

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**ARBN 621 001 296**  
**(A COMPANY INCORPORATED IN THE CAYMAN ISLANDS)**

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**PROSPECTUS**

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For an offer of 10,000 Shares at an issue price of \$0.315 each to raise \$3,150 (**Offer**).

This Prospectus is a compliance prospectus to facilitate:

- secondary trading of Shares previously issued by the Company and Shares issued by the Company before the Closing Date; and
- compliance with the official requirements of admission to the official list of the National Stock Exchange of Australia Limited.

**IMPORTANT INFORMATION**

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

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## TABLE OF CONTENTS

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1.	IMPORTANT NOTICE .....	2
2.	INDICATIVE TIMETABLE* .....	5
3.	FOUNDER'S LETTER .....	6
4.	INVESTMENT OVERVIEW .....	8
5.	DETAILS OF THE OFFER.....	18
6.	BUSINESS OVERVIEW .....	22
7.	COMPANY OVERVIEW .....	34
8.	RISK FACTORS .....	42
9.	INDEPENDENT ACCOUNTANTS REPORT .....	48
10.	MATERIAL CONTRACTS .....	81
11.	ADDITIONAL INFORMATION .....	84
12.	DIRECTORS' AUTHORISATION .....	111
13.	GLOSSARY .....	112

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## CORPORATE DIRECTORY

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### Directors

**Dato' Brian Tan**

Managing Director and CEO

**Yap Chee Lim**

Executive Director

**Dato' Michael Yip Chin Hwee**

Non-Executive Director

**Dato' Cheah Choong Kit**

Non-Executive Director

**Helen Hsu**

Non-Executive Director

**Company Secretary and Local Agent in Australia**

Gabriel Chiappini

**Proposed NSX Code**

CCH

**Registered Office – Cayman Islands**

Grand Pavilion, Hibiscus Way  
802 West Bay Road, PO Box 31119  
Grand Cayman, KY1-1205

**Principle Place of Business – Malaysia**

Unit D-9-3, Block D, Setiawalk, Persiaran Wawasan,  
Pusat Bandar Puchong, 47160 Puchong, Selangor  
Darul Ehsan, Malaysia

**Share Registry\***

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth WA 6000

Telephone (within Australia): 1300 850 505  
Telephone (international): +61 3 9415 4000  
Facsimile: +61 3 9473 2500

**Investigating Accountant**

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

**Auditor of the Company\***

Robert Mengkwai & Loo  
Unit 201, Block F, Pusat Dagangan Phileo  
Damansara 1, Jalan 16/11, Seksyen 16  
46350 Petaling Jaya, Selangor, Malaysia

**Auditor of CCIL**

Winson Asia CPA Limited  
Room 1903, 19/F, Emperor Group Centre  
288 Hennessy Road, Wanchai, Hong Kong

**Auditor of CCMT**

A.K. Woo & Associates  
10-2A, Jalan Puteri 2/3, Bandar Puteri, 47100  
Puchong  
Selangor Darul Ehsan, Malaysia

**Auditor of IMW**

KW Ong & Partners  
19-2 Jalan Damai Perdana 1/8B  
Bandar Damai Perdana 56000  
Kuala Lumpur, Malaysia

**Solicitors in Australia and Nominated Adviser**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

**Solicitors in the Cayman Islands**

Carey Olsen  
PO Box 10008, Willow House  
Cricket Square, Grand Cayman, KY1-1001  
Cayman Islands

**Solicitors in Malaysia**

SL Goon & Partners Advocates & Solicitors  
Suit 42-1A, Jalan Puteri 1/2, Bandar Puteri  
47100 Puchong, Selangor Darul Ehsan Malaysia

**Solicitors in Hong Kong\***

Bodnar Horvath  
Suite D, 16/F On Hing Building  
1 On Hing Terrace, Central, Hong Kong

\* Other than as set out in this Prospectus, these parties were not involved in the preparation of the Prospectus and have not authorised or caused the issue of any part of or statement in the Prospectus and, to the maximum extent permitted by law, disclaim any responsibility or liability for any part of the Prospectus.

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## **1. IMPORTANT NOTICE**

This Prospectus is dated 18 September 2017 and was lodged with ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares that are the subject of this Prospectus should be considered highly speculative. Application will be made for listing of the Company's Shares offered by this Prospectus to the NSX. The fact that the NSX may list the Shares 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 liability whatsoever for any loss howsoever arising from or in reliance upon any part of the content of this Prospectus.

### **1.1 Exposure Period**

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

### **1.2 Investment Advice**

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

### **1.3 Regulation of the Company**

As the Company was not incorporated in Australia, its general corporate activities (other than offering securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are governed by the Companies Law (as revised) of the Cayman Islands and other applicable Cayman Islands law.

## **1.4 Financial information and amounts**

All financial amounts contained in this Prospectus are expressed in Australian Dollars (**AUD Dollars** or **A\$**), unless otherwise stated. Any discrepancies between totals and sums of components in figures and tables contained in this Prospectus are due to rounding. The Historical Financial Information included in this Prospectus has been prepared and presented in accordance with Australian Equivalents to International Financial Reporting Standards (**AIFRS**) and is expressed in Australian Dollars, except where otherwise stated.

## **1.5 Currency conversions**

Where an amount is expressed in this Prospectus (with the exception of the historical and pro forma financial information) in Australian Dollars and either US Dollars, Hong Kong Dollars or Malaysian Ringgit, the conversion is based on the Indicative Exchange Rate for the respective currency as at 31 August 2017 (being A\$1.00 = US\$0.793, A\$1.00 = HK\$6.209 and A\$1.00 = R3.388). The historical and pro forma financial information contained in Section 9 of the Prospectus is translated from the respective functional currencies to presentation currency (being Australian Dollars) in accordance with the requirements of AASB 121 "The Effects of Changes in Foreign Exchange Rates". The amount when expressed in Australian Dollars or US Dollars, Hong Kong Dollars or Malaysian Ringgit may change as a result of fluctuations in the exchange rate between those currencies.

## **1.6 Web Site – Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.circlecorpgroup.com](http://www.circlecorpgroup.com). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

There is no facility for the Offer to be accepted electronically or by applying online. Shares will not be issued under the electronic version of the 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 a complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **1.7 Website**

No document or information included on our website is incorporated by reference into this Prospectus.

## **1.8 Forward-looking Statements**

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and its management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 4 and 8.

## **1.9 Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents, or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

## **1.10 Defined Terms**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 13.

## **1.11 Time**

All references to time in this Prospectus are references to Australian Western Standard Time.

## **1.12 Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer, please e-mail the Company Secretary, Gabriel Chiappini, at [gabriel@laurus.net.au](mailto:gabriel@laurus.net.au).

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**2. INDICATIVE TIMETABLE\***

Lodgement of Prospectus with the ASIC	18 September 2017
Listing Application lodged with NSX	22 September 2017
Opening Date	27 September 2017
Completion of Acquisition of CCIL, CCMT and IMW	29 September 2017
Closing Date	2 October 2017
Issue of Shares and despatch of holding statements	5 October 2017
Expected date for quotation on NSX	10 October 2017

*\* The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants. 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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### 3. FOUNDER'S LETTER

Dear Investor,

On behalf of the Directors of Circle International Holdings Limited (**Company**), I am pleased to present this Prospectus which gives you an overview of the Company's business for listing on the NSX.

The Company was incorporated on 12 December 2016 for the sole purpose of acquiring Circle Corporation International Limited, a company incorporated in Hong Kong (**CCIL**), Circle Corporation Mediatech Sdn Bhd (**CCMT**) and Inno Mind Works Sdn Bhd (**IMW**), both companies incorporated in Malaysia, which companies are all focused on the new media technology industry (**Acquisition**). Further information on the activities of CCMT, CCIL and IMW are set out in this Prospectus.

This Prospectus is issued in conjunction with an application by the Company for the listing of its Shares on the National Stock Exchange of Australia (**NSX**). The Company believes that being listed on the NSX will provide the Company with the appropriate platform to continue to expand on its various business operations, as detailed in Section 6 of this Prospectus, for the benefit of all stakeholders.

The new media technology industry is one of the world's fastest growing and most lucrative global markets. China and the ASEAN region are some of the most vibrant markets for this digital revolution. The Company (post Acquisition), through its experience and expertise as a comprehensive digital marketing solutions specialist and its Asian market reach, offers a gateway for brands to capitalise on new media technology as well as to leverage on the exciting growth opportunities emerging in the region.

As the region ushers a new era of socio-economic prosperity and unprecedented growth, the Company will offer brands and marketers an effective means to connect seamlessly with these rising markets via the power of digital technologies such as mobile apps (e.g. the Company's Business Circle mobile app) supported by a distinguished, conventional branding platform (the Company's Worldwide Excellence Awards) for brands to have the best of both marketing mediums.

Beyond advertising and branding, the Company also intends to offer monetisation opportunities in the future from e-Commerce and financial technology (**FinTech**) (payment gateways) which will allow brands and marketers to not just advertise, but to directly sell to a high net worth audience of business leaders and decision makers across Asia. This is intended to be undertaken via the Company's twin pillars, the self-developed Business Circle mobile app, recently considered one of Asia's fastest growing Chinese language digital business publications and the Worldwide Excellence Award (**WEA**) platform.

