distribution of payouts at the end of the term, and recovery process in the event of default.

CoAssets, as the administrator of the P2P Funding platform, offers the following services:

- provides a platform for developers and investors to meet;
- provides a promissory note template;
- remedies any defaults in payment;
- appointment of third party professional debt collectors;
- commencement of legal proceedings to recover debt; and

- facilitates the transfer of funds between Opportunity Providers and Investors.

By participating in P2P Funding Projects, Investors agree to subscribe for promissory notes with face values of not less than S\$100,000 (**Promissory Note Amount**) and maturity periods of not more than 12 months (**Promissory Note Repayment Period**) issued by Opportunity Providers (**Promissory Note**). The Opportunity Providers indicate the minimum amount intended to be raised (**Target Amount**) and Promissory Note Repayment Period in the P2P Funding Project e-listed on the Website.

The minimum investment amount of a P2P Funding Project is determined by each Investor. Upon indicating an interest in a P2P Funding Project, the Investor transfers into an account maintained by CoAssets with a local bank (**CoAssets Account**) the intended investment sum (**P2P Funding Sum**) within 5 business days, failing which CoAssets shall not process the relevant Investor's investment.

The CoAssets Account is a segregated client account specifically set up to hold funds belonging to the Users. CoAssets handles P2P Funding Sums as intermediary. Any investment in P2P Funding Projects is solely the decision of the Investor. CoAssets has the authority to act on behalf of the Investors to remedy any payment defaults, hire third party professional debt collectors to claim unpaid amounts and commence legal proceedings.

When the aggregate of P2P Funding Sums received by CoAssets in the CoAssets Account exceeds the Target Amount within 60 business days of the e-listing of the P2P Funding Project, the relevant P2P Funding Project is deemed successful and the e-listing on the Website will be closed. CoAssets will only release the sums to the Opportunity Providers when the financing target is met, failing which, CoAssets will return the monies back to the Investors. CoAssets will then deliver an electronic copy of the Promissory Note for execution by the respective Opportunity Provider within 5 business days of delivery. Failure to meet these requirements will constitute termination of a P2P Funding Project, upon occurrence of which CoAssets shall refund the P2P Funding Sums to the relevant Investors within 10 business days.

Any payment between Users in relation to a P2P Funding Project is made via the CoAssets Account. Users authorise CoAssets to disburse, without notice, from the CoAssets Account:

- the P2P Funding Sums to the Opportunity Providers upon the successful closing of a P2P Funding Project; and
- any repayment by Opportunity Providers to the Investors on a Promissory Note.

If the Opportunity Provider misses, fails to pay, or only partially pays any payment that is due under the Promissory Note, Users agree that CoAssets has the authority to act as follows:



- to immediately attempt to contact the Opportunity Provider to remedy the default and make such payment within 30 business days of the date on which such payment is due;
- if the payment is not fully paid within 30 business days of the date on which such payment is due, to hire a third party professional debt collector to collect from the Opportunity Provider such unpaid amounts. For the avoidance of doubt, the Investors shall bear all costs and expenses incurred in relation to the services provided by the third party professional debt collectors;
- if the payment is not recovered within 90 business days of the date on which such payment is due, to act on behalf of the Investors to commence legal proceedings against the Opportunity Provider to recover such sums, provided that the Investors have entered into an agreement with CoAssets providing CoAssets with a power of attorney in relation to the recovery of unpaid payments; and
- The role of CoAssets is that of administrator and it does not carry on a deposit taking business.

Any sums recovered, less all costs and expenses incurred are distributed by CoAssets on a pro rata basis amongst the Investors in the relevant P2P Funding Project in accordance to the ratio that the P2P Funding Sums bear to the Promissory Note Amount. In the event that the recovered sums fall short of the amounts due to Investors, Investors shall receive payment in proportion to their contribution to the Promissory Note Amount.

CoAssets does not invest in any Projects or provide any advice on investments, Projects or the raising of funds.

Investing in any Project may be connected with high risk and that all or parts of the investment may be lost. Investing in any Project is solely the decision of the Investors and any such investments may never be realised.

## 5.9 Pre-Sales

Pre-Sales are whole unit sales from the developers before the project is completed. It is also known as off-plan purchase in some countries. The Platform allows developers to advertise their projects online and offline in order to attract buyers for the unit.

### **Investors network and real estate professionals micro-portal**

The Investors network allows Investors to connect and exchange information amongst each other, increasing engagements on the Platform. The micro-portal provides a centralised location for developers and other real estate professionals to showcase their offerings and to advertise their services respectively. Both products allow CoAssets to: collect information on Users' investment preferences; create regional real estate information network to enhance User acquisitions and

engagements; and increase transparency of cross-border investments by allowing discussions and commentaries on the investment deals.

To marry the education and research with the aim of providing value-add advertising, the CoAssets Platform includes a function that allows members to view the advertisements and indicate their 'like' against that advertisement. In this way, members are able to apply their research skills to evaluate the information in the advertisement. The Opportunity Provider will have the benefit of obtaining direct feedback via 'crowd consensus' to indicate the level of interest in their real estate product.

The CoAssets Platform is able to support a situation where an Opportunity Provider who has received many 'likes' to their advertisement wishes to pursue the opportunity, can access the specific database of interested members directly from CoAssets. The contacting of the interested members and any negotiation and transaction is directly between the Opportunity Provider and the interested members, undertaken without the involvement of CoAssets.

#### **5.10 Research tools**

CoAssets provides a range of proprietary tools to empower individuals to assess and evaluate the property market. Research tools allow Investors to better understand an opportunity before investing. Users can also cross-reference with people within a network on what their experiences with a particular Opportunity Provider are.

Currently, CoAssets' research capability covers the Singapore and Malaysian property markets. There are developmental plans to expand the research capability to cover the property markets in Thailand and other Asian countries.

#### **5.11 Crowdfunding expo for property investing and crowdfunding (EPIC)**

EPIC is a real estate investing and crowdfunding expo, bringing project owners, investors and key industry players together. Although EPIC is not a core business of CoAssets, it is offered as a cost neutral approach to marketing the services of CoAssets in new regions. It is also offered as a means to build trust, and credibility as well as to educate users who are new to real estate crowdfunding. The inaugural EPIC 2014 had the support of the Singapore tourism Board and major sponsors included DBS bank and iProperty.com. Twenty exhibitors and 500 Users attended the event. This year, CoAssets intends to run EPIC in Kuala Lumpur in August 2015.

#### **5.12 Crowdfunders Magazine**

Crowdfunders Magazine (offline and online) is the first magazine covering crowdfunding projects/initiatives and leverages off Homebuyers Magazine and its distribution. It provides a media platform for advertising for crowdfunding projects and covering Crowdfunding/P2P Funding projects in South East Asia. The physical magazine has a circulation of 23,000 across Singapore, Malaysia and Indonesia.

### 5.13 Key features of the CoAssets model

CoAssets:

- does not represent any individual Opportunity Provider to promote a specific project for a fee or otherwise;
- does not solicit, collect or pool investment monies of members in the form of physical cash or electronic transfers or by tokens to invest in one or more particular projects.
- Does not, through the CoAssets Platform, facilitate the offer of shares and/or debentures.
- does not operate any collective investment scheme;
- will not issue any prospectus regarding any specific project advertised on the CoAssets Platform;
- is a platform, and does not structure deals. The Platform allows Users to conduct research as well as to find like-minded individuals to partake in Crowdfunding and Bulk Purchase deals. CoAssets does not directly link members to the Opportunity Provider. The members may choose to contact the Opportunity Provider on their own. No real estate transactions are conducted on or through the Platform;
- is not a property development company. It does not solicit any funds for its own projects and does not invest in any of the listed property projects on the Platform;
- is independent as it is not involved in the deal structuring;
- does not do any property brokering and so does not earn commission on Bulk Purchase and Pre Sales transactions; and
- does not collect any funds or deposits (apart from the P2P Funding offers, where it acts as administrator). Any collaboration in relation to the Projects are directly between the Opportunity Providers and Investors. CoAssets does not act as agent for either the Opportunity Providers or the Investors.

### 5.14 How does CoAssets earn revenue?

Co Assets derives revenue from the following:

- Service fees from deals (including but not limited to advertising fees);
- Property expos and events;
- Portal fees (including fees from white label sites and licensing from the use of research tools); and
- Talks, consultancy and courses.

Specifically, CoAssets charges the Opportunity Providers for the following services:

- Premium advertising on CoAssets;

- Micro-site for Customer Relationship Management (CRM);
- Event organising services;
- Event sponsorship (at major events like EPIC);
- Booth spaces at CoAssets events;
- Media coverage and write up;
- Electronic direct mailer blast;
- Interactive tools;
- Membership fees; and
- Crowdfunding administration services.

No fees are charged for listing of Projects, but Opportunity Providers must be registered with the Website, and membership fees apply.

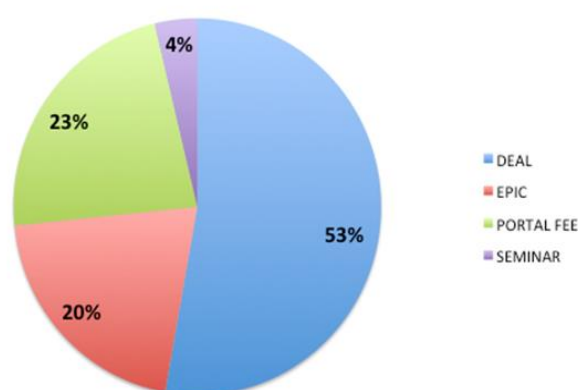
CoAssets reserves the right to invoice an Opportunity Provider notwithstanding that the Project might not have achieved the targeted levels of interest from Investors.

The fee package charged to the Opportunity Provider by CoAssets is derived from CoAssets' projection of scope of work required based on the Opportunity Provider's targeted project value. The fee charged by CoAssets is not pegged to the actual Project value after it is successfully concluded.

CoAssets does not charge Investors any fees or commission for use of the Website, any investment in Projects and any returns on investments in Projects.

CoAssets charges the Opportunity Providers for use of the P2P platform in the form of commission-based fees, pegged to the amounts raised via the P2P platform.

For the period June 2013 to October 2014, CoAssets' sales comprised the following products:




### 5.15 Marketing plans

CoAssets plans to expand its business by growing its presence in new geographic regions in a sustainable manner. It plans to do this by working with key research and media partners in each country. By providing barter services and/or free

research content as a contributor, it will not only give CoAssets free publicity, it will also reinforce the Company's branding as a real estate crowdfunding expert for the region. The other component of the expansion plan is to conduct user events and training. This provides a cost neutral way to promote the company, as attendees can be upsold events and services that will help to defray marketing costs.