These proprietary assets offer reach, innovation and convergence – the seamless integration of the virtual world and the real world. The Board believe that the Company is a pioneer in Asia for propagating this strategic symbiosis.

Shareholders and interested investors are advised to read this Prospectus carefully and in full, including the risk factors set out in sections 4 and 8 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 thank you for your interest in the Company and look forward to you joining our journey to become a preferred and trusted mobile app and branding gateway in Asia as we deliver value to all stakeholders.

Yours sincerely

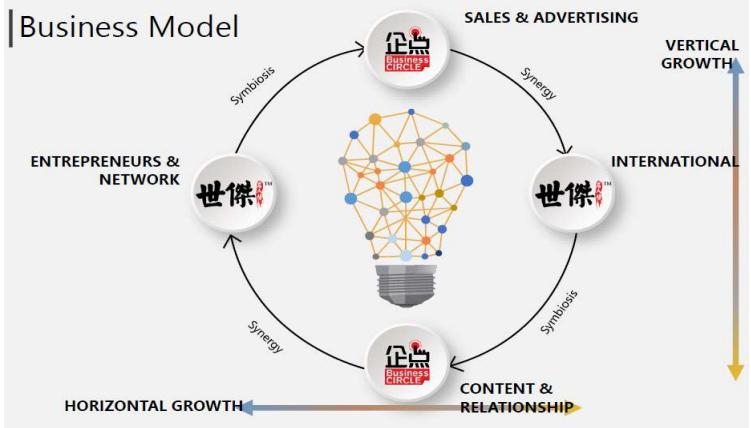
**Dato' Brian Tan**  
**Managing Director and CEO**

#### 4. INVESTMENT OVERVIEW

Item	Summary	Further information
<b>A. Company</b>		
<b>Who is the issuer of this Prospectus?</b>	Circle International Holdings Limited (ARBN 621 001 296) (the <b>Company</b> ) (proposed NSX code: CCH).	
<b>Who is the Company and what is its business?</b>	<p>The Company was incorporated in the Cayman Islands on 12 December 2016 for the sole purpose of acquiring three related companies from Circle Corp Sdn Bhd (<b>CCSB</b>), a company incorporated in Malaysia in 2009, all of which are focused on the new media technology industry. These three companies (which are wholly owned subsidiaries of CCSB at the date of this Prospectus) are:</p> <ul style="list-style-type: none"> <li>(a) Circle Corporation International Limited (Hong Kong) (<b>CCIL</b>);</li> <li>(b) Circle Corporation Mediatech Sdn Bhd (Malaysia) (<b>CCMT</b>); and</li> <li>(c) Inno Mind Works Sdn Bhd (Malaysia) (<b>IMW</b>),</li> </ul> <p>(together, the <b>Group</b>).</p> <p>CCIL, operating from Hong Kong, is the Group's international marketing and business development arm. Its principal activities are to secure digital media and conventional media sales from the key overseas markets of Taiwan, Hong Kong and China.</p> <p>CCMT is the local operating arm of the Group, managing its two proprietary brands, the Business Circle mobile app and Worldwide Excellence Award.</p> <p>IMW is a digital branding and marketing agency whose expertise covers digital advertising and marketing solutions ranging from content conceptualisation and creation to media planning and buying, and other related services. IMW provides the required creative and technical expertise to support the Business Circle mobile app and Worldwide Excellence Award, while meeting the growing demand from clients for digital marketing services.</p> <p>Over the years, the Group has expanded its presence into key international markets which include China, Hong Kong, Taiwan, Indonesia and Australia. The Group's principal business activities centre on its Business Circle mobile app and Worldwide Excellence</p>	Section 6

Item	Summary	Further information
	<p>Award platform (<b>WEA</b>). The former is a fast-growing, Chinese language digital business publication in China and the ASEAN region. WEA is a prestige award that recognises elites from different industries.</p> <p>The Group's twin proprietary brands are augmented by in-house capabilities in mobile/digital content creation and dissemination, digital advertising and digital media planning. These services are also offered to international and local clients as a revenue generator via the provision of marketing and branding solutions.</p> <p>The Group has achieved three-year consolidated consecutive revenue and profit growth and serves as a gateway for brands looking for market penetration into South East Asia, China, Taiwan and Hong Kong.</p>	
<b>How will the acquisition be implemented?</b>	<p>On 25 August 2017, the Company and CCSB entered into the Acquisition Agreements pursuant to which the Company will acquire 100% of the issued share capital of CCIL, CCMT and IMW in consideration for an aggregate issue of 180,000,000 Shares in the Company to CCSB (<b>Acquisition</b>). CCSB has agreed to distribute approximately 166,074,248 of these Shares in-specie to its shareholders on a pro-rata basis to their respective shareholdings in CCSB. The remaining approximately 13,925,752 Shares will be distributed to Directors of the Company and to related parties and associates of Dato' Brian Tan. Refer to Section 6.4 for further details.</p> <p>The Acquisition is conditional upon the Company receiving conditional approval from the NSX to be admitted to the Official List. The effect of the Acquisition is that, upon completion, the CCSB shareholders will own approximately 92.26% of the Shares in the Company and CCIL, CCMT and IMW will be wholly owned subsidiaries of the Company.</p> <p>A summary of the key terms of the Acquisition Agreements are set out in Section 10.1 of the Prospectus.</p>	Sections 6.4 and 10.1
<b>Why is the Offer being conducted?</b>	<p>The purpose of this Prospectus and Offer is to facilitate secondary trading of Shares previously issued by the Company and Shares to be issued by the Company before the Closing Date 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.</p> <p>It is also anticipated that an NSX listing will provide the Company with a liquid market for its Shares and an opportunity for others to invest in its Shares and also</p>	Section 5.2

Item	Summary	Further information								
	provide the Company with additional financial flexibility and access to capital markets to pursue possible growth opportunities.									
What are the key business objectives of the Company?	<p>The Company's main objectives of a successful listing on the NSX are to:</p> <p>(a) become a leading business news portal in the Asia Pacific region, providing up to date news content quickly;</p> <p>(b) expand the Company's comprehensive digital marketing solutions and strategies offerings to wider markets;</p> <p>(c) introduce and develop WEA in additional international markets to generate further business opportunities and collect a larger customer database and business network; and</p> <p>(d) provide the Company with the benefits of an increased profile and the transparency, accountability and credibility that arise from being a listed entity.</p>	Section 6.7								
What will the Company's capital structure be after completion of the Offer and the Acquisition?	<table><tr><td>Shares currently on issue</td><td>400</td></tr><tr><td>Shares to be issued pursuant to Acquisition Agreements</td><td>180,000,000</td></tr><tr><td>Shares to be issued under the Offer</td><td>10,000</td></tr><tr><td><b>Total Shares</b></td><td><b>180,010,400</b></td></tr></table>	Shares currently on issue	400	Shares to be issued pursuant to Acquisition Agreements	180,000,000	Shares to be issued under the Offer	10,000	<b>Total Shares</b>	<b>180,010,400</b>	Section 7.2
Shares currently on issue	400									
Shares to be issued pursuant to Acquisition Agreements	180,000,000									
Shares to be issued under the Offer	10,000									
<b>Total Shares</b>	<b>180,010,400</b>									
B. Business Model										
What is the Company's business model?	<p>The Company's business model following listing on the NSX will be to leverage on the Group's twin pillars of the Business Circle mobile app and the WEA, which enjoy a symbiotic relationship, to allow for synergy that fuels greater business advantage as detailed in the diagram below:</p>	Section 6.8								

Item	Summary	Further information
	<p><b>Business Model</b></p>  <p>The Business Circle mobile app creates an international business community of high net worth and influential industry leaders, entrepreneurs, venture capitalists and professionals as well as young, aspiring industry leaders from across the world, particularly Asia. This creates a high-quality subscriber base which the Company can then leverage on in a variety of ways including:</p> <ol style="list-style-type: none"> <li>advertising and branding campaigns both for the Company and its clients as well as any business who wishes to tap into this lucrative and valuable target market;</li> <li>by engaging and influencing a high value network of individuals;</li> <li>directly selling products and services to this affluent, high-income segment; and</li> <li>directing these audiences to support and participate in WEA.</li> </ol> <p>The WEA is intended at creating a platform of prestige and influence for the Company by reaching out to elites in a wide range of industries and fields. The WEA platform also provides for monetisation opportunities via sponsorship and branding packages while cross promoting the Business Circle mobile app.</p> <p>The Company believes that the synergy and symbiotic relationship between the Business Circle mobile app (digital platform) and WEA (on-ground platform) offers the following:</p> <ol style="list-style-type: none"> <li>the creation of strong business and professional networks with key decision</li> </ol>	

Item	Summary	Further information
	<p>makers, influencers and industry players across Asia including governments;</p> <p>(b) captive access to a fast-growing high net worth and influential demographic of industry leaders, entrepreneurs, venture capitalists and professionals as well as young, aspiring industry leaders; and</p> <p>(c) the development of a reputable business platform that provides for strong branding and marketing profiling for brands among a high net worth demographic.</p> <p>The Company believes its business model creates a sustainable eco-system that benefits all stakeholders while growing organically over time. Further information on the Company's business model is included in Section 6.8 of the Prospectus.</p>	
<b>How will the Company generate income?</b>	<p>The Company aims to generate income as follows:</p> <p>(i) from the sale of digital mobile advertising space on the Business Circle App, in the current markets of Malaysia, mainland China and Taiwan;</p> <p>(ii) from the provision of digital marketing solutions, creative solutions, commercial video production services and branding strategy solutions to customers and the sale of external advertising space to customers (including billboards, TV media advertising and other social media advertising); and</p> <p>(iii) from advertising fees and promotion and sponsorship fees in respect of the WEA platform.</p>	Sections 6.8 and 6.10
<b>What is the Company's historical financial performance?</b>	<p>The Company has no operating history and limited historical financial performance. Contained in the financial information in Section 9 is the pro forma historical statement of financial position of the Company as at 31 December 2016 to provide investors with a summary of the Company's historical financial information assuming completion of the Acquisition of CCIL, CCMT and IMW and the Offer. Also included in Section 9 is the Company's reviewed balance sheet at 31 December 2016.</p> <p>This Prospectus is taken to include information contained in the audited annual financial statements of CCIL, CCMT and IMW. In the case of CCIL and CCMT,</p>	Section 9

Item	Summary	Further information
	<p>these are the audited financial statements for the year ended 31 December 2016 and the period from the incorporation of CCIL and CCMT to 31 December 2015. In the case of IMW, these are the audited financial statements for the years ended 31 December 2016, 31 December 2015 and 31 December 2014 (together, <b>the Included Documents</b>) which are incorporated by reference into this Prospectus by operation of section 712 of the Corporations Act.</p> <p>Please refer to Section 9 and the Investigating Accountant's Report for further details.</p> <p>The Included Documents were lodged with ASIC on the date of this Prospectus. The Company will give a copy of the Included Documents free of charge to any investor who asks for a copy before the Closing Date. Any such request should be made by contacting the Company at its registered office during normal business hours.</p>	
<b>What are the key dependencies of the Company's business model?</b>	<p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"> <li>(a) the ability of the Company to successfully implement its growth plan;</li> <li>(b) the ability to develop and further commercialise the Company's services and products, in a cost-effective and timely manner, so as to meet market demand and maintain a competitive edge;</li> <li>(c) access to capital to develop the Company's business and potentially make future acquisitions;</li> <li>(d) retaining and recruiting key personnel skilled in the new media technology industry; and</li> <li>(e) sufficient customer demand for the Company's services and products.</li> </ul>	
<b>C. Risk Factors</b>		
<b>What are the key risk factors facing the Company?</b>	<p>The business, assets and operations of the Company will be subject to certain risk factors that have the potential to influence operating and financial performance in the future. These risks can impact on the value of an investment in the Company's Shares. The Board aims to manage these risks by carefully planning its activities and implementing mitigating risk control measures. Some risks are unforeseen and so the extent to which these risks can be effectively managed is somewhat limited. Set out below are specific key risks that the Company will be exposed to. Further general risks</p>	Section 8

Item	Summary	Further information
	associated with an investment in the Company are outlined in Section 8.	
<b>Limited history</b>	The Company was only recently incorporated and has limited operating history and limited historical financial performance. No assurance can be given that the Company will achieve commercial viability through the Group's existing services and products or otherwise.	
<b>Competition and New Technologies</b>	The digital marketing and advertising industry in which the Company will participate is subject to increasing global competition which is fast-paced and fast-changing. The Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company. There is a risk that the Company will not be able to compete in the competitive industries in which it operates. The Company will be competing against a number of significant companies and other entities for app downloads, advertisements, commercial content and revenue, and client retention. In addition, the emergence of new competitors in the market, or technological developments providing an alternative to the Company's products and services could adversely impact the Company's market share and the Company's financial position and financial performance.	Section 8.2(a)
<b>Development and Marketing</b>	Following completion of the Offer, the Company intends to further market its Business Circle mobile app. There is no guarantee that the Company's marketing campaign will be successful and there is no guarantee of whether the Company will generate further revenue or profits. Any failure to expand the usage of the Business Circle mobile app would have an adverse impact on the Company's financial position and financial performance.	Section 8.2(b)
<b>Brand Establishment and Maintenance</b>	The Company believes that establishing and maintaining its brand in the digital marketing and advertising industries is important to growing its proposed user base and product and service acceptance. This will depend largely on the Company's ability to provide useful and innovative products and services. If the Company fails to successfully establish and maintain its brand its business and operating results could be adversely affected.	Section 8.2(c)
<b>Dependence on the Internet</b>	Expansion in the sales of the Company's services depends on the continued acceptance of the internet	Section 8.2(d)



Item	Summary	Further information															
	as a communications and commerce platform for individuals and enterprises. The internet could become less viable as a business tool due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality-of-service. If for any reason the internet does not remain a widespread communications medium and commercial platform, the demand for the Company's services would be significantly reduced, which would negatively affect the Company.																
Key Directors and Personnel	The success of the Company will depend substantially on the abilities of its key Directors and its key personnel and, in particular, Dato' Brian Tan. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.																
D. Directors																	
Who are the Directors of the Company?	<b>Dato' Brian Tan</b> - Managing Director and CEO <b>Yap Chee Lim</b> - Executive Director <b>Dato' Michael Yip Chin Hwee</b> – Non-Executive Director <b>Dato' Cheah Choong Kit</b> - Independent Non-Executive Director <b>Helen Hsu</b> - Independent Non-Executive Director	Section 7.7															
Who will be the substantial Shareholders of the Company at completion of the Offer, Acquisition and In-specie Distribution?	<table><tr><th>Shareholder</th><th>Shares at Prospectus Date or to be issued under In-specie Distribution or otherwise</th><th>Shares issued under Offer</th><th>Shareholding following Completion of the Offer</th><th>%</th></tr><tr><td>Dato' Brian Tan</td><td>94,184,050</td><td>-</td><td>94,184,050</td><td>52.32</td></tr><tr><td>Dato' Michael Yip Chin Hwee</td><td>12,654,292</td><td>-</td><td>12,654,292</td><td>7.03</td></tr></table>	Shareholder	Shares at Prospectus Date or to be issued under In-specie Distribution or otherwise	Shares issued under Offer	Shareholding following Completion of the Offer	%	Dato' Brian Tan	94,184,050	-	94,184,050	52.32	Dato' Michael Yip Chin Hwee	12,654,292	-	12,654,292	7.03	Section 7.3
Shareholder	Shares at Prospectus Date or to be issued under In-specie Distribution or otherwise	Shares issued under Offer	Shareholding following Completion of the Offer	%													
Dato' Brian Tan	94,184,050	-	94,184,050	52.32													
Dato' Michael Yip Chin Hwee	12,654,292	-	12,654,292	7.03													

Item	Summary	Further information																								
What significant benefits and interests are payable to the Directors?	<table><tr><th>Director</th><th>Shares held on completion of In-specie Distribution</th><th>%</th><th>Remuneration<sup>1</sup></th></tr><tr><td>Dato' Brian Tan<sup>2</sup></td><td>94,184,050</td><td>52.32</td><td>US\$225,000 \$283,733</td></tr><tr><td>Dato' Michael Yip Chin Hwee</td><td>12,654,292</td><td>7.03</td><td>US\$1,500 \$1,892</td></tr><tr><td>Yap Chee Lim</td><td>6,310,905</td><td>3.51</td><td>US\$29,000 \$36,570</td></tr><tr><td>Dato' Cheah Choong Kit</td><td>nil</td><td>0</td><td>US\$8,500 \$10,719</td></tr><tr><td>Helen Hsu</td><td>nil</td><td>0</td><td>US\$700 \$883</td></tr></table> <p><sup>1</sup> Assuming an exchange rate of \$1.00 to US\$0.793.</p> <p><sup>2</sup> Irene Pang, the wife of Dato' Brian Tan, will also be distributed 3,712,297 Shares in the Company by CCSB.</p>	Director	Shares held on completion of In-specie Distribution	%	Remuneration <sup>1</sup>	Dato' Brian Tan <sup>2</sup>	94,184,050	52.32	US\$225,000 \$283,733	Dato' Michael Yip Chin Hwee	12,654,292	7.03	US\$1,500 \$1,892	Yap Chee Lim	6,310,905	3.51	US\$29,000 \$36,570	Dato' Cheah Choong Kit	nil	0	US\$8,500 \$10,719	Helen Hsu	nil	0	US\$700 \$883	Section 7.10
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Helen Hsu	nil	0	US\$700 \$883																							
What related party agreements is the Company party to?	<p>The Company is party to the following related party agreements:</p> <p>(a) the Acquisition Agreements; and</p> <p>(b) Director Letters of Appointment with Dato' Brian Tan and Yap Chee Lim.</p> <p>Dato' Brian Tan is also party to a Director Letter of Appointment with CCIL.</p> <p>IMW has borrowed approximately \$119,500 from Dato' Michael Yip Chin Hwee, a Director. Further, CCIL has borrowed approximately \$770,000 from CCSB and owes Dato' Brian Tan approximately \$109,000 as accrued director fees. Refer to Section 10.5 for further details of the Group's loans.</p>	Section 10																								
What Share escrow arrangements are in place?	<p>Subject to the Company being admitted to the Official List, certain Shares on issue prior to the Offer and to be issued pursuant to the Acquisition Agreements (certain of which will be transferred to CCSB shareholders under the In-specie Distribution) will be classified by the NSX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p>	Section 7.4																								