(a) Growing the user and Opportunity Provider base

To grow the user base, the Company will constantly expose the CoAssets brand in various channels. To do that, the Company intends to execute the following plan:

S/N	Plan	Details
1	Online Marketing	<p>A total of S\$3,000 a month has been set aside for online marketing. To determine how effective the marketing efforts have been, CoAssets monitors the following indicators on a weekly basis:</p> <ul style="list-style-type: none"> <li>a. Membership;</li> <li>b. Alexa ranking;</li> <li>c. Page view;</li> <li>d. Bounce rate; and</li> <li>e. Time on site.</li> </ul>
2	Contribute article to media channels	<p>At present, CoAssets has a good connection with the Singapore media. To maintain sustained interest in the topic of real estate crowdfunding, CoAssets will contribute biweekly articles to portals like:</p> <ul style="list-style-type: none"> <li>a. Yahoo.com;</li> <li>b. Singapore Business Review; and</li> <li>c. Other relevant and appropriate business sites.</li> </ul>
3	Weekly free training talks to promote CoAssets platform	<p>Based on past experience, CoAssets found that consumers have more confidence to use the Platform if a trainer guides them through the platform usage. Constant meet-ups will also give CoAssets more "face time" with Users and provide more opportunities to upsell any services.</p> 

4	Telemarketing	CoAssets intends to grow a telemarketing team (of 2 people) to follow up new members and clients and also act as customer service support and helpline for users who need help with the Platform.
5	Business Development	CoAssets has 3 Business Development Managers (BDMs). These BDMs are in charge of sales and reaching out to potential Opportunity Providers.
6	Participating in relevant expos	In general, property expos are good for Opportunity Providers and User acquisition. In terms of process, CoAssets accounts will be created for contacts made at those expos and the BDM will keep in touch with them by dropping periodic emails.
7	Running Marketing Promotion	To reinforce the notion of “real estate crowdfunding pays”, CoAssets has a weekly promotion involving a lucky draw from those who logged into CoAssets for the past 1 week. Lucky draw winners will win S\$50 cash. Pictures of the winners are taken and posted on Facebook as well as the CoAssets Website. This is done so that Facebook friends of the winners may be curious to find out more about the lucky draw and become a member of the site. There will be similar promotions and campaigns for the course of the next year to create more awareness for CoAssets.
8	Creating new crowdfunding/peer-to-peer funding media for outreach	CoAssets has launched a bimonthly magazine (Crowdfunders) with a circulation of 23,000 subscribers. In addition, a monthly lifestyle magazine ( <i>Crowdfunders Life</i> ) will be launched focusing on how crowdfunding and peer-to-peer funding are being used in everyday projects (from tech to business to fashion). This is to ensure reach out to the non-tech crowd.  In addition to print media, CoAssets will be partnering with studio to explore using cable TV programs to market the CoAssets platform as well.

Figure 1: Detailed plan to grow user base

(b) Broad schedule for the next 6 months

The indicative timeline for major marketing events for the next 6 months is as follows:

Month	Event
Jun 2015	Launch of Crowdfunders Life Magazine
Jul 2015	EPIC Singapore
Aug 2015	EPIC Malaysia
Oct/Nov 2015	TV pilot (tentative)

Figure 2: Indicative timeline of major marketing events

## (c) Geographical expansion strategy

Typically, the cost of entering into a new market can be quite high. To minimise cost while maximising a chance for success, CoAssets will:

- (i) work with local research and media partners to establish CoAssets' credibility as well as position as a market leader in the field of real estate crowdfunding, by contributing research articles to those agencies; and
- (ii) conduct on-line and off-line User outreach programs. Based on past successes, this has been found to be a useful way to understand the market. During these trainings, the attendees could be upsold events to defray cost as well as to maximise the lifetime value of CoAssets' users.

In 2015, CoAssets will be looking to expand into Malaysia, Indonesia and Australia. In addition to the major marketing events, CoAssets participated in Echelon Indonesia in April 2015 to meet potential partners for Indonesian Expansion. On 9-10 May 2015, CoAssets conducted a joint real estate event with Malaysia real estate partners to generate market awareness for CoAssets. The EPIC Singapore event in July 2015, will involve reaching out to overseas partners and companies to promote their products in Singapore. CoAssets has tentative plans to hold EPIC Malaysia in August 2015 and EPIC Indonesia in March 2016.

## 5.16 Legal Opinion

The Company has obtained a legal opinion (**Legal Opinion**) from Singapore Counsel, Harry Elias Partnership LLP, with respect to the following matters of Singapore law in force as at 3 June 2015:

- (a) Whether the current business model of CoAssets involves:
  - (i) securities and whether offers of securities are involved;
  - (ii) units in a collective investment scheme (CIS) and whether offers of such units are involved;
- (b) Whether CoAssets is:
  - (i) carrying on business in a regulated activity as defined under the Securities and Futures Act (Cap.289)(SFA);
  - (ii) acting as a financial advisor in Singapore in respect of any financial advisory service as defined under the Financial Advisers Act (Cap. 110) (FAA);

- (iii) carrying on the business of moneylending in Singapore (whether as principal or agent) as defined under the Moneylenders Act (Cap.188) (MLA);
- (iv) in the course of carrying on a deposit-taking business as defined under the Banking Act (Cap.19) (BA),

all of which require a licence or be exempt under certain conditions from licensing conditions, prior to the commencement of such business activities.

In summary, the Legal Opinion is that:

- (a) the promissory notes fall within the carve-outs of the definition of “debentures” and therefore do not constitute debentures, and thus, Securities, under the SFA. If no securities are involved in the platform, it logically follows that it would not be possible to make any such offer of securities within the meaning of section 239(6) of the SFA. Any promotion of the P2P deals in the media will not contravene the advertising restrictions in the SFA.
- (b) the business model of CoAssets does not constitute a CIS.
- (c) on the basis that the business model of CoAssets does not involve any offer of securities, CoAssets is not carrying on business in a regulated activity requiring a capital markets services licence or providing financial advisory service requiring a financial adviser’s licence.
- (d) as membership as Opportunity Providers on the CoAssets platform is limited only to Corporations, any lending activities by the Investors would more likely than not fall within the “excluded moneylender” category, which rebuts the presumption and exempts any licensing requirements for any money lending activities under the MLA.
- (e) although CoAssets handles funds between Opportunity Providers and Investors as part of its P2P platform, it does not do so on a day-to-day basis. Such funds are handled as and when there are opportunities made available on the Website, by the Opportunity Providers. Investors only transfer funds to CoAssets as crowdfunding intermediary when they intend to invest and when there are active deals. Further, monies are returned in the event that a deal is unsuccessful for any reason. It is unlikely that CoAssets can be said to be carrying on a deposit-taking business within the ambit of the BA.

The Legal Opinion has been lodged with ASIC under section 712 of the Corporations Act. Copies of the Legal Opinion can be obtained for no cost from the Company by phoning +61 8 9486 4036 during business hours.

## 5.17 Material contracts

Set out below is a summary of the material contracts entered into by the Company.

- (a) Sale and Purchase Agreement between the Company and CoAssets



On 12 May 2015, the Company entered into a sale and purchase agreement (**Sale and Purchase Agreement**) with each shareholder of CoAssets pursuant to which the Company agreed to purchase all of the shares in CoAssets on the basis of 10 Company shares for every 1 share held in CoAssets. The Sale and Purchase Agreement was subject to the following conditions:

- (i) The holders of all of CoAssets issued share capital agreeing to sell their shares to the Company in accordance with the terms of Sale and Purchase agreement.
- (ii) CoAssets receiving (as escrow agent) original share certificates and executed share transfer forms for all of the Sale Shares.
- (iii) NSX issuing a conditional letter of admission of the Company's shares to the official list of NSX, subject to conditions satisfactory to the Company.

If these conditions are not satisfied by 30 June 2015 (or such other date as the Company and CoAssets agree), the Sale and Purchase Agreement will be at an end. Conditions (a) and (b) have been satisfied. In the event condition (c), (a condition subsequent), is not satisfied, the Acquisition may be unwound.

(b) **Minerva Services Agreement**

On 17 February 2015, Co Assets Pte Ltd entered into a Services Agreement with Minerva Corporate Pty Ltd (**Minerva**) of which Daniel Smith and Chen Chik (Nicholas) Ong (each a Director) are directors and shareholders. Pursuant to this agreement, Minerva will provide company secretarial and accounting services to the Company for a monthly retainer of S\$3,127 (excl GST) for an initial period of 12 months. Minerva will also be reimbursed for reasonable expenses incurred in connection with the discharge of its obligations under the agreement.

## 5.18 Sufficiency of working capital

The Directors are of the opinion that the Company will have enough working capital to carry out its business objectives as described in this Prospectus.

## 5.19 Shareholding structure

The current shareholding structure of the Company is as follows:

	No.	No. of Shares	%
<b>Directors<sup>1</sup></b>			
<i>Executive Directors</i>			
Seh Huan Kiat	2	35,421,030	27.12
Getty Te Win Goh		45,416,810	34.77
<i>Independent Non-executive Directors</i>	2		

Chen Chik (Nicholas) Ong		Nil	0
Daniel Smith		Nil	0
Independent shareholders <sup>2</sup>	55	33,923,200	25.96
Other Existing Shareholders	2	15,869,971	12.15

**Notes:**

<sup>1</sup> Details of Directors' shareholdings are set out in section 7.2 below.

<sup>2</sup> Independent shareholders are not associates of the Directors and are not substantial shareholders.

## 5.20 Substantial Shareholders

The following are substantial shareholders (as defined in the NSX Listing Rules) of the Company:

Shareholder	Current	
	No. of Shares	%
Getty Goh	45,416,810	34.77
Seh Huan Kiat	35,421,030	27.12
Expara IDM Ventures II	11,481,640	8.79
Expara IDM Ventures III	438,833	3.36
Total	96,707,810	74.04

CoAssets was incubated by Expara IDM Ventures Pte Ltd (**Expara**), a venture fund established in Singapore in 2003 which focuses on the interactive and digital media space.

## 5.21 Employee Share and Option Plan

The Company does not presently have an employee share and option plan but may consider implementing one following listing.

## 5.22 Dividend policy

The Company does not intend to pay dividends on securities for the financial year ending 2015 (the first financial year following incorporation of the Company).

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors. However, where possible, the Directors intend to adopt a policy of declaring the highest possible rates of dividends after taking into account factors such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors.

### **5.23 Company tax status and financial year**

The Company will not carry on business in, or operate with management control out of, Australia. Hence, the Directors do not expect the Company to be considered a tax resident in Australia.

From the next financial year, the financial year of the Company will end on 30 June annually.

### **5.24 Litigation**

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, the Company or its subsidiary or its controlled entity is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company, its subsidiary or its controlled entity.

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## 6 RISK FACTORS

An investment in the Company is not risk free. Before deciding to trade in the Shares, Shareholders and interested investors should read the entire Prospectus, consider at least the following risk factors in light of their personal circumstances and investment objectives (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional advisor.

The operating and financial performance and position of the Group, the value of Shares and the amount and timing of any dividends that the Company may pay will be influenced by a range of factors. Many of these factors will remain beyond the control of the Group and the Directors. Accordingly, these factors may have a material effect on the Group's performance and profitability which may cause the market price of Shares to rise or fall over any given period.

This section identifies the areas the Directors regard as major risks associated with an investment in the Company. This list is not intended to be an exhaustive list of the risk factors to which the Group is exposed.