Item	Summary	Further information
	<p>It is estimated that 23,763,343 Shares will be subject to escrow as follows:</p> <ul style="list-style-type: none"> <li>• 7,132,251 Shares to be issued to CCSB under the Acquisition Agreement and transferred for free to Directors for 24 months from the date of Official Quotation;</li> <li>• 6,793,502 Shares to be issued to CCSB under the Acquisition Agreement and transferred for free to related parties of Dato' Brian Tan for 12 months from the date of Official Quotation;</li> <li>• 7,703,016 Shares to be issued to CCSB under the Acquisition Agreement and transferred for free to Yip Chin Hwee, a Director, for 6 months from the date of Official Quotation; and</li> <li>• 2,134,574 Shares to be issued to CCSB under the Acquisition Agreement and transferred to unrelated party shareholders (who are treated as vendors for the purposes of the NSX Listing Rules) for 6 months from the date of issue.</li> </ul> <p>The Company will announce to the NSX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on NSX.</p>	

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## **5. DETAILS OF THE OFFER**

### **5.1 The Offer**

Under this Prospectus, the Company invites investors identified by the Directors to apply for 10,000 Shares at an issue price of \$0.315 per Share to raise up to approximately \$3,150 (before costs).

### **5.2 Purpose of the Offer**

The Company is seeking to raise only a nominal amount of \$3,150 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 and Shares to be issued by the Company before the Closing Date 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.

### **5.3 Cleansing Offer**

This Prospectus also includes an offer of one Share, which shall remain open (unless closed earlier at the discretion of the Directors) for a period of 1 month from the date the Company is admitted to the Official List (**Cleansing Offer**). The purpose of the Cleansing Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that may be issued by the Company between the date of this Prospectus and the date that is 1 month after the date the Company is admitted to the Official List.

#### **5.4 Minimum Subscription**

There is no minimum subscription in respect of the Offer.

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

The Opening Date of the Offer will be 26 September 2017 and the Closing Date will be 2 October 2017 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.

#### **5.6 Applications**

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 \$0.315 per Share. Completed Application Forms and accompanying cheques must be mailed to the Company as follows:

##### **Delivery by post**

Grand Pavilion, Hibiscus Way  
802 West Bay Road, PO Box 31119  
Grand Cayman, KY1-1205

Cheques should be made payable to "Circle International Holdings Limited – Shares Account" and crossed "Not Negotiable". Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

#### **5.7 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 shares. 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)).

#### **5.8 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 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.

## **5.9 Issue**

Subject to NSX granting conditional approval for the Company to be admitted to the Official List, issue of the Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

## **5.10 About the Shares**

The Company is incorporated in the Cayman Islands. The Shares issued under the Offer will rank equally with the Shares that the Company has previously issued. Investors should note that there are certain differences between Shares in the Company and ordinary securities which are typically issued by Australian incorporated public companies. A summary of the key rights attaching to the Shares is set out in Section 11.2 and a comparison of the rights attaching to the Shares with the rights of holders of securities in an Australian listed company is set out in Section 11.3.

## **5.11 CHESS and Issuer Sponsored Holdings**

The Company will apply to participate in CHESS and will comply with the NSX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in shares quoted on NSX under which transfers are affected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. The Shares of Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Shareholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the NSX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Company's share registry in the case of a holding on the issuer sponsored subregister. The Company and its share registry may charge a fee for these additional issuer sponsored statements.

#### **5.12 Applicants Outside Australia**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom it would not be lawful to make such an offer or to issue 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. Any failure to comply with such restrictions may constitute a violation of applicable shares laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. 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. If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

#### **5.13 Oversubscriptions**

No oversubscriptions are intended to be accepted by the Company.

#### **5.14 Underwriting**

The Offer is not underwritten.

#### **5.15 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 Corporations Act. The Company has appointed Steinepreis Paganin as its Nominated Adviser.

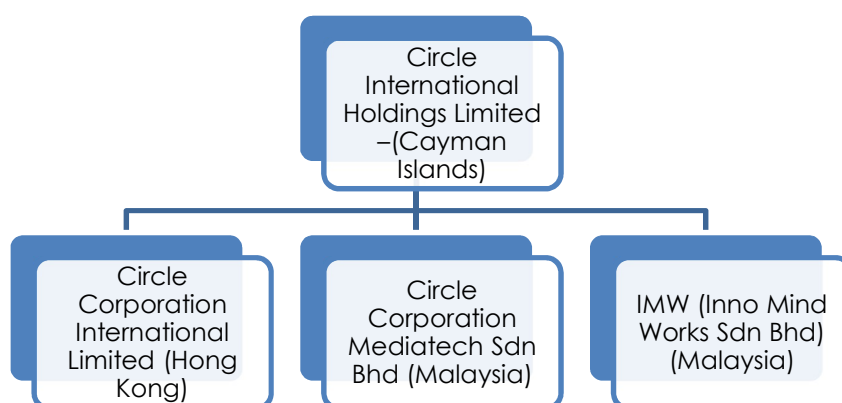
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## 6. BUSINESS OVERVIEW

### 6.1 Company Background and Group Structure

The Company was incorporated in the Cayman Islands on 12 December 2016 to be the international holding company for the Group. Pursuant to the Acquisition under the terms of the Acquisition Agreements, the Company will be acquiring three related companies focused on the new media technology industry from CCSB, their holding company at the date of this Prospectus. These three companies are Circle Corporation International Limited, a company incorporated in Hong Kong (**CCIL**), Circle Corporation Mediatech Sdn Bhd (**CCMT**) and Inno Mind Works Sdn Bhd (**IMW**), both companies incorporated in Malaysia. The Acquisition is conditional upon the Company receiving conditional approval from the NSX to be admitted to the Official List.

The corporate structure of the Company group following completion of the Acquisition will be as follows:



### 6.2 The Group - Introduction

Founded by Dato' Brian Tan in 2009 under the holding company CCSB and headquartered in Kuala Lumpur, the Group is a leading new media technology group for the ASEAN and Asia regions. Over the years, the Group has expanded its presence into key international markets which include China, Hong Kong, Taiwan, Indonesia and Australia. The Group's principal business activities are its highly successful Business Circle mobile app and its Worldwide Excellence Award platform. The former is one of the fastest-growing, Chinese language digital business publications across China and the ASEAN region. WEA is an international prestige award that recognises elites from different industries.

The Group's twin proprietary brands are augmented by in-house capabilities in mobile/digital content creation and dissemination, digital advertising and digital media planning. These services are also offered to international and local clients as a revenue generator via the provision of marketing and branding solutions. The Group has achieved three-year consecutive revenue and profit growth and serves as a gateway for brands looking for market penetration into South East Asia, China, Taiwan and Hong Kong.

### 6.3 The Group – Overview and Industry

With profits doubling annually over the past three years and the Group establishing a fast-growing presence across Asia, the Board believe that the



Group presents a dynamic and vibrant success story in the region, having successfully grown from a start-up venture.

The Group operates in the rapidly growing new media technology industry, which is an industrial revolution and is set to eclipse conventional media and become the preferred form for communication, advertising, branding, entertainment, information dissemination and more.

These twin assets afford the Group the opportunity of improved branding and recognition among the influential, high net worth business segment of Asia for a wide range of monetisation and commercialisation purposes. In addition, they also allow the Group to offer brands across the world the opportunity to expand into Asia via the synergy of the Group's digital platform (Business Circle mobile app) and the physical world (Worldwide Excellence Award).

Backed by its in-house digital content development and technology arm, the Board believes that the Group presents a complete proposition from digital content creation, to market access and reach to targeted communication opportunities and thereby provides a gateway to the ASEAN and Asia regions for brands looking to tap the burgeoning population and rising affluence of these markets.

Leveraging on its positioning amidst Asia's growing affluent population and riding the technological growth wave, the Company also proposes to take advantage of a new horizon of opportunities via entry into the financial technology (**FinTech**) industry – the provision of financial gateways and intermediaries to further monetise captive markets in China, Taiwan, Hong Kong, Malaysia, Australia and beyond.

Ultimately, the Board believes that the Group's attractiveness as a business investment is centred on the following factors:

- strong and consistent financial performance to ensure business sustainability
- positioning in the rising new media technology industry with immense growth potential going forward
- an entrenched and fast-growing presence in China, Hong Kong, Taiwan, the ASEAN region and other countries
- ownership of unique content and proprietary brands that differentiate it from competitors
- established clientele base across the region
- a strong captive audience across key Chinese language markets
- potential of new monetisation possibilities via entry into FinTech.