### 6.1 Specific risks

In addition to the general risks outlined below, there are specific risks associated with the Group's existing and proposed business operations. These include:

(a) Limited operating history

The Company was established in March 2015. At completion, the Company's principal operating subsidiary will be CoAssets, which has only been in operation since 2013. Though CoAssets has generated revenue, there is a risk that its products and services will not generate sufficient revenue or be profitable.

(b) Concentration of ownership

The Company's executive directors, Dr Seh Huan Kiat and Mr Getty Goh respectively hold 27.12% and 34.77% of the Company's issued share capital. They are in a position to exercise substantial influence over matters requiring shareholder approval, including the election of directors, and in so doing, may not act in the best interests of minority shareholders. The concentration of ownership may also discourage, delay, or prevent a change in control of the Company, which would deprive the Company's shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company and might reduce the price for the Company's Shares.

(c) CoAssets may be unable to attract sufficient traffic to its Website.

The attractiveness of CoAssets platform is influenced by CoAssets ability to draw consumers, investors and opportunity providers to its Website. A decline in the level of traffic to the Website could have a material adverse

effect on CoAssets ability to generate revenue from the services it provides through its Website.

There are a variety of factors than can negatively affect the volume of traffic to the Website, which include:

- Any changes to the algorithms or terms of service of search engines such as Google, which cause the Website either to be ranked lower or be excluded from search results presented on those search engines can lead to a significant decline in traffic to the CoAssets Platform.
- Search engines are a key driver of consumer traffic to the CoAssets platform and so CoAssets depends heavily on strong organise search rankings for its Website. If CoAssets is unable to quickly identify and adapt to any adverse changes in its search results, this may have a material adverse effect on the level of traffic received on CoAssets Website.
- If the Company's marketing and advertising activities are not effective in attracting consumers to its Website, this can also lead to a reduction in the level of traffic.
- Negative publicity that affects consumer confidence in the CoAssets brand may also detract from the level of traffic to its Website, as could a failure of the Company's information, technology and communication systems that result in the Website being unavailable for a prolonged period of time.
- The degree of success of CoAssets' investments in advertising and marketing campaigns across both online and traditional media in establishing, maintaining and developing its brand. There is no guarantee that these activities will be successful and if they are not, this may affect the volume of traffic to its Website.

(d) Reliance on Website

The Company's business is largely dependent on its Website, which in turn depends on the performance, reliability and availability of its information technology and communications systems. These systems may be adversely affected by factors including damage, equipment faults, power failure, computer viruses, misuse by employees or contractors, external malicious intervention such as hacking, fire, natural disasters or weather interventions

(e) Reputation risk and damage to the CoAssets brand

CoAssets was officially launched in July 2013 as a web-based real estate education, research, advertising and targeted leads generation platform. CoAssets does not provide advice on the viability or the commercial merits of any projects and does not act as agent for either the Opportunity Providers or the Investors. Any collaboration in relation to the Projects is

directly between the Opportunity Providers and the Investors. Notwithstanding this, CoAssets' business and brand are closely linked to the provision of opportunities from various Opportunity Providers. There is a risk of damage to CoAssets' reputation and brand arising from any association with its Opportunity Providers or other associates, which is perceived by consumers to be inappropriate, unsuccessful, unethical or inconsistent with CoAssets' business values.

In particular, unsuccessful or incomplete Projects or default by an Opportunity Provider in relation to the P2P lending may impact negatively on the CoAssets brand and reputation. The Company manages this risk by conducting background checks on Opportunity Providers and in the case of P2P funding, by mandating a personal guarantee from the Opportunity Provider during the funding process, and initiating an investment recovery process on behalf of Investors in the case of any such default, any of the above factors could cause damage to the CoAssets brand and may lead to negative publicity, loss of revenue and loss of existing and potential business. Sustained reputational damage could have a material adverse impact on the Company's financial performance as a result of reductions in revenue and an impact on its ability to make sales on the future.

(f) Property market risk

The Company's business model is dependent in part on Opportunity Providers providing opportunities for Investors to invest in real property assets and demand by Users for opportunities in the property market. Market conditions and location of the assets may impact of the attractiveness of those real property opportunities. General economic and regulatory factors which are beyond the control of the Company may also have an impact on property market conditions, consumer sentiment and may affect demand and supply.

(g) Property development risk

The real property developments in which Investors may invest will be managed by third party developers. Notwithstanding that the Company has no input on the planning, marketing and construction of those developments, if the third party developers fail to develop the properties to an acceptable standard or manage their business suitably, this may produce adverse outcomes for Investors and in turn affect the CoAssets brand.

(h) Competitive activity

CoAssets' business is characterised by innovation, rapid change and disruptive technologies. The Group operates in a competitive market even though it is the first such platform in Southeast Asia. Competition in the crowdfunding industry is based on factors such as price, perceived service quality and brand name recognition. The Group faces competition in the domestic market in which there are new entrants to the industry and some may have greater financial, marketing and other resources than the Group

has. The Group's success depends on its ability to continue competing effectively against these competitors. CoAssets aims to do this by building a highly competent and driven regional sales/business development team and investing in robust IT infrastructure as a differentiator. Should there be any significant increase in competition or in the event that the Group is not able to compete effectively against other competitors or cope with changing market conditions by maintaining operating efficiency and improving price competitiveness, the Group's revenue and profit margins may be adversely affected.

The Company recognises that the competitive advantages it considers it has will not last indefinitely. To maintain its lead, it recognises the need to invest in capabilities to differentiate itself from other potential real estate crowdfunding sites in the region.

- (i) Exposure to regulatory differences and changes in existing regulatory frameworks

The Company plans to expand CoAssets' operations into various countries including Malaysia, Indonesia and Australia. There is a risk that the laws and regulations of other jurisdictions may place restrictions on the Company's activities which may constrain the Company's expansion plans. Further, any changes to the existing regulatory framework could result in increased compliance and administrative costs for the Company which could impact adversely on the financial viability of the business.

- (j) Key personnel

The prospects of the Group depend, in part, on the entrepreneurial drive and business experience of key executives. These key personnel include both existing executive founding directors. There can be no assurance that the Group will be able to retain these key personnel. The loss of a number of key personnel without replacement by, or the inability to recruit and retain, persons of similar technical skills and experience may have an adverse effect on the business. The proposed listing of the Company in part seeks to place CoAssets, which on completion will be a wholly owned subsidiary of a publicly listed company, in a better position to provide a more attractive career path for these key personnel in order to retain them. This risk is further mitigated to the extent that the executive founding directors are both substantial shareholders in the Company and their interests are aligned with those of the Company.

- (k) Internal controls

The system of internal controls currently implemented by CoAssets is designed for the operations of an owner-managed enterprise. It comprises a number of undocumented procedures which require the substantial hands-on involvement of the owner-manager. The Directors are of the opinion that while this system of internal control is adequate and effective for the current level of operations, it may become inadequate after the Group's

business expands. The Group's internal controls, including internal financial reporting procedures, are continuously being developed and the Group will need to allocate significant resources to meet the standards of internal controls expected of a larger publicly listed company. If the Group is not able to improve and subsequently maintain the quality of the Group's internal controls, any weaknesses could materially and adversely affect the Company's ability to properly manage the operations of the Group, provide timely and accurate information about the Group's operations and finance, and could cause the Group to be susceptible to internal fraud. The Directors will continuously review the Group's system of internal controls and ensure that they are developed to, and maintained at, a level of quality appropriate for a publicly listed company of comparable size and scale of operations. Further, to mitigate risks associated with compliance with continuous disclosure obligations, the Board proposes to implement efficient and robust internal controls, including adopting the NSX Corporate Governance Council's recommendations on risk management and internal controls.

(l) Growth

Expansion of the Group's business potentially involves the Group attracting new Users and new Projects offered by Opportunity Providers. The effectiveness of the Group's operations in User and Project listings will require the Group to continue to improve, and where appropriate, upscale its operational and financial systems, procedures and controls as well as expand, retain, manage and train its employees. There is a risk of a material adverse effect on the Group's financial performance if it is not able to manage its growth efficiently and effectively.

(m) Currency and foreign exchange

Revenue generated, and capital and operating costs incurred, by the Group will largely be denominated in Singapore's currency, the Singapore Dollar. The Group expects to report financial results in Singapore Dollars.

(n) Political, economic and social reforms

There is no assurance that any change that occurs as a result of political, economic or social reforms in Singapore will have a positive effect on Singapore's economic development or that the Group's operating companies will benefit from or will be able to capitalize on these reforms.

## 6.2 General investment risks

In addition to the above specific risks associated with the Group's existing and proposed business operations there are also general risks associated with an investment in the Shares. These include:

(a) Investment in securities



Shareholders and interested investors should be aware that there are risks associated with any investment in securities such as the Shares, and should recognise that the price of securities may fall as well as rise. In particular, the trading price of securities at any given time may be higher or lower than the price paid by the investor for these securities. Further, there can be no assurance that an active trading market will develop in the Shares.

Many other factors will affect the price of the Shares, including general fluctuations in the performance of local and international stock markets, movements in interest and exchange rates, general as well as industry-specific economic conditions and investor sentiment. Stock markets have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies. There can be no guarantee that trading prices and volumes of any securities will be sustained. These factors may materially affect the market price of the Shares, regardless of the Group's operational performance.

No guarantee can be given by the Company in respect of the payment of dividends, any returns of capital or the market value of the Shares. Such issues are dependent on the Group's performance after listing, the control of costs and the need for working capital and other funding requirements.

(b) Economic risk

Changes in the general economic climate in which the Group operates may adversely affect the financial performance of the Group. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Group, industrial disruption and the rate of growth of the gross domestic product in Singapore where it operates, interest and exchange rates and the rates of inflation.

No assurances can be given or forecasts made regarding the continuing growth experienced by the Singapore and broader South East Asian economies nor whether or when it will slow materially or shrink. If the Singapore economy does not continue to grow or if it slows materially, stops growing or goes into recession, there may be a diminished market for the Group's services. This would have a material adverse effect on the performance and profitability of the Group.

(c) Risk of shareholder dilution

In the future, the Company may raise capital by the issue of equity securities in the Company. While the Company will be subject to the Listing Rules regarding the percentage of capital it may issue within a 12 month period (other than where exceptions apply), shareholders may be diluted as a result of any future capital raising via the issue of equity securities.

(d) Changes in legislation and government regulation

The introduction of new legislation or amendments to existing legislation and regulations by governments, and the decisions of courts and tribunals,

can impact adversely on the operations and, ultimately, the financial performance of the Group. Financial and economic changes such as changes in both monetary and fiscal policies, import regulations and tariffs, taxation, methods of taxation and currency exchange could affect the profitability of the Group and adversely affect the return to Shareholders.

The Monetary Authority of Singapore (the **Authority**) has issued the following consultation papers: (i) in July 2014, in relation to “Proposals to Enhance Regulatory Safeguards for Investors in the Capital Markets”; and (ii) in February 2015, in relation to “Proposed Amendments to the Securities and Futures Act” and “Facilitating Securities Based Crowdfunding”.

The SFA and FAA sets out the regulatory framework of the Authority on the offer and distribution of capital markets products, such as shares, debentures and units in collective investment schemes. The Authority seeks to protect investors by requiring offerors to disclose material information to investors to enable them to make well-informed decisions. It also seeks to ensure that intermediaries are competent and deal with their clients fairly.