#### **6.4 Acquisition and In-specie Distribution**

Under the Acquisition Agreements, the Company will acquire 100% of the issued share capital of CCIL, CCMT and IMW from CCSB in consideration for an aggregate issue of 180,000,000 Shares in the Company to CCSB. CCSB has agreed to distribute approximately 166,074,752 of these Shares in-specie to its shareholders on a pro-rata basis to their respective shareholdings in CCSB via the In-specie Distribution. The remaining approximately 13,925,752 Shares will be distributed for free to Directors of the Company (12,329,464 Shares) and to related parties and associates of the Company's founder Dato' Brian Tan (1,596,288 Shares). The effect of the Acquisition is that, upon completion, the CCSB

shareholders will own approximately 92.26% of the Shares in the Company (with the Directors of the Company and related parties and associates of Dato' Brian Tan holding balance) and CCIL, CCMT and IMW will be wholly owned subsidiaries of the Company. The Board considered that the quantum of Shares to be issued by the Company for the Acquisition reflects reasonable fair value of CCIL, CCMT and IMW in view of the Group's current business and activities. In determining the quantum of Shares to be issued under the Acquisition, the Company also took into account the following considerations:

- (a) internal revenue and profit forecasts of the Group. However, those forecasts cannot be stated publicly as they do not comply with ASIC guidelines (in particular, ASIC Regulatory Guide 170 which requires directors to have a reasonable basis for disclosing forecast financial information);
- (b) third party transactions in the new media technology sectors; and
- (c) the Board's assessment of the future prospects of the Group based on the status of its current business and activities and interest from third parties.

As with the acquisition of any business or asset, there is not always an appropriate formal valuation methodology (e.g. discounted cash flow) available when determining the purchase price and the Company was required to take into account qualitative factors such as those set out above in coming to a decision on price.

The Acquisition will be completed shortly after the Company has received the conditional approval of NSX to be admitted to the Official List.

## **6.5 The Group Companies**

### **6.5.1 Circle Corporation International Limited (CCIL)**

CCIL was incorporated in Hong Kong on 7 May 2015 and operates from Hong Kong and is the Group's international marketing and business development arm. Its principal business activities are to secure digital media and conventional media sales from the key overseas markets of Taiwan, Hong Kong and China.

CCIL is also responsible for growing the Group's international brand profile through a wide range of marketing and business development activities. At present, more than 50% of the Group's revenue is derived from international sales from mobile and digital media channels.

### **6.5.2 Circle Corporation Mediatech Sdn Bhd (CCMT)**

CCMT was incorporated in Malaysia on 22 August 2014 and is the local operating arm of the Group which manages and operates the Group's two proprietary brands: the Business Circle mobile app and Worldwide Excellence Award. CCMT is also responsible for the Group's local operations in Malaysia.

### **6.5.3 Inno Mind Works Sdn Bhd (IMW)**

IMW was incorporated in Malaysia on 9 October 2008 and is a digital branding and marketing agency whose expertise covers digital advertising and marketing solutions ranging from content conceptualisation and creation to media planning

and buying and other related services. IMW provides the required creative and technical expertise to support the Business Circle mobile app and WEA while meeting the growing demand from clients for digital marketing services.

As a Multimedia Super Corridor (**MSC**) status company, IMW enjoys tax exemptions and various other incentives from the Malaysian government. It is also a 4As certified company by the Association of Accredited Advertising Agencies Malaysia.

\* Multimedia Super Corridor Status refers to recognition by the Government of Malaysia through the Malaysia Digital Economy Corporation (**MDEC**), for information and communications technology (**ICT**) and ICT-facilitated businesses that develop or use multimedia technologies to produce and enhance their products and services. It is also a mark of world-class service and achievement and a passport and gateway to a host of privileges granted by the Government of Malaysia to recognised business entities.

IMW owns an office building at Unit 23-06, Level 23, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

## **6.6 The Group – Principal Business Activities**

### **6.6.1 Business Circle Mobile app**

The Group's Business Circle mobile app is one of Asia's leading, Chinese language digital business news portals. It has over 100,000 downloads from Malaysia, Singapore, China, Taiwan and Hong Kong. The app is proprietary to CCSB, having been developed in-house. CCSB has assigned the intellectual property rights in respect of the Business Circle mobile app to the Company subject to the Company being admitted to the Official List of NSX. Refer to Section 10.2 for a summary of the terms of the Deed of Assignment.

Launched in 2015, the app has a strong following among CEOs, top and middle level managers and independent business owners in the corporate sector of Asia. The app is also well followed by up and coming business professionals and aspiring young entrepreneurs.

Through the Business Circle mobile app, CCSB has successfully created a proprietary, captive community of elite and high-calibre readers from across Asia. the Board believe this makes it an ideal gateway for brands to engage industry movers in China, the ASEAN region, Taiwan, Hong Kong, Malaysia and more.

It is anticipated that as the community grows, the quality of the captive market base will be supplemented by quantity, thus increasing its value as a targeted branding medium. The Business Circle mobile app also enjoys a symbiotic relationship with the Worldwide Excellence Award platform (refer below) via cross fertilisation opportunities.

### **Worldwide Excellence Award**

The Group's Worldwide Excellence Award (**WEA**) is widely regarded as one of Asia's best up and coming award platforms. Unlike other corporate awards that are business centric, WEA recognises outstanding individuals, organisations and contributions from a wide range of fields. These include arts and culture, social causes, exemplary leadership, efforts towards nation-building and more. The

Board believe this puts WEA in a potentially advantageous position over other award platforms due to its:

- potential to engage with a larger and more diverse market beyond typical business audiences – the capacity to attract award recipients from across the globe; and
- ability to engage with a large number of influencers and stakeholders (e.g. governments, socio-preneurs and techno-preneurs, sportsmen, musicians, artists, NGOs and special interest groups).

It is the Group's aim that WEA reaches the same level as other leading international business award platforms.

WEA presently contributes approximately 20% of the Group's revenue via sponsorship and various forms of advertising. It is anticipated by the Board that this will grow as the platform is expanded to China, Taiwan, Indonesia and Australia in 2017.

WEA will serve as a catalyst to cross fertilise Business Circle mobile app to increase downloads and vice versa.

#### **6.6.2 Supporting Business Activities**

In supporting its position as a comprehensive new media technology group, the Group also possesses the following creative and technical expertise:

##### **(a) E-Branding**

the Group is a proven e-branding specialist, assisting recognition and promotion of various corporate and product brands. Operating across the integrated marketing and branding communications spectrum, the Group provides a comprehensive suite of e-branding solutions to enable companies to gain market awareness and appeal to rise above a competitive marketplace.

##### **(b) Campaign Strategy and Media Planning**

The Group is able to provide a valuable mix of digital media campaign strategies to enable brands to attain attention and to manage their overall media planning and buying approach. The Group's integrated solutions bridge the communication gap between brands and target audience, connecting them via digital and social networks as well as broadcast and print.

##### **(c) Digital Solutions & Content Creation**

The Group also helps companies make the jump to the digital world – to leverage on the latest technology and social trends to reach fragmented consumer audiences across the world. This includes digital advertising as well as digital content creation solutions including 2D and 3D animation. The Group provides a one-stop solution across the entire e-content creation process. This includes storyline and scripting, video production, post-production and finally media planning and distribution

internationally. This also includes Search Engine Optimisation, Search Engine Marketing, Content Marketing and Social Media Marketing.

(d) **Mobile Application Development & eCommerce Platforms**

With the rise of smartphones and changing consumer behaviours, the Group enables brands to leverage onto the fast growing mobile landscape by developing top-of-the-range mobile apps for clients. The Group is currently developing a comprehensive eCommerce platform 'Store System' for customers to convert traffic into leads and sales. CCIL has made a prepayment of approximately \$750,000 to the independent third party technology and software developer developing the Company's eCommerce platform.

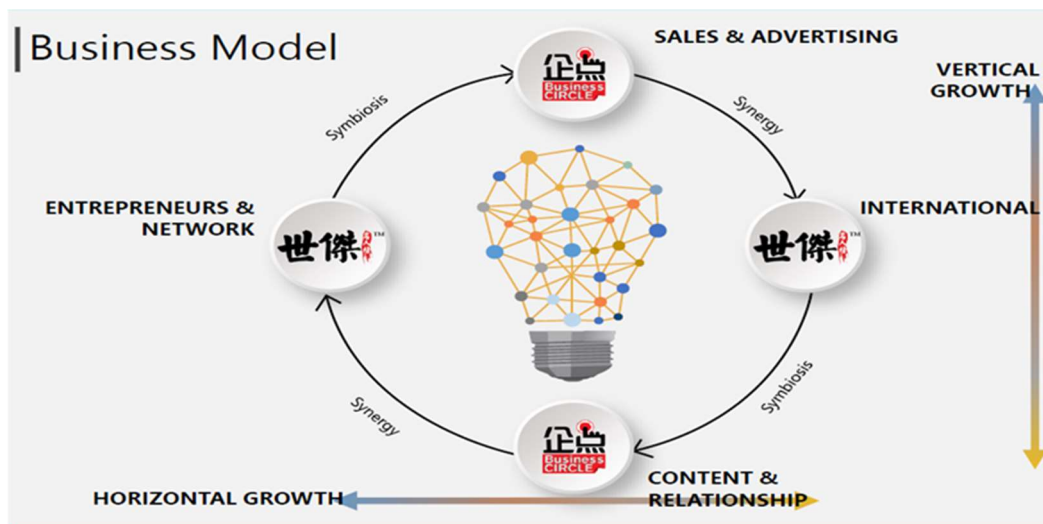
## **6.7 Company Objectives**

The Company's main objectives on admission to the Official List of the NSX are to:

- (a) to become a leading business news portal in the Asia Pacific region, providing up to date news content quickly;
- (b) expand the Company's comprehensive digital marketing solutions and strategies offerings to wider markets;
- (c) introduce and develop WEA in additional international markets to generate further business opportunities and collect a larger database and business network;
- (d) pursue growth opportunities and improve capital management flexibility through potential future acquisitions of complementary businesses; and
- (e) provide the Company with the benefits of an increased profile and the transparency, accountability and credibility that arise from being a listed entity.