In recent years, the Authority has observed a number of non-conventional products being offered to consumers as alternative investments. Some of these products exhibit essentially the same characteristics as regulated capital markets products, but are deliberately structured in a way that takes them outside the regulatory perimeter of the SFA. These typically involve consumers taking a direct interest in physical assets (as opposed to a securitised interest with the physical asset as underlying). However, the Authority is of the view that where products are being offered to consumers as investments, sufficient information should be provided to consumers on how the projected returns are made, the expected investment horizon and exit options available to guide consumers in making informed decisions. Products that display similar characteristics as capital markets products should accordingly be subject to the requirements built into the SFA, such that consumers enjoy the regulatory safeguards when being offered such products.

In the July 2014 paper, there are anticipated changes to the definition of ‘collective investment scheme’ in the SFA and in the February 2015 papers, changes to the definition of “debenture”, which may in turn have an impact upon the exemptions from the prospectus and licensing requirements that CoAssets has been relying on, and the business model of CoAssets.

Generally, if “debenture” as defined in the SFA is amended to include promissory notes in the form made available on the CoAssets platform and “collective investment scheme” as defined in the SFA is amended to include collectively managed investment schemes of any property including real estate projects made available on the CoAssets platform, there may be: (a) an offer of securities in offering the promissory notes to the Investors; (b) CoAssets would be seen as dealing in securities by operating a securities-

based crowdfunding platform facilitating offers of securities to investors; (c) all offers of securities are subject to prospectus requirements unless a safe harbour exemption can be invoked; (d) the collective investment schemes would have to be authorised (or recognised for overseas constituted schemes) with the Authority accordingly. Such schemes will have to comply with the Code on Collective Investment Schemes and be managed by a licensed fund manager or real estate investment trust manager who is fit and proper; and (e) dealing in securities (including debentures and collective investment schemes) is a regulated activity subject to licensing requirements under the SFA, unless exempted. The Opportunity Providers would also have to comply with the prospectus and licensing requirements.

Please click on <http://www.mas.gov.sg/news-and-publications/consultation-paper.aspx> for the full consultation papers.

(e) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

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

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## 7 DIRECTORS AND CORPORATE GOVERNANCE

### 7.1 Directors

The Company is managed by the board of Directors which currently comprises four directors, namely:

Name	Age	Designation
Getty Goh	37	Executive Director
Seh Huan Kiat	40	Executive Director
Chen Chik (Nicholas) Ong	36	Non-executive Chairman
Daniel Smith	31	Non-executive Director

The business and working experience of each Director is summarised below:

(a) Getty Goh (appointed 18 March 2015)

Getty Goh is the Chief Executive Officer and co-founder of CoAssets. He holds both a Bachelor in Building Science and a Masters of Real Estate from National University of Singapore. Before founding CoAssets Getty founded Ascendant Assets Pte Ltd in 2008, a real estate research firm providing research and reports to Singapore realtors and property portals. Getty has published 3 books on real estate investments and regularly shares his views with both local and international media such as Channel News Asia, and the Wall Street Journal.

Mr Goh resides in Singapore.

(b) Seh Huan Kiat (appointed 18 March 2015)

Dr Seh is a co-founder of CoAssets. He holds a Bachelor's degree from Imperial College London and a PhD from Massachusetts Institute of Technology. Before working on CoAssets, he worked at Intel for 6 years, managing suppliers in Japan and Taiwan. During that time he deployed and managed supplier data portals for rapid manufacturing data exchanges and real-time reporting. Dr Seh is in charge of product and IT architecture design.

Dr Seh resides in Singapore.

(c) Chen Chik (Nicholas) Ong (appointed 18 March 2015)

Nicholas Ong was a Principal Adviser at the Australian Securities Exchange in Perth and brings ten years' experience in listing rules compliance and corporate governance. He was an active member of the ASX JORC Group and has overseen the admission of over 100 companies to the official list of the ASX. Nicholas is a member of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia.

Mr Ong resides in Western Australia.

(d) Daniel Smith (appointed 18 March 2015)

Daniel Smith is a member of the Governance Institute of Australia with a background in finance. He has primary and secondary capital markets expertise, having been involved in a number of IPOs and capital raisings.

Daniel is currently a non-executive director of Fraser Range Metals Group Ltd and Taruga Gold Limited, and he is also a director of Minerva Corporate, a private corporate consulting firm. Mr Smith was a director of York Energy NL which appointed a voluntary administrator in June 2013.

Mr Smith resides in Western Australia.

The secretary to the Board also acts as the Company's chief compliance officer. The current secretary to the Board is:

(e) Samuel Edis (appointed 18 March 2015)

Samuel Edis trained in law in London before moving to Perth and is an associate member of the Governance Institute of Australia. Samuel is also Company Secretary of Minerals Corporation Limited, Fraser Range Metals Group Limited and Taruga Gold Limited.

## 7.2 Directors' holdings

On Completion, the Directors' interests in Shares of the Company will be as follows:

	Directly Held	Indirectly Held
Getty Goh	45,416,810	Nil
Seh Huan Kiat	35,421,030	Nil
Chen Chik (Nicholas) Ong	Nil	Nil
Daniel Smith	Nil	Nil

## 7.3 Remuneration received by the Directors and their related entities

The Directors will be paid the following remuneration by the Company:

	Directors' fees per annum	Wages, salaries and/or bonuses	Benefits paid in the previous 2 years prior to the date of this Prospectus
Getty Goh	S\$90,000	Nil	S\$72,000
Seh Huan Kiat	S\$90,000	Nil	S\$72,000
Chen Chik (Nicholas) Ong	S\$12,510	Nil	Nil
Daniel Smith	S\$12,510	Nil	Nil

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

#### **Non-executive Director letter of appointment - Chen Chik (Nicholas) Ong**

The Company has entered into a non-executive letter of appointment with Nicholas Ong effective on and from 18 March 2015, pursuant to which he is appointed as Non-executive Chairman of the Company. Nicholas Ong will be paid an annual Director's fee of S\$12,510. An additional hourly rate of S\$156 (plus GST), capped at S\$1042 (plus GST) per day, will apply to all work performed in excess of one day per month. He will also be reimbursed for reasonable expenses in carrying out his duties.

#### **Non-executive Director letter of appointment - Daniel Smith**

The Company has entered into a non-executive letter of appointment with Daniel Smith effective on and from 18 March 2015, pursuant to which he is appointed as a Non-executive Director of the Company. An additional hourly rate of S\$156 (plus GST), capped at S\$1042 (plus GST) per day, will apply to all work performed in excess of one day per month. Daniel Smith will be paid an annual Director's fee of S\$12,510. He will also be reimbursed for reasonable expenses in carrying out his duties.

### **7.4 No other Directors Interests**

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of 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 Offer; or
- (c) the Offer; and
- (d) no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:
  - (i) to a Director or proposed Director to induce him or her to become, or to qualify as, a Director; or
  - (ii) for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

### **7.5 Corporate Governance Statement**

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. Disclosure of these corporate governance practices will be given in accordance with the Listing Rules.

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## **8 DETAILS OF THE OFFER**

### **8.1 Offer**

Under this Prospectus, the Company invites investors identified by the Directors to apply for 1,000 Shares at an issue price of A\$0.10 per Share to raise up to approximately A\$100 (before costs).

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

### **8.2 Purpose of the Offer**

The Company has 130,630,011 Shares on issue. Of those, 130,630,010 Shares were issued to the vendors of CoAssets pursuant to a sale and purchase agreement entered into on 12 May 2015. The Shares were issued without disclosure under Chapter 6D the Corporations Act.

The Company is seeking to raise only a nominal amount of A\$100 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The purpose of this Prospectus and Offer is to facilitate secondary trading of Shares previously 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 and to comply with the requirements of admission to the NSX.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to offer those securities for sale within 12 months of their issue.

Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors where:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
  - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) The prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

The purpose of this Prospectus and Offer is to comply 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.



### **8.3 Opening and Closing Dates of the Offer**

The Opening Date of the Offer will be 11 June 2015 and the Closing Date will be 30 June 2015 at 5:00pm WST, unless otherwise extended.

The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

### **8.4 Application for Securities**

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of A\$0.10 per Share.

Completed Application Forms and accompanying cheques must be mailed the Company as follows:

#### **Delivery by post**

PO Box 7653  
Cloisters Square  
Perth WA 6850

Cheques should be made payable to “CoAssets Limited - Share Offer Account” and crossed “Not Negotiable”. Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

### **8.5 Minimum subscription**

There is no minimum subscription in respect of the Offer.

### **8.6 Allocation and Allotment of Shares**

The issue of Shares under the Offer will take place as soon as practicable after the Closing Date. Application Moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the Application Monies will be for the benefit of the Company and will be retained by the Company irrespective of whether any shares are issued and each applicant waives the right to claim any interest.

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 allocations.

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

The Company reserves the right not to proceed with the Offer or any part of it at any time before the allocation of the Shares to Applicants. If the Offer or any part of it is cancelled, all Application Moneys, or the relevant Application Moneys will be refunded.

The Company also reserves the right to close the Offer or any part of it early, or extend the Offer or any part of it, or accept late Applications Forms either generally or in particular cases.

#### **8.7 Underwriter**

The Offer is not underwritten.

#### **8.8 NSX**

In February 2000, NSX became the second stock exchange to be approved under the then Corporations Law in Australia and is licensed under the Corporations Act. NSX is a fully operational and fully regulated stock exchange. NSX creates a market for a wide range of interests including alternative investments and traditional equity securities. The investments listed by NSX cover various areas of the economy that require a market platform. NSX is focused on listing small to medium-sized enterprises, as there is a great need for growth entities to have a capital market in which they can raise further capital and provide a mechanism for the transferability of shares or other listed interests.

Additional information about NSX and the market which it operates can be obtained on its website ([www.nsx.com.au](http://www.nsx.com.au)).

#### **8.9 NSX Listing**

The Company will apply to NSX within 7 days of the date of this Prospectus for admission to the Official List and for official quotation of its Shares on NSX. If NSX does not grant permission for the quotation of the Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In these circumstances, all applications will be dealt with in accordance with the Corporations Act including the return of all application moneys without interest.

The fact that NSX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or Shares now offered for subscription.

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

The Directors expect that trading of the Shares on the stock market conducted by NSX will commence as soon as practicable after approval for admission to the Official List of NSX is granted and all conditions (if any) applicable thereto have been fulfilled.

### **8.10 Applicants outside Australia**

The distribution of the Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of the Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities law. Applicants who are resident in countries other than Australia 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 to enable them to acquire New Options.

The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

### **8.11 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.

### **8.12 Nominated Adviser**

Companies intending to list on NSX are required to have a Nominated Adviser. It is contemplated that, with a Nominated Adviser for each entity, investors will be offered better protection because Nominated Advisers are required to make sure that companies meet the ongoing requirements for listing on NSX and the

requirements of the Act. The Company has appointed Kings Park Corporate Lawyers as Nominated Adviser.

### **8.13 Restricted securities**

The NSX may classify certain securities as being subject to the restricted securities provisions of the Listing Rules. In particular, Directors, other related parties and promoters may receive escrow on securities held by them for up to 24 months from the date of quotation of the Company's Shares on NSX.