## **6.8 Business Model and Eco-System**

The Board believe that the Group's business model is one of its distinctive competitive advantages over competitors. The Group's business model allows it to optimise both horizontal and vertical growth opportunities. In essence, the business model leverages on the Group's twin pillars of the Business Circle mobile app and the WEA, which enjoy a symbiotic relationship, allowing for synergy that fuels greater business advantage as detailed in the diagram below.



The Business Circle mobile app creates an international business community of high net worth and influential industry leaders, entrepreneurs, venture capitalists and professionals as well as young, aspiring industry leaders from across the world, particularly Asia. This captive audience is situated in the fast-growing regions of the ASEAN region, East Asia and Asia-Pacific which have a burgeoning population of over 3.5 billion. This creates a high-quality subscriber base which the Company can then leverage on in a variety of ways including:

- advertising and branding campaigns both for the Company and its clients as well as any business who wishes to tap into this lucrative and valuable target market
- by engaging and influencing a high value network of individuals
- directly selling products and services to this affluent, high-income segment; and
- directing these audiences to support and participate in WEA.

The WEA intends to create a platform of prestige and influence for the Company by reaching out to elites in a wide range of industries and fields. The WEA platform also provides for monetisation opportunities via sponsorship and branding packages while cross promoting the Business Circle mobile app.

The Company believes that the synergy and symbiotic relationship between the Business Circle mobile app (digital platform) and WEA (on-ground platform) offers the following:

- the creation of strong business and professional networks with key decision makers, influencers and industry players across Asia including governments;
- captive access to a fast-growing high net worth and influential demographic of industry leaders, entrepreneurs, venture capitalists and professionals as well as young, aspiring industry leaders; and
- the development of a reputable business platform that provides for strong branding and marketing profiling for brands among a high net worth demographic.

The Company believes the Group's business model creates a sustainable ecosystem that benefits all stakeholders while growing organically over time.

## 6.9 Competitive Strengths

The Board is of the opinion that the Group's competitive strengths include the following:

### (a) Regional Business Reach Across China and the ASEAN Region

The Group enjoys a fast-growing presence in the key markets of China, Hong Kong, Taiwan, Australia, Indonesia and Malaysia; markets which are experiencing strong growth in digital advertising and marketing expenditure. In terms of reach, the Group experiences high traffic via its Business Circle mobile app, WEA platform and other channels including social media.

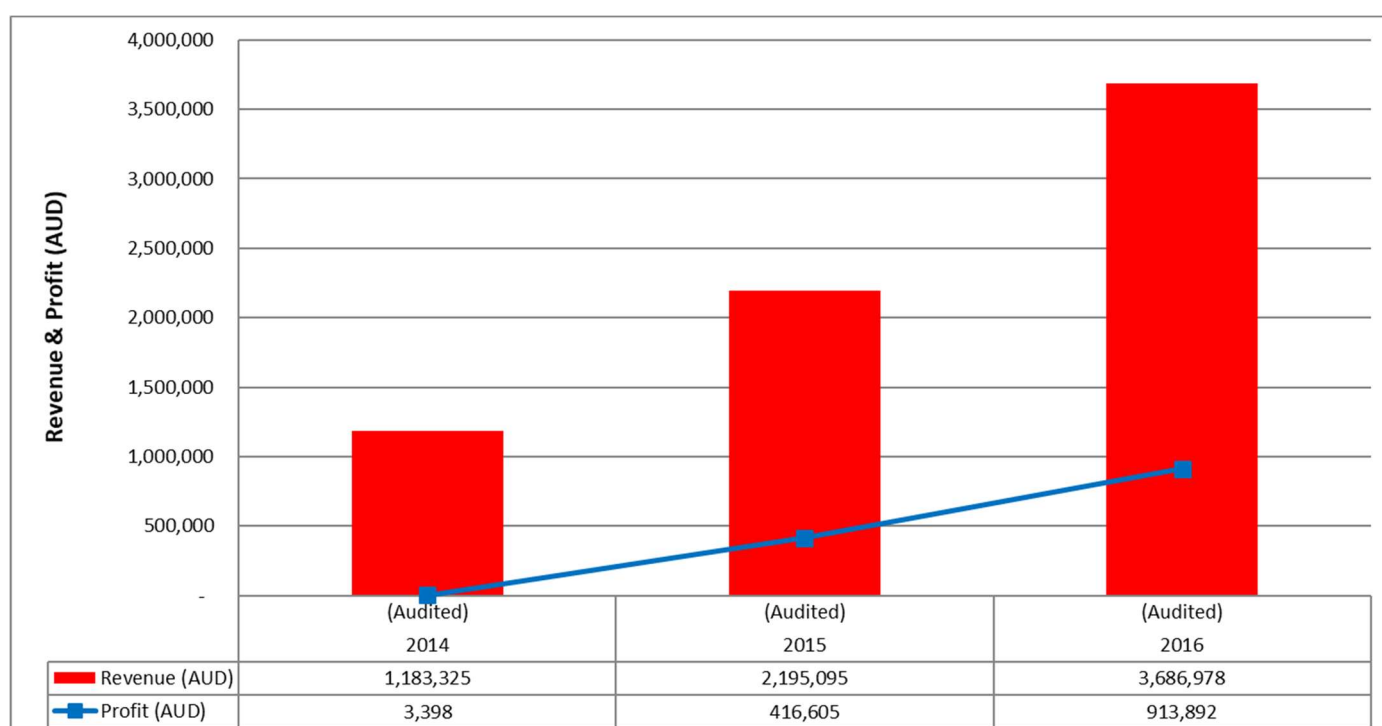
### (b) Existing Large Client Base

The Group has over 100 customers across Asia who it provides digital marketing, branding and advertising solutions to. This provides the Group with a steady and diversified source of recurring income to supplement revenue streams.

### (c) Revenue and Profit Growth

The Group is a profitable business with earnings increasing annually as shown in the diagram below. The Group has proven its business sustainability to date by continuing to register strong financial performance.

#### 3-Year Financial Performance



(d) **Strategically Positioned Between East and West**

With an established multi-country and multi-lingual base across the ASEAN and Asia regions, the Board believe the Group is well versed with local sensitivities and cultural norms to win hearts and minds across the continent. The Board believe the Company will be well positioned to help brands navigate the language and cultural labyrinths of the ASEAN and Asia regions. In a region of almost 3.5 billion people (including China), where English, Chinese and the Malay language dominate, the Board believe the Group has the experience and expertise to help brands reach these audiences while staying politically correct and culturally appealing.

The Group, with its origins in Malaysia, also has network reach to help clients tap into the growing market for halal products and services. The Board believe the Group is strategically positioned to enable businesses to make a smooth entry into this sizeable market.

(e) **Ownership of Proprietary Brands & Intellectual Property**

Unlike many other digital content operators, the Group has its own proprietary brands. It is not just a content creator or aggregator and is able to benefit from the tangible and intangible benefits of brand ownership such as greater consumer recognition, the potential creation of sustainable revenue streams, the nurturing of a strong community or fan following and more.

## **6.10 Potential Growth Opportunities**

(a) **Further Penetration into the China, ASEAN and Asian-Pacific Regions**

With exciting economic developments within these regions such as China's One Belt One Road initiative and the emergence of the ASEAN Economic Community, the regions are poised to see burgeoning growth which will contribute to increased socio-economic prosperity and an ensuing increase in advertising spend and population growth. Notably, the proposed Regional Comprehensive Economic Partnership (**RCEP**), an exciting free trade agreement between the ten member states of the ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and India, China, Australia, New Zealand, Japan and South Korea has the potential to unleash new waves of business opportunities. The Board believe the Group is well positioned at the heart of this growth region where almost 50% of the world's population resides. The Board believe that the Group will serve as a key bridge for businesses from across the RCEP to grow and reach new audiences.

(b) **Present in an Emerging Industry**

The Technology Media Communications (**TMC**) industry is poised to grow exponentially, driven by several contributing factors such as rising smartphone penetration, changing consumer behaviours and attitudes, the rise of on-demand content and so on. New technologies such as Over The Top content, Cloud, Big Data, high-speed broadband proliferation,



Internet of Things and more are also driving the growth of the TMC industry.