None of the Shares offered under this Prospectus will be treated as restricted securities and will be freely transferable from their date of allotment.

The Company has no voluntary escrow arrangements in place.

### **8.14 Rights and liabilities attaching to Shares**

Full details of the rights and liabilities attaching to the Shares are:

- (a) detailed in the Company's Constitution, copies of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by Australian law (in particular the *Corporations Act 2001*), the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the 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.

#### **(a) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there is only one class of shares), at meetings of Shareholders of the Company:

- (i) Each Shareholder who is entitled to vote may vote in person or by proxy;
- (ii) On a show of hands, every person present who is a Shareholder or a proxy of a Shareholder has 1 vote; and
- (iii) On a poll, every person present who is a Shareholder or a proxy of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, have 1 vote.

#### **(c) Dividends**

The Directors may declare that a dividend is to be paid to Shareholders entitled to the dividend. Dividends are payable out of profits. Dividends declared will (subject to any special rights or restrictions attached to a class of shares created as to any arrangement as to dividend) be payable on shares in accordance with the Corporations Act.

(d) Future issues of securities

Subject to the Constitution and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(e) Transfer of Shares

Subject to the Constitution, the Corporations Act, the Listing Rules and the ASX Settlement Rules, a shareholder may transfer Shares by a transfer document duly stamped (if necessary) in writing in any usual or common form or in any other form approved by the Directors and delivered to the Company.

(f) Future Increases in Capital

Without prejudice to any special rights conferred on the holder of any Shares, and subject to the Listing Rules, and the Constitution, and prior Shareholders' approval being granted at a general meeting of Shareholders, the Directors may allot and issue such number of shares or class or Shares and on such terms as they see fit.

(g) Variation or Cancellation of Rights

Subject to the Corporations Act and Listing Rules, all or any of the rights attached to a class of shares (unless otherwise provided by the terms of issue of shares of that class) may be varied or cancelled with the consent in writing of the holders of at least 75% of the shares issued in that class or with the sanction of a special resolution passed at a meeting of holders of the shares in that class. In relation to any meeting to approve that resolution, the necessary quorum is the holders present personally or by proxy, attorney or representative and entitled to vote in respect of at least 5% of the issued shares of that class.

(h) Meetings and Notices

Annual General Meetings of the Company are to be held in accordance with the Corporations Act and the Listing Rules. Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, and other documents required to be sent to shareholders under the Constitution, Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Constitution.

(i) Election of Directors

There must be a minimum of 3 Directors, and until otherwise determined by the Company in general meeting, no more than 10. The Election of Directors must be by resolution of the company in general meeting. At every annual general meeting one-third of the Directors (rounded to the nearest whole number) must retire from office. If the Company has less than 3 Directors, 1 Director must retire from office together with any Director who would have

held office for more than 3 years if that Director remains in office until the next general meeting. These retirement rules do not apply to the managing director, but if there is more than 1 managing director, only 1 is entitled not to be subject to this requirement.

(j) Winding Up

If in a winding up there remains assets available for distribution to members, then subject to the rights of holders of shares (if any) issued with special rights in a winding up, the Constitution, the Act and the Listing Rules, those assets will be distributed among members in proportion to the amount paid up on Shares held by them.

(k) 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.

(l) Alteration to the Constitution

The Constitution can be amended by a special resolution. At least 28 days written notice, specifying the intention to propose the resolution as a special resolution, must be given. At least 75% of the votes cast by members entitled to vote and present must be in favour of the resolution for it to be passed.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## 8.15 CHESS

NSX has established a transfer service agreement between NSX and ASX CHESS. This agreement recognises the NSX as an Australian market operator pursuant to the ASX Settlement and Operating Rules and allows NSX to be a recipient of the transfer service provided by ASX.

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in

accordance with the ASX Settlement Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored subregister and an electronic CHESS subregister. These 2 subregisters together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive holding statements that set out the number of Shares each Shareholder owns. If a Shareholder is broker-sponsored, ASX Settlement will send the shareholder a CHESS statement. This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (SRN) in the case of a holding on the issuer-sponsored sub-register.

A CHESS statement or issuer-sponsored statement will routinely be sent to Shareholders at the end of every calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time; however a charge may be imposed for additional statements.

#### 8.16 Expenses of the Offer

The total estimated expenses of this Offer are estimated to be S\$118,336 consisting of the following:

Nature of Expense	Estimated Amount (S\$)
Legal Fees (including fees for offshore lawyers) and NOMAD fees	45,349
Investigating Accountants	15,638
Share registrar	3,127
Prospectus design and printing	5,064
NSX application fee	33,219
ASIC filing fee	2,387
Corporate Advisor	10,425
Other miscellaneous expenses	3,127
Total	118,336

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## **9 FINANCIAL INFORMATION**

### **9.1 Introduction**

This section summarises the Group's selected financial information from the audited financial statements for the periods ended 31 August 2014 and 31 January 2015, as well as the pro forma financial information.

The financial information has been prepared in Singapore Dollars and in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act.

The information set out in this section and the pro forma financial information should be read together with:

- (a) the risk factors described in section 6;
- (b) the Investigating Accountant's Report on the Historical and Pro Forma Financial Information set out in section 10; and
- (c) the other information contained in this Prospectus.

### **9.2 Audited Financial Statements**

The historical financial information has been extracted from the Company's audited financial reports for the periods ended 31 August 2014 and 31 January 2015, which were reviewed by HLB Mann Judd (WA Partnership), in accordance with Australian Auditing Standards applicable to review engagements.

### **9.3 Historical and pro forma consolidated statement of comprehensive income**

The historical statement of comprehensive income has been extracted from the audited financial statements of the Company for the periods ended 31 August 2014 and 31 January 2015.

The pro forma consolidated statement of comprehensive income for the period ended 31 January 2015 reflects the significant events and proposed transactions as set out in the Investigating Accountant's Report, as if they had occurred as at 31 January 2015.

### **9.4 Historical and pro forma consolidated statement of cash flows**

The historical statement of cash flows has been extracted from the audited financial statements of the Company for the periods ended 31 August 2014 and 31 January 2015.

The pro forma consolidated statement of cash flows for the period ended 31 January 2015 reflects the significant events and proposed transactions as set out in the Investigating Accountant's Report, as if they had occurred as at 31 January 2015.



## **9.5 Historical and pro forma consolidated statement of financial position**

The historical statement of financial position has been extracted from the audited financial statements of the Company for the periods ended 31 August 2014 and 31 January 2015.

The pro forma consolidated statement of financial position as at 31 January 2015 reflects the significant events and proposed transactions as set out in the Investigating Accountant's Report, as if they had occurred as at 31 January 2015.

## **9.6 Pro forma consolidated share capital**

The pro forma share capital and number of Shares issued as at 31 January 2015 reflects the significant events and proposed transactions as set out in the Investigating Accountant's Report.

If the Company is successful in raising the nominal amount of A\$100 under this prospectus, the Company's share capital will increase by 1,000 fully paid shares.

## **9.7 No prospective financial forecasts**

The Directors have considered the matters outlined in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings because the variable and uncertain nature of the Company's revenue. 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.

Notwithstanding the above, this Prospectus includes, or may include, forward looking statements including, without limitation, forward looking statements regarding the Company's financial position, business strategy, and plans and objectives for its business and future operations (including development plans and objectives), which have been based on the Company's current expectations. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future.

Matters not yet known to the Company or not currently considered material to the Company may impact on these forward looking statements. These statements reflect views held only as at the date of this Prospectus. In light of these risks, uncertainties and assumptions, the forward-looking statements in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements



Accountants | Business and Financial Advisers

26 May 2015

The Board of Directors  
CoAssets Limited  
Level 2  
1139 Hay Street  
WEST PERTH WA 6005

Dear Sirs

## **INVESTIGATING ACCOUNTANT'S REPORT - COASSETS LIMITED**

### **INTRODUCTION**

This Investigating Accountant's Report ("Report") has been prepared for inclusion in a prospectus to be issued by CoAssets Limited ("CoAssets" or "the Company") and to be dated on or about 28 May 2015 ("Prospectus") in relation to the Company's proposed listing on the National Stock Exchange of Australia ("NSX"). The Company is seeking to raise only a nominal amount under the Prospectus. Accordingly, the purpose of the Prospectus is not to raise capital. The purpose of the Prospectus is to facilitate secondary trading of the Company's shares previously issued by the Company.

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of CoAssets Limited. All amounts are expressed in Singapore dollars unless otherwise stated.

### **STRUCTURE OF REPORT**

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Financial information;
4. Subsequent events;
5. Statements; and
6. Declaration.

#### **1. BACKGROUND INFORMATION**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714  
Level 4 130 Stirling Street Perth WA 6000. PO Box 5124 Perth BC 6549 WA. Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.  
Email: [hlb@hlbwa.com.au](mailto:hlb@hlbwa.com.au). Website: [www.hlb.com.au](http://www.hlb.com.au)  
Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  HLB International, a world-wide organisation of accounting firms and business advisers

The Company was incorporated in Australia on 18 March 2015. The current directors of the Company are Mr Chen Chik (Nicholas) Ong, Mr Getty Goh Te-Win, Mr Seh Huan Kiat and Mr Daniel Smith.

The Company was incorporated for the sole purpose of acquiring 100% of the issued share capital of CoAssets Pte Ltd, a Singapore company whose business was established in 2013. Consequently, no historical information in respect of the Company is presented in this Report. However, the historical financial information of CoAssets Pte Ltd is presented to enable readers of this Report to obtain an understanding of the operations of that company.

On 12 May 2015, the Company entered into a sale and purchase agreement ("Agreement") with each shareholder of CoAssets Pte Ltd as detailed in section 5.8 of the Prospectus under which the Company acquired all of the shares in CoAssets Pte Ltd on the basis of the issue of 10 CoAssets shares for every one share held in CoAssets Pte Ltd. The Agreement is subject to the following conditions:

- (i) The holders of the shares in CoAssets Pte Ltd agree to sell their shares in accordance with the terms of the Agreement;
- (ii) CoAssets Pte Ltd receiving (as escrow agents) original share certificates and executed share transfer forms for all of their shares; and
- (iii) NSX issuing a conditional letter of admission of the Company's shares to the official list of NSX, subject to conditions satisfactory to the Company.

If these conditions are not satisfied by 30 June 2015 (or such other date as the Company and CoAssets Pte Ltd agree), the Agreement will be at an end. If the Company does not receive a conditional letter of admission from the NSX, there are mechanisms by which the acquisition of CoAssets Pte Ltd may be unwound.

The accounting year-end of CoAssets Pte Ltd is 31 August and it has prepared interim financial statements for the period 1 September 2014 to 31 January 2015.

The acquisition of CoAssets Pte Ltd by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "*Business Combinations*", notwithstanding that CoAssets Limited will be the legal parent of the Group. These transactions are outside the scope of AASB 3 as the accounting acquire does not constitute a business as defined by this standard. In this instance, the principles of reverse acquisition accounting are applied to determine the accounting acquirer but the transaction is accounted for as a share-based payment by the accounting acquirer for the net identifiable assets of the accounting acquiree in accordance with AASB 2 "*Share-based Payment*". Consequently the historical financial information presented in this Report is the historical financial information of CoAssets Pte Ltd as at and for the periods ended 31 August 2014 and 31 January 2015 which have been subject to audit by A Garanzia LLP, Public Accountants and Chartered Accountants in Singapore.

The proforma financial information presented in this report is the historical financial information of CoAssets Pte Ltd for the period ended 31 January 2015, assuming that the

acquisition of CoAssets Pte Ltd by the Company and the other proposed transactions set out in Section 3(b) of this Report had been completed as at that date.

The proforma consolidated financial information has been prepared using a balance date of 31 January 2015 corresponding to the most recently available financial information of CoAssets Pte Ltd subject to external audit. At 31 January 2015, the registration of CoAssets Limited and the acquisition of CoAssets Pte Ltd by CoAssets Limited had not yet been effected.

The proforma consolidated financial information has therefore been prepared on the basis that the Company was in existence as at 31 January 2015 and the CoAssets Pte Ltd acquisition had occurred as at that date.

All amounts presented in this Report are based on the functional currency of CoAssets Pte Ltd, namely Singapore dollars ("S\$"). Entities with functional currencies other than Singapore dollars (that is, the Company) have been translated into Singapore dollars under the principles of AASB 121 *"The Effects of Changes in Foreign Exchange Rates"*.

For the purposes of this Report, the following exchange rate was applied:

<b>Rate</b>	<b>S\$/A\$</b>
Closing rate - 9 April 2015	A\$1 = S\$1.0425

As at the date of this Report, the issued share capital of the Company is 130,630,011 ordinary fully paid shares.

The following table summarises share capital movements since registration.

<b>Date</b>		<b>Number issued</b>	<b>Issue price (cents)</b>	<b>\$</b>
18/3/15	Registration of the Company	1		-
15/5/15	Issued upon acquisition of CoAssets Pte Ltd	130,630,010	0.91	1,188,000
		<u>130,630,011</u>		<u>1,188,000</u>

The Company is only seeking to raise a nominal amount under the Prospectus. Accordingly, the purpose of the Prospectus is not to raise capital.

## 2. SCOPE OF REPORT

You have requested HLB Mann Judd ("HLB") to prepare this Report presenting the following information:



- a) the historical financial information of CoAssets Pte Ltd comprising the historical Statements of Financial Position as at 31 August 2014 and 31 January 2015 and the historical Statements of Comprehensive Income, historical Statements of Cash Flows and historical Statements of Changes in Equity for the periods from the date of incorporation of CoAssets Pte Ltd, 18 April 2013 to 31 August 2014, and 1 September 2014 to 31 January 2015 as set out in Appendix 1 to this Report; and
- b) the proforma financial information of the Company comprising the proforma Consolidated Statement of Financial Position as at 31 January 2015 and the proforma Consolidated Statement of Comprehensive Income, proforma Consolidated Statement of Cash Flows and proforma Consolidated Statement of Changes in Equity for the period from 1 September 2014 to 31 January 2015.

The Directors have prepared and are responsible for the historical and proforma financial information. We disclaim any responsibility for any reliance on this Report or on the financial information to which it relates for any purposes other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus.

The historical financial information and the proforma financial information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports.

The historical financial information as set out in Appendix 1 has been extracted from the financial statements of CoAssets Pte Ltd for the periods from the date of incorporation of CoAssets Pte Ltd, 18 April 2013 to 31 August 2014, and 1 September 2014 to 31 January 2015 which have been subject to audit by A Garanzia LLP, Public Accountants and Chartered Accountants in Singapore.

We performed a review of the historical financial information and proforma financial information of the Company and its controlled entity as at 31 January 2015 in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Our review of the historical financial information and proforma financial information of the Company and its controlled entity was conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review was carried out in accordance with Auditing Standard on Review Engagements ASRE 2405 *"Review of Historical Financial Information Other than a Financial Report"* and included such enquiries and procedures which we considered necessary for the purposes of this Report.

The review procedures undertaken by HLB in our role as Investigating Accountant were substantially less in scope than that of an audit examination conducted in accordance with generally accepted auditing standards. Our review was limited primarily to an examination of the historical financial information and proforma financial information, analytical review procedures and discussions with senior management. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or proforma information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed;
- b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- c) the going concern basis of accounting has been adopted.

### **3. FINANCIAL INFORMATION**

Set out in Appendix 1 (attached) are:

- a) The historical financial information of CoAssets Pte Ltd comprising the historical Statements of Financial Position as at 31 August 2014 and 31 January 2015 and the historical Statements of Comprehensive Income, historical Statements of Cash Flows and historical Statements of Changes in Equity for the periods from the date of incorporation of CoAssets Pte Ltd, 18 April 2013 to 31 August 2014, and 1 September 2014 to 31 January 2015 as set out in Appendix 1 to this Report; and
- b) the proforma financial information of the Company comprising the proforma Consolidated Statement of Financial Position as at 31 January 2015 and the proforma Consolidated Statement of Comprehensive Income, proforma Consolidated Statement of Cash Flows and proforma Consolidated Statement of Changes in Equity for the period from 1 September 2014 to 31 January 2015 as they would appear after incorporating the following significant events and proposed transactions by the Company subsequent to 31 January 2015:
  - i) the acquisition of CoAssets Pte Ltd by the Company for consideration represented by the issue of 10 shares in the Company to each shareholder of CoAssets Pte Ltd for every one share held in CoAssets Pte Ltd; and
  - ii) the write off in the statement of comprehensive income of the costs of the Prospectus of S\$118,336;
- c) Notes to the historical financial information and proforma information.

### **4. SUBSEQUENT EVENTS**

There have been no material items, transactions or events subsequent to 31 January 2015 not otherwise disclosed in the Prospectus which have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

## 5. STATEMENTS

Based on our review, which was not an audit, we have not become aware of any matter that causes us to believe that:

- a) the historical financial information of CoAssets Pte Ltd as at and for the periods ended 31 August 2014 and 31 January 2015 as set out in Appendix 1 of this Report, does not present fairly the financial position of CoAssets Pte Ltd as at those dates in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia, and its performance as represented by its results of its operations, its cash flows and its changes in equity for the periods then ended; and
- b) the proforma consolidated financial information of CoAssets Limited as at 31 January 2015 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company and its controlled entities as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia, and its performance as represented by its results of its operations, its cash flows and its changes in equity for the period then ended, as if the transactions referred to in Section 3(b) of this Report had occurred during that period.

## 6. DECLARATION

- a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the financial information, at our normal professional rates, which have been estimated at no more than A\$15,000 (approximately S\$15,638).
- b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.
- c) Neither HLB, nor any of its employees or associated persons has any interest in CoAssets Limited or the promotion of the Company.
- d) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus.
- e) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears. The inclusion of this Report should not be taken as an endorsement of the Company or a recommendation by HLB of any participation in the Company by an intending subscriber.

- f) HLB has been appointed as auditor of the Company and will attend to future audit requirements.

Yours faithfully  
HLB MANN JUDD

A handwritten signature in black ink, appearing to read 'L Di Giallonardo', with a large, stylized initial 'L'.

L DI GIALLONARDO  
Partner



## - APPENDIX 1 -

**COASSETS LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2014 AND 31 JANUARY 2015**

		<i>Audited Historical 31 August 2014 <sup>(1)</sup></i>	<i>Audited Historical 31 January 2015 <sup>(1)</sup></i>	<i>Reviewed Consolidated Proforma 31 January 2015</i>
	<i>Notes</i>	<i>S\$</i>	<i>S\$</i>	<i>S\$</i>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	28,227	989,553	871,217
Trade and other receivables	9	68,131	322,558	322,558
Amount due from directors		43,000	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>139,358</b>	<b>1,312,111</b>	<b>1,193,775</b>
<b>NON-CURRENT ASSETS</b>				
Plant and equipment		10,476	9,438	9,438
Intangible assets - crowdfunding platform		40,800	75,800	75,800
<b>TOTAL NON-CURRENT ASSETS</b>		<b>51,276</b>	<b>85,238</b>	<b>85,238</b>
<b>TOTAL ASSETS</b>		<b>190,634</b>	<b>1,397,349</b>	<b>1,279,013</b>
<b>CURRENT LIABILITIES</b>				
Other payables	5	185,236	93,395	93,395
Amount due to directors		-	56,000	56,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>185,236</b>	<b>149,395</b>	<b>149,395</b>
<b>TOTAL LIABILITIES</b>		<b>185,236</b>	<b>149,395</b>	<b>149,395</b>
<b>NET ASSETS</b>		<b>5,398</b>	<b>1,247,954</b>	<b>1,129,618</b>
<b>EQUITY</b>				
Issued capital	6	25,000	1,188,000	1,188,000
Retained earnings/(accumulated losses)	9	(19,602)	59,954	(58,382)
<b>TOTAL EQUITY</b>		<b>5,398</b>	<b>1,247,954</b>	<b>1,129,618</b>

The above should be read in conjunction with the accompanying notes.

<sup>(1)</sup> The historical balances represent the balances of CoAssets Pte Ltd which will be the accounting parent entity of the Group in future financial reporting periods. Refer to note 2(l).

**COASSETS LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIODS FROM 18 APRIL 2014 TO 31 AUGUST 2014 AND 1 SEPTEMBER 2014**  
**TO 31 JANUARY 2015**

	<i>Audited Historical 18/4/13 to 31/8/14 <sup>(1)</sup> S\$</i>	<i>Audited Historical 1/9/14 to 31/1/15 <sup>(1)</sup> S\$</i>	<i>Reviewed Consolidated Proforma 1/9/14 to 31/1/15 S\$</i>
Income (administrative, exposition, software development, services, training and workshop)	600,721	361,730	361,730
Other income (government grant and PIC amounts)	80,876	48,582	48,582
Total revenue	681,597	410,312	410,312
Employee compensation	(115,579)	(93,114)	(93,114)
Events expenses	(105,056)	(28,993)	(28,993)
Administrative expenses	(68,359)	(43,859)	(43,859)
Advertisement and marketing fee	(67,279)	(31,057)	(31,057)
Legal and professional fees	(13,776)	(30,942)	(30,942)
Course and training expenses	(46,999)	(8,633)	(8,633)
Research and development costs	(48,750)	-	-
Directors' fees	(43,000)	(39,000)	(39,000)
Other expenses	(192,401)	(55,158)	(55,158)
Prospectus costs	-	-	(118,336)
Loss from ordinary activities before tax	(19,602)	79,556	(38,780)
Income tax expense	-	-	-
Profit/(loss) from ordinary activities after tax	(19,602)	79,556	(38,780)
Other comprehensive income net of tax	-	-	-
Total comprehensive profit/(loss) for the period	(19,602)	79,556	(38,780)

The above should be read in conjunction with the accompanying notes.

- (2) The historical balances represent the balances of CoAssets Pte Ltd which will be the accounting parent entity of the Group in future financial reporting periods. Refer to note 2(m).