Set out below are some key statistics which indicate potential near-future prospects of the TMC industry:

- mobile is anticipated to account for approximately 50% of all digital advertising spending in 2018 ([www.emarketer.com](http://www.emarketer.com))
- global mobile internet advertising spending in 2016 was estimated at approximately US\$101 billion (approximately \$127 billion) ([www.emarketer.com](http://www.emarketer.com))
- mobile advertising spending in China in 2016 was estimated at approximately US\$22 billion (approximately \$28 billion) ([www.emarketer.com](http://www.emarketer.com))

(c) **Presence as a Chinese Language Influencer**

Given its growing reputation and branding among Chinese language audiences in key markets and having built a strong community base, the Board believe the Group has the potential to become an authoritative source for information in the oriental market.

(d) **Introduction of English Business Circle Mobile App**

In 2017, the Group will launch the English version of its highly successful Business Circle mobile app. It is anticipated by the Board that the introduction of the English version of the app will further increase its appeal and strengthen its positioning as a leading news portal across the markets in which it operates. This would further boost the reach of the Business Circle mobile app, in turn enhancing its appeal with advertisers. The launch of the English version will also facilitate expansion into English speaking markets globally. The Group has registered its Business Circle trademark for commercial use in Australia.

(e) **Expansion of WEA into New Markets**

Having established that the WEA model is profitable beyond Malaysia, the next phase is to expand into new markets. The Group aims to achieve this through licensing agreements or via the Group's own efforts, or a hybrid of both strategies. At present, plans are underway to bring WEA to China, Taiwan, Australia and Indonesia. Ultimately, the Group's aspiration is for WEA to become a global, premier awards platform.

## **6.11 Corporate Milestones**

The main corporate milestones achieved by the Group to date are:

### **2009**

- Incorporation of CCSB as a private limited company in Malaysia

### **2010-2011**

- Ventures into conventional and digital media branding, advertising and content creation for leading local and international brands
- Commissioned by ASTRO (Malaysia's largest Pay-TV network) for the production of Chinese language programmes including the "Circle of Dragons" entrepreneur TV series program

### **2012-2013**

- Obtains publishing license for the Business Circle Chinese language magazine from the Ministry of Information, Malaysia
- Launch of the Business Circle magazine in Malaysia, Singapore and Brunei

### **2014**

- Launch of inaugural WEA event in Kuala Lumpur, Malaysia
- Expansion of the Business Circle magazine and WEA into the ASEAN and China regions

### **2015**

- Launch of the Business Circle mobile app
- Incorporation of CCIL to meet growing international client base
- CCSB wins SME 100 Fast Moving Company Award from SME Magazine

### **2016**

- WEA affiliates with different international partners from different countries including Australia, Japan, Taiwan and China.
- The Company is founded in the Cayman Islands as the international holding company for the Group

### **2017**

- Acquisition of IMW, a leading Malaysian advertising firm with Association of Accredited Advertising Agents Malaysia and Multimedia Super Corridor status
- Business Circle mobile app successfully placed on shelf at Tencent app store in China, the leading app store in China (equivalent to Apple Store or Google Store)
- WEA launched in Shanghai under the auspices of the One Belt One Road initiative. This kick starts regional roll out of WEA to the rest of China, Australia, Taiwan and Indonesia.
- Commencement of listing process on NSX

## **6.12 Industry Accolades**

The Group and its founder, Data' Brian Tan have respectively won the following awards:

### **Company Awards**

- Winner of SME 100 Fast Moving Companies award in 2015 (an annual award programme organised by the Malaysian based SME magazine to recognise and celebrate the fast growing and outstanding achievements of small and medium enterprises in Malaysia)
- Winner of the Digital Media Excellence Company Award in Global Responsible Business Leadership Award at Malaysia in 2017 (the recipients of these awards are outstanding pioneers or leaders in their respective sectors. Their outstanding qualities are reflected on the organisation's positive financial results and increased shareholder value)

### **Individual Awards to Dato' Brian Tan, Group Founder & CEO**

- Awarded as Top Overseas Chinese Entrepreneurs in Top 100 Chinese Entrepreneurs Award, China (Top 100 Chinese Entrepreneurs Award was created to recognise worldwide Chinese entrepreneurs who fuel the region's economy through their innovation, sacrifices and dedication. These business owners are generally making significant contributions to their clients, professions, industries and communities)
- Awarded as one of the 65 successful overseas Chinese role models (to celebrate the 65th anniversary of the founding of the People's Republic of China, a special award ceremony was held to acknowledge 65 successful overseas Chinese, who were considered inspiring, bold, innovative and outstanding. These personalities were considered pioneers of their respective industries).
- Winner of Golden Awards of Chinese Excellent People Selection Activity at Taiwan in 2016 an international award platform to recognise and honour those who considered outstanding leaders in the business of their respective sectors and who have shown tremendous performance and tenacity in developing successful businesses).
- Recognised as one of the Excellent Entrepreneurs' Award 2016 (this award honours those who build market-leading companies that make their communities, country and the world a better place).

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## 7. COMPANY OVERVIEW

### 7.1 Financial Information

For details on the financial information of the Company, CCMB, CCIL, CCMT and IMW, please refer to the Independent Accountant's Report at Section 9 of this Prospectus.

### 7.2 Capital Structure

The capital structure of the Company following completion of the Offer (assuming full subscription) and In-specie Distribution is summarised below<sup>1</sup>:

#### Shares<sup>2</sup>

	Number
Shares currently on issue <sup>3</sup>	400
To be issued under the Acquisition Agreement	180,000,000
Shares to be issued pursuant to the Offer	10,000
<b>Total Shares on completion of the Offer</b>	<b>180,010,400</b>

#### Options

	Number
Options currently on issue	nil
Options to be issued pursuant to the Offer	nil
<b>Total Options on completion of the Offer</b>	<b>nil</b>

<sup>1</sup> Refer to the Investigating Accountant's Report set out in Section 9 of this Prospectus for further details.

<sup>2</sup> The rights attaching to the Shares are summarised in Section 11.2 of this Prospectus.

<sup>3</sup> The Shares currently on issue were issued on incorporation at an issue price of US\$1 each to Dato' Brian Tan.

### 7.3 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer and the In-specie Distribution are set out in the respective tables below.

#### *As at the date of the Prospectus*

Share holder	Shares	Options	% (undiluted)	% (fully diluted)
Dato' Brian Tan	400	nil	100%	100%

***On completion of the Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer) and the Acquisition and In-specie Distribution***

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Dato' Brian Tan	94,184,050	nil	52.32%	52.32%
Dato' Michael Yip Chin Hwee	12,654,292	nil	7.03%	7.03%

The Company will announce to the NSX details of its top 20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on NSX.

#### **7.4 Restricted Securities**

The NSX may classify certain securities as being subject to the restricted securities provisions of the NSX 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. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner. The Company will announce to the NSX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on NSX. Refer to Section 4D for further details.

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

#### **7.6 Dividend Policy**

The Company anticipates that expenditure will be incurred in the expansion of the Company's business. These activities are expected to dominate the two year period following the date the Company is admitted to the Official List. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial conditions of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

## 7.7 Directors and Key Personnel

### (a) Board of Directors

The Board is comprised of carefully selected individuals whose experience and skill base is commensurate with the requirements and profile of the Company. The Board believes it has the right mix of skills, experience and knowledge relevant to effectively direct and supervise the Company's business activities and to ensure that the interest of investors, including the Company's minority shareholders, is adequately protected. The Board consists of two Executive Directors and three, Non-Executive Directors. The Board is currently of the view that its composition is appropriate for the Company at this stage of its development. The Board members comprise:

#### **Dato' Brian Tan** **Director and CEO**

Dato' Brian Tan is the Founder and Chief Executive Officer of the Group. Dato' Brian Tan founded CCMB and has been CEO since 2009. He is principally responsible for the overall management, strategic development and decision-making of the Group. He is also the creator of both the Business Circle mobile app and Worldwide Excellence Award. As an industry pioneer, Dato' Brian Tan is considered to be part of a new breed of rising Chinese-Malaysian entrepreneurs leading the charge into the new media technology industry. Over the years, he has constantly introduced new business concepts and ideas inspired by his vision to build improved landscapes for greater socio-economic prosperity.

Prior to his successful foray into the new media technology, Dato' Brian Tan was regarded as a frontrunner in the music industry and also the café retail-chain industry where he brought new concepts into the business, resulting in attracting venture capitalist funding from IDG Capital Partners, ACCEL Partners and SIG. In his early days, his talents in music won him the Taiwan Golden Melody Awards (equivalent to Grammy Awards in the Chinese music industry) for the song "Hu Si Luan Xiang" sung by Michael & Victor, and also produced best-selling artists like A-Do and JJ Lin. He was also a pioneer in the digital music revolution in introducing music in the digital format via music4nothing.com, invested by Singatronic, a Singapore public listed company.