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIODS FROM 18 APRIL 2013 TO 31 AUGUST 2014 AND 1 SEPTEMBER 2014  
TO 31 JANUARY 2015**

**AUDITED HISTORICAL <sup>(1)</sup>**

	<i>Issued capital</i> S\$	<i>Accumulated losses</i> S\$	<i>Total Equity</i> S\$
As at 18 April 2013 (date of incorporation)	10,000	-	10,000
Issue of preference shares	15,000	-	15,000
Loss for the period (note 9)	-	(19,602)	(19,602)
As at 31 August 2014	25,000	(19,602)	5,398
Shares issued at 31 January 2015, but allotted on 12 March 2015	1,163,000	-	1,163,000
Loss for the period	-	79,556	79,556
As at 31 January 2015	1,188,000	59,954	1,247,954

**REVIEWED CONSOLIDATED  
PROFORMA**

	<i>Issued capital</i> S\$	<i>Accumulated losses</i> S\$	<i>Total Equity</i> S\$
As at 18 April 2013 (date of incorporation)	10,000	-	10,000
Issue of preference shares	15,000	-	15,000
Loss for the period (note 9)	-	(19,602)	(19,602)
As at 31 August 2014	25,000	(19,602)	5,398
Shares issued at 31 January 2015, but allotted on 12 March 2015	1,163,000	-	1,163,000
Loss for the period	-	79,556	79,556
As at 31 January 2015	1,188,000	59,954	1,247,954
Prospectus costs	-	(118,336)	(118,336)
As at 31 January 2015 (proforma)	1,188,000	(58,382)	1,129,618

The above should be read in conjunction with the accompanying notes.

- <sup>(1)</sup> The historical balances represent the balances of CoAssets Pte Ltd which will be the accounting parent entity of the Group in future financial reporting periods. Refer to note 2(l).

**COASSETS LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS FROM 18 APRIL 2013 TO 31 AUGUST 2014 AND 1 SEPTEMBER 2014**  
**TO 31 JANUARY 2015**

		<i>Audited Historical 18/4/13 to 31/8/14<sup>(1)</sup> S\$</i>	<i>Audited Historical 1/9/14 to 31/1/15<sup>(1)</sup> S\$</i>	<i>Reviewed Consolidated Proforma 1/9/14 to 31/1/15 S\$</i>
	<i>Notes</i>			
<i>Cash flows from operating activities</i>				
Receipts from customers		613,466	155,871	155,871
Interest received		-	14	14
Payments to suppliers		(510,772)	(420,253)	(420,253)
<i>Net cash from/(used in) operating activities</i>		102,694	(264,368)	(264,368)
<i>Cash flows from investing activities</i>				
Purchase of plant and equipment		(15,667)	(1,306)	(1,306)
Payments for development costs		(40,800)	(35,000)	(35,000)
Loans to directors		(43,000)	-	-
<i>Net cash used in investing activities</i>		(99,467)	(36,306)	(36,306)
<i>Cash flows from financing activities</i>				
Proceeds from issue of shares		25,000	1,163,000	1,163,000
Repayments of loans to directors		-	99,000	99,000
Prospectus costs		-	-	(118,336)
<i>Net cash provided by financing activities</i>		25,000	1,262,000	1,143,664
Net increase in cash and cash equivalents		28,227	961,326	842,990
Cash at the beginning of the financial period		-	28,227	28,227
<i>Cash at the end of the financial period</i>	3	28,227	989,553	871,217

The above should be read in conjunction with the accompanying notes.

<sup>(1)</sup> The historical balances represent the balances of CoAssets Pte Ltd which will be the accounting parent entity of the Group in future financial reporting periods. Refer to note 2(l).



**COASSETS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 SEPTEMBER 2014 TO 31 JANUARY 2015**

**1. REPORTING ENTITY**

CoAssets Limited was registered under the Corporations Act 2001 on 18 March 2015. CoAssets Pte Ltd is incorporated and domiciled in Singapore.

On 12 May 2015, the CoAssets Limited entered into a sale and purchase agreement ("Agreement") with each shareholder of CoAssets Pte Ltd as detailed in section 5.8 of the Prospectus under which the Company acquired all of the shares in CoAssets Pte Ltd on the basis of the issue of 10 CoAssets shares for every one share held in CoAssets Pte Ltd. The Agreement is subject to certain conditions as detailed in Section 1 of this Report.

The historical financial information from 1 January 2014 is that of CoAssets Pte Ltd and the proforma consolidated balances comprise the Company and its controlled entities as if they were registered on 31 January 2015 and the above acquisition had been effected as at that date.

The acquisition of CoAssets Pte Ltd by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "*Business Combinations*", notwithstanding CoAssets Limited being the legal parent of the Group. The transaction is outside the scope of AASB 3 as CoAssets Limited does not constitute a business as defined by this standard. In this instance, the principles of reverse acquisition accounting are applied to determine the accounting acquirer but the transaction is accounted for as a share-based payment by the accounting acquirer for the net identifiable assets of the accounting acquiree in accordance with AASB 2 "*Share-based Payment*". As a result of this accounting treatment, the financial statements presented in this report comprise the following:

- (i) Statement of Financial Position:
  - Historical financial information – CoAssets Pte Ltd as at 31 August 2014 and 31 January 2015;
  - Proforma consolidated financial information – the historical balances of CoAssets Pte Ltd at 31 January 2015, after incorporating the significant events and proposed transactions by the Company as detailed in Note 2(m). In accordance with AASB 3 "*Business Combinations*", whilst CoAssets Limited is the "legal acquirer" of CoAssets Pte Ltd, CoAssets Pte Ltd is treated as the parent for accounting purposes and therefore the balances as presented in the proforma Statement of Financial Position comprise:
    - (a) the historical balances of CoAssets Pte Ltd; and
    - (b) the balances of CoAssets Limited at fair value (other than the acquisition of CoAssets Pte Ltd and the payment of prospectus costs, CoAssets Limited has no other assets or liabilities).

**COASSETS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. REPORTING ENTITY (CONT'D)**

- (ii) Statement of Comprehensive Income and Statement of Cash Flows:
- Historical financial information – CoAssets Pte Ltd for the period from its date of incorporation, 18 April 2013 to 31 August 2014 and 1 September 2014 to 31 January 2015;
  - Proforma consolidated financial information – the historical balances of CoAssets Pte Ltd for the period 1 September 2014 to 31 January 2015, after including the proforma adjustments as detailed in Note 2(m).
- (iii) Consolidated Statements of Changes in Equity
- Historical financial information – CoAssets Pte Ltd for the period from its date of incorporation, 18 April 2013 to 31 August 2014 and 1 September 2014 to 31 January 2015;
  - Proforma consolidated financial information – the historical balances of CoAssets Pte Ltd for the period 1 September 2014 to 31 January 2015, after including the proforma adjustments as detailed in Note 2(m).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of the historical and proforma financial information reported under Australian Equivalents to International Financial Reporting Standards ("AIFRS") are shown below:

**(a) Basis of preparation**

The financial statements have been prepared in accordance with the measurement requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia using the accrual basis of accounting, including the historical cost convention.

*Compliance with IFRSs*

The financial information complies with the measurement requirements of Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial information, comprising the financial statements and notes thereto, comply with International Financial Reporting Standards.

*Historical cost convention*

These financial statements have been prepared under the historical cost convention, and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

**COASSETS LIMITED**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Critical accounting estimates*

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(k).

**(b) Principles of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties, rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.



**COASSETS LIMITED**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

**(c) Cash and cash equivalents**

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.

**(d) Trade and other receivables**

Receivables are recognised on an accruals basis as the services to which they relate are performed and are due for settlement no more than 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the Statement of Comprehensive Income.

**(e) Impairment of assets**

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

**(f) Trade payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(g) Intangible assets**

Intangible assets are accounted for using the cost model. Capitalised costs are amortised on a straight line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further economic benefits are expected to arise.

*Development costs of crowdfunding platform*

Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset 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 and the ability to measure reliably the expenditures during the development.

Following the initial recognition of the deferred development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Deferred development costs have a finite useful life and are amortised over the period of expected sales from the related project of five years on a straight line basis.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(h) Issued capital**

Ordinary share capital is recognised as the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

**(i) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*(i) Service and other income*

Revenue from service and other income is recognised when the service is rendered.

*(ii) Interest income*

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

**(j) Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(k) Critical accounting judgements and key sources of estimation uncertainty**

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and 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 on-going basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or

in the period of the revision and future periods if the revision affects both current and future periods.

*Depreciation of plant and equipment/amortisation of intangible assets*

Management exercises its judgement in estimating the useful lives of the depreciable assets. The estimated useful lives reflect management's estimate of the periods the Company intends to derive future economic benefits from the use of these assets based on historical experience. Changes in expected level of usage and technological developments could impact the economic useful lives and the residual value of these assets and therefore future depreciation charges could be revised.

*Carrying value of non-current assets*

Non-current assets, including plant and equipment and intangible assets are carried at cost less accumulated depreciation/amortisation. These carrying amounts are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. In estimating the recoverable amounts of assets, various assumptions, including future cash flows to be associated with the non-current assets and discount rates may need to be revised, and this may have an impact on the Company's results of operations or financial position.

*Impairment of receivables*

The Company makes allowance for impairment based on an assessment of the recoverability of trade and other receivables. An impairment assessment is applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference may impact the carrying amount of trade and other receivables and the impairment loss in the financial year in which such estimate has changed.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(k) Critical accounting judgements and key sources of estimation uncertainty (cont'd)**

*Income taxes*

CoAssets Pte Ltd is subject to income taxes in Singapore and recognises liabilities for anticipated tax issues based on estimations of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences may impact the income tax and deferred income tax provisions in the year in which such determinations are made.

**(l) Reverse acquisition accounting**

The acquisition of CoAssets Pte Ltd by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "*Business Combinations*", notwithstanding CoAssets Limited being the legal parent of the Group. This transaction is outside the scope of AASB 3 as CoAssets Limited does not constitute a business as defined by this standard. In this instance, the principles of reverse acquisition accounting are applied to determine the accounting acquirer but the transactions are accounted for as share-based payments by the accounting acquirer for the net identifiable assets of the accounting acquiree in accordance with AASB 2 "*Share-based Payment*". Consequently the historical financial information presented in this Report is the historical financial information of CoAssets Pte Ltd as at 31 August 2014 and 31 January 2015.

The legal structure of the Group subsequent to the acquisition of CoAssets Pte Ltd will be that CoAssets Limited will be the parent entity. However, the principles of reverse acquisition accounting are applicable where the owners of the acquired entity (in this case, CoAssets Pte Ltd) obtain control of the acquiring entity (in this case, CoAssets Limited) as a result of the business combination.

Under reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (CoAssets Limited) but are a continuation of the financial statements of the legal subsidiary (CoAssets Pte Ltd), with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values.

**(m) Proforma transactions**

The proforma Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been derived from the historical financial information as at 31 January 2015 adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to 31 January 2015:

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- i) the acquisition of CoAssets Pte Ltd by the Company for consideration represented by the issue of 10 shares in the Company being issued to each shareholder of CoAssets Pte Ltd for every one share held in CoAssets Pte Ltd; and
- ii) the write off in the statement of comprehensive income of the costs of the Prospectus of S\$118,336.

**3. CASH AND CASH EQUIVALENTS**

	<i>Audited Historical 31/8/14 S\$</i>	<i>Audited Historical 31/1/15 S\$</i>	<i>Reviewed Consolidated Proforma 31/1/15 S\$</i>
Balance at balance date	28,227	989,553	989,553
Prospectus costs paid and written off	-	-	(118,336)
	<u>28,227</u>	<u>989,553</u>	<u>871,217</u>

**4. ACQUISITION OF ENTITY**

As disclosed in Note 1 and Note 2(l), the transaction involving CoAssets Limited acquiring all the issued capital of CoAssets Pte Ltd has been accounted for under the principles of reverse acquisitions included in AASB 3 "Business Combinations".

The pre-combination carrying amounts of the assets and liabilities of CoAssets Limited were NIL.

**5. OTHER PAYABLES**

	<i>Audited Historical 31/8/14 S\$</i>	<i>Audited Historical 31/1/15 S\$</i>	<i>Reviewed Consolidated Proforma 31/1/15 S\$</i>
Other payables – related parties	135,000	35,000	35,000
Accruals	50,236	58,395	58,395
	<u>185,236</u>	<u>93,395</u>	<u>93,395</u>

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**6. ISSUED CAPITAL**

	<i>Number of shares</i>	<i>S\$</i>
<b>a) Issued and paid up capital</b>		
<i>Audited Historical (CoAssets Limited)</i>		
Shares issued on registration of the Company	1	-
<i>Reviewed Proforma Consolidated</i>		
Shares issued upon acquisition of CoAssets Pte Ltd	130,630,010	1,188,000
Proforma total	130,630,011	1,188,000

**7. CONTINGENCIES AND COMMITMENTS**

Details of planned expenditure commitments are outlined in Section 5.11 of the Prospectus.

The Directors are not aware of any contingencies other than as set out in the Prospectus.

**8. RELATED PARTY TRANSACTIONS**

Details of Directors' interests in the Company's issued capital and transactions with the Company are included in sections 5.13 to 5.15 and 5.17 of the Prospectus.

**9. HISTORICAL AND PRO FORMA FINANCIAL INFORMATION**

The historical financial information as set out in Appendix 1 has been extracted from the financial statements of CoAssets Pte Ltd for the periods from its date of incorporation, 18 April 2013 to 31 August 2014 and 1 September 2014 to 31 January 2015 which have been subject to audit by A Garanzia LLP, Public Accountants and Chartered Accountants in Singapore.

The financial statements for the period 1 September 2014 to 31 January 2015 disclosed the correction of a prior period error in relation to legal and professional fees of \$40,800 incurred in the previous period which had been incorrectly expensed to profit and loss and which should have been capitalised as part of the intangible asset – "crowdfunding platform". The 31 August 2014 financial information in this Report has been restated in relation to this matter.

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## **11 ADDITIONAL INFORMATION**

### **11.1 Continuous disclosure**

Upon admission to the official list of NSX the Company will be required to notify NSX of information which may have a material effect on the price or value of the Company's Shares. To comply with its continuous disclosure obligations:

- (a) the NOMAD will provide a briefing on continuous disclosure obligations to the Board and senior management; and
- (b) the Company will conduct regular board meetings with continuous disclosure a standing agenda item and its NOMAD in attendance.

### **11.2 Privacy**

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.

### **11.3 Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to take independent financial advice about the taxation and any other consequences of investing in the Company.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to taxation and any other consequences of investing in the Company.

### **11.4 Waivers**

The Company has applied for a waiver Listing Rule 2.2, so that the Company does not have to appoint a sponsoring broker to the Offer.

### **11.5 Interests of experts and advisors**

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Kings Park Corporate Lawyers has acted as Australian legal advisor and as Nominated Adviser to the Company in connection with its application to list on NSX. The Company has paid or will pay an aggregate of approximately S\$40,000 to Kings Park Corporate Lawyers for these services. Kings Park Corporate Lawyers has not provided other professional services to the Group during the last 2 years.

Minerva Corporate Pty Ltd has acted as corporate advisor to the Company in relation to the Company's application to list on NSX. In respect of this work, the Company has paid or will pay a sum of S\$5,212 to S\$10,425 for these services. Minerva Corporate Pty Ltd has not provided other professional services to the Group during the last 2 years.

HLB Mann Judd (WA Partnership) has prepared the Investigating Accountant's Report in this Prospectus. In respect of this work, the Company has paid or will pay a sum of S\$10,425 to S\$15,638 for these services. HLB Mann Judd (WA Partnership) has not provided other professional services to the Group during the last 2 years.

**11.6** Harry Elias Partnership LLP has prepared a Legal Opinion referred to in this Prospectus. In respect of this work, CoAssets has paid or will pay a sum of S\$15,000 for these services. In the last 2 years, Harry Elias Partnership LLP has provided legal advisory services to CoAssets on its business model with respect to matters under Singapore law.

## **11.7 Consents**

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
- (b) to be named in the Prospectus in the form and context which it is named; and
- (c) 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;
- (d) has not caused or authorised the issue of this Prospectus;
- (e) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below; and
- (f) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.



Name	Role	Statement/ Report
Kings Park Corporate Lawyers	Australian Lawyers and Nominated Adviser	Nil
Minerva Corporate Pty Ltd	Corporate Advisor	Nil
Harry Elias Partnership LLP <sup>3</sup>	Adviser as to Singapore Law	Section 5.16
HLB Mann Judd (WA Partnership)	Investigating Accountants	Section 10
Security Transfer Registrars	Share Registry	Nil

### 11.8 Top 20 Shareholders

Based on information known at the date of this Prospectus, the Company's top 20 Shareholders are as follows:

Shareholder	Shares	Percentage of total Shares held
Getty Goh	45,416,810	34.77
Seh Huan Kiat	35,421,030	27.12
Expara IDM Ventures II	11,481,640	8.79
Chew Siang Chee	5,000,000	3.83
Tan Beng Ghee	5,000,000	3.83
Leong Teep Yhee	5,000,000	3.83
Ng Jang Chyi	4,500,000	3.44
Kok Pei Li, Joyce	4,500,000	3.44
Expara IDM Ventures III	4,388,330	3.36
Jeffrey Chi	1,092,200	0.84

<sup>3</sup> Other than as set out in this Prospectus, Harry Elias Partnership LLP was not involved in the preparation of the Prospectus and has not authorised or caused the issue of any part of or statement in the Prospectus and, to the maximum extent permitted by law, disclaims any responsibility or liability for any part of the Prospectus.

Shareholder	Shares	Percentage of total Shares held
Ong Yan Fen	1,000,000	0.77
Lee Pang	1,000,000	0.77
Sim Hui Shan	700,000	0.54
Chia Boon Hwi	680,000	0.52
Ong Beng Eng	500,000	0.38
Yong Teck Ping	500,000	0.38
Lee Guo Xing Aaron	500,000	0.38
Paramjit Singh Gill	500,000	0.38
Keshmira Noshir Irani	300,000	0.23
Foong Yew Hon Calvin	210,000	0.16

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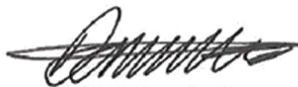
## 12 DIRECTORS' RESPONSIBILITY AND CONSENT

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 the ASIC, or to the Directors knowledge, before any issue of the Shares pursuant to this Prospectus.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Signed for and on behalf of

CoAssets Limited by

A handwritten signature in black ink, appearing to read 'Daniel Smith', with a stylized flourish at the end.

Daniel Smith

Non-executive Director

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## 13 GLOSSARY

Where the following terms are used in this Prospectus, they have the following meanings:

<b>Acquisition</b>	The acquisition by the Company of CoAssets.
<b>ASIC</b>	Australian Securities and Investment Commission.
<b>ASX</b>	The ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
<b>ASX Settlement</b>	ASX Settlement Pty Ltd (ACN 008 504 532).
<b>Bulk Purchase</b>	Investment by Investors in multiple real estate units.
<b>CoAssets</b>	CoAssets Pte Ltd (Registration no. 201310357R), a private limited liability company registered in Singapore.
<b>CoAssets Platform or Website</b>	CoAssets' web-based real estate education, research, advertising and targeted leads generation platform.
<b>Co-Investment</b>	Where Investors co-invest in real estate units with others.
<b>Company</b>	CoAssets Limited ACN 604 341 826, a company incorporated in and under the laws of Australia.
<b>Constitution</b>	The Memorandum of Association and the Articles of Association of the Company.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth) as amended.
<b>Crowdfunding</b>	Co-Investment by Investors in real estate units with others or P2P Funding by Investors to Opportunity Providers.
<b>Director</b>	A director of the Company and, where the context requires, any proposed director.
<b>EPIC</b>	Expo for Property Investing and Crowdfunding.
<b>Existing Shareholders</b>	Shareholders as of the date of this Prospectus, whom were the beneficial shareholders of CoAssets on the date the Company was incorporated.
<b>Group</b>	The Company, its subsidiaries and its controlled entities.
<b>Investor</b>	As defined in Section 5.2.
<b>Legal Opinion</b>	As defined in Section 5.16.
<b>Listing Rules</b>	The listing rules of the NSX.

<b>Minerva</b>		Minerva Corporate Pty Ltd.
<b>Minerva Services Agreement</b>		The agreement entered into between CoAssets and Minerva on 17 February 2015. See section 5.17 for details.
<b>Nominated Adviser</b>		Kings Park Corporate Lawyers.
<b>NSX</b>		The National Stock Exchange of Australia.
<b>Official List</b>		The Official List of the NSX.
<b>Opportunity Providers</b>		Real estate developers, agents, owners or businesses seeking investments for real estate projects.
<b>P2P Funding</b>		Peer to peer funding by Investors to Opportunity Providers.
<b>Projects</b>		All or any of Bulk Purchase, Crowdfunding, P2P Funding and Pre-Sales.
<b>Pre Sales</b>		Investment in real estate units by Investors before the official launch of the development.
<b>Promissory Note</b>		A promissory note with a face value of not less than S\$100,000 and a maturity period of not more than 12 months issued by Opportunity Providers.
<b>Promissory Amount</b>	<b>Note</b>	A face value of not less than S\$100,000.
<b>Promissory Repayment Period</b>	<b>Note</b>	Not more than 12 months.
<b>Prospectus</b>		This prospectus and includes the electronic version of this prospectus.
<b>Sale and Purchase Agreement</b>		The agreement entered into between the Company and each shareholder of CoAssets under which the Company has acquired all of the issued share capital in CoAssets.
<b>Share</b>		A fully paid ordinary share in the share capital of the Company or, where the context requires, a CDI over a fully paid ordinary share in the share capital of the Company.
<b>Shareholder</b>		A registered holder of Shares or, where the context requires, CDIs over Shares.
<b>S\$ or Dollars</b>	<b>Singapore</b>	The official currency of Singapore. The figures provided in the Prospectus use an exchange rate between the Australian dollar

and the Singaporean dollar as at 9 April, 2015 of 1.0425.

<b>Target Amount</b>	The minimum amount intended to be raised by an Opportunity Provider.
<b>Users</b>	Investors and Opportunity Providers.
<b>Website or Platform</b>	As defined in Section 5.2.