He then diversified and using his talents in music and his business acumen, he combined the concept of music and café and created the first music café retail-chain brand in Asia with a total of 19 cafes (Halo Café and Red Ocean Butterfly Café). He also led the cafes to garner the accolade of "The Best South-East Asia Café" in Beijing. Outside Malaysia, Dato' Brian Tan also has ventured successfully across China and other key Chinese language markets in Asia. His regional network is extensive with strong relationships with leaders of industry and influencers across China, Hong Kong, Taiwan, Malaysia and Singapore.

With over 20 years of experience in the business world, Dato' Brian brings extensive experience to the Group and continues inventing and looking into new possibilities in the digital revolution to bring the Group to greater

heights. Beyond the business world, Dato' Brian Tan is an active contributor to societal causes and continues to play an active role in support of the betterment of the community. Serving society remains a growing passion which is reflected through his involvement across all Malaysian communities irrespective of race or religion. He is a Member of the United Nations Global Compact, an Executive Advisor to the United Youth Movement of Malaysia, President of the Chung Hwa Correspondence School Malaysia Alumni Association and an Honorary Fellow of the Selangor Malay Chamber of Commerce.

**Yap Chee Lim**  
**Executive Director**

Mr. Yap Chee Lim is Director of the Company having joined the Group in 2013. He is primarily responsible for local and regional business expansion, procurement of financing to support the Group's capital needs and supporting the CEO in developing overall strategies and establishing operational goals. He also oversees the Group's management establishment and system management and other matters that require direct reporting to the Board or the Group Founder. His extensive senior management experience includes serving over 15 years in key C-Level positions for various leading companies. These include the Lion Group, Steel Division and Elektrisola, worldwide market leader in the ultra-fine magnet wire industry.

**Dato' Michael Yip Chin Hwee**  
**Non-Executive Director**

Dato' Michael Yip Chin Hwee was appointed to the Board of Directors of the Group in 2017. Dato' Yip brings over 30 years of corporate experience having served in various industries, primarily within the property development industry. He is presently the Managing Director of GM Build Sdn Bhd (a family owned property development company) with a proven track record of successful developments. Under his leadership, GM Build has ventured into project development township with gross development value of more than RM300mil. He has also ventured into property development in Australia. Dato' Yip's other vested interests include an online property trading platform and plantation and other businesses both locally and internationally. He is also a member of The Malaysia - China Silk Route Business Chamber and The Chinese Chamber Of Commerce & Industry of Kuala Lumpur & Selangor.

**Dato' Cheah Choong Kit**  
**Independent Non-Executive Director**

Dato' Cheah Choong Kit is an independent Director of the Company having been appointed by the Group in 2017. Dato' Cheah has had a long and illustrious 30-year career, notably in civil service, first with the Public Service Department followed by the Ministry of Foreign Affairs, Malaysia. He brings to the Group a wide range of experience in human resource management, international business and political relations as well as governmental relations. His career includes serving as Director (Economic) Malaysian Friendship and Trade Centre Taipei, Taiwan from

1992-1996. Thereafter, he was appointed as Chargé d' Affaires, Embassy of Malaysia Bucharest, Romania from 1996 to 2000.

From 2006 till 2013, Dato' Cheah served as Ambassador of Malaysia to the Republic of Zimbabwe and Ambassador of Malaysia to the Republic of Finland. He was also the Head of the Fact Finding Mission to Sierra Leone under the Framework of the OIC Contact Group on Sierra Leone. His career has also seen him representing Malaysia on the global stage which included various international meetings relating to the United Nations, Asia Pacific Economic Community Summit, Asian-African Summit, Asia-Middle East Dialogue, World Economic Forum, Helsinki Process and Group of Friends of Mediation. He was the alternate Permanent Representative of Malaysia to the 65th United Nations General Assembly in 2010.

**Helen Hsu**  
**Independent Non-Executive Director**

Ms. Helen Hsu is an independent Director of the Company and is also the Chairperson of the audit committee of the Company. She has also been a member of the remuneration committee and the nomination committee of the Group since June 2015. She has over 20 years of accounting and financial industry experience in Hong Kong and Shanghai. Ms. Hsu graduated from The Chinese University of Hong Kong with a Bachelor's degree in business administration. Ms. Hsu had worked with Ernst & Young Hong Kong for 18 years and was a partner before she retired from the firm in February 2011. Ms. Hsu is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Ms. Hsu is a non-executive director of Branding China Group Limited, Perfect Shape Beauty Technology Limited, Richly Field China Development Limited and China Display Optoelectronics Technology Golding Limited, all of which companies are listed on the Stock Exchange of Hong Kong. Ms. Hsu does not expect that her other directorships will impact her ability to act as a Director of the Company.

(b) **Senior Management**

In addition to the Directors, senior management comprises the following people:

**Datin Irene Pang, ACIS**  
**Group Chief Corporate Officer**

Datin Pang is the Group Chief Corporate Officer and oversees all corporate and administrative functions of the Group. She brings over 25 years of industry related experience especially in the key areas of corporate strategic planning, secretarial practice, local and international corporate finance and general management. She has served in these capacities for small and medium sized enterprises and public listed companies in Malaysia, Hong Kong and China. During her career, she has played a leading role in conducting due diligence reviews and other corporate exercises including advising Boards of Directors and senior management on listing processes, employee share option schemes, initial



public offerings and acquisitions and mergers. Datin Pang is a qualified Chartered Secretary and Associate member of the Malaysian Institute of Chartered Secretaries and Administrators. She is also actively involved in non-governmental organisation networking and contributes corporate social responsibility services to serve society. She is a member of the Global Federation of Chinese Business Women, Malaysia and member of the Malaysia Chinese Women Entrepreneur Association.

**LK Tan, FCCA**  
**Group Chief Financial Officer**

Tan is responsible for the Group's financial operations having joined the Group in 2015. He brings over 25 years of industry related experience which includes financial management, accounting, tax planning and related corporate matters. His experience includes seven years in audit and tax practices. He has also served with various Malaysian public listed companies – managing projects in excess of RM5 billion including more than 1,000 acres of township development. He has also overseen the successful completion of a 12-acre shopping complex in Johor Bahru, in the state of Johor, Malaysia as well as a 400-room hotel development in Kuala Lumpur. He has also managed an oil palm plantation project in Indonesia. During 2000-2006, Tan was involved in various corporate matters and debt restructuring exercises for local companies. He also was General Manager of a financial consultancy firm from 2006-2015 – advising small and medium industry companies on financial management, value creation and other corporate matters.

**August Low**  
**Chief Marketing Officer**

Graduating from Charles Sturt University, Australia with a Bachelor Degree in Communication (Advertising), Low joined the Group as its Marketing Head in 2015 and is responsible for growing the Group's brand's profile among key markets and stakeholders across Asia. He is also responsible for branding and marketing strategies for the Group's Business Circle mobile app and Worldwide Excellence Award platform. Low brings over 15 years of integrated marketing communications experience to the Group across multiple platforms including an extensive campaign on digital platforms. Among key campaigns he has worked on include Ambassador Campaigns with Sheila Majid and Emil Chau for renowned healthy lifestyle brand OGAWA, Hyatt Place @ Melaka Gateway, Formula 1 and many more.

**Wilfred Chan**  
**Chief Product Officer**

Chan was appointed as Chief Product Officer in 2012, which encompasses the role of Managing Editor. Chan oversees content direction and content creation activities for the Group and its Business Circle mobile app and supervises the editorial team across the region. He is instrumental in affiliating the Group to international media such as China Sin Hua News Agency and Agence France-Presse (AFP) News Agency. Prior to joining the Group, Chan served for over eight years in the

media industry including as editor-in-chief for several Chinese language business magazines.

**Steve Wan**  
**Chief Technology Officer**

Steve is the Group's Chief Technology Officer and leads the research and development team for the Business Circle mobile app. He brings over 15 years of information and communications technology (**ICT**) experience and is responsible for defining the Business Circle mobile app and technology strategies and developing new offerings and solutions. Steve is an award-winning ICT professional recognised by the industry for his outstanding contributions. These awards include winner of the by invitation only W3 Award and Horizon Interactive Awards by the Academy of Interactive and Visual Arts, New York, USA. Under his leadership, Steve and his team were recognised as a Google Engage Agency in 2013 and won two website design awards. Steve is experienced in the field of IT Solution Management and has been instrumental in developing IT solutions for various local brands and multinational corporations since 2002.

**Kevin Teh**  
**Chief Business Development Officer**

Kelvin Teh joined the Group in 2017 as Chief Business Development Officer and is responsible for expanding the Group's business presence into new and existing markets. Teh plays a key role in charting the Group's overall strategic direction and oversees the creation of exciting new products and services to penetrate markets across Asia to drive revenue growth and sales. Teh brings a unique combined skillset of business acumen and a wealth of creative industry experience. He has worked with renowned brand names across digital, broadcast and print media platforms such as the renowned Red Hot Media – one of Malaysia's leading Chinese media content producers, LBS Bina Group Berhad, Mitsubishi and more.

## **7.8 Availability of Directors**

Each Director has confirmed to the Company that they anticipate being available to perform their duties as a Non-Executive or Executive Director, as the case may be, without constraint from other commitments.

## **7.9 Corporate Governance and Shareholder Communication**

The Board believe that good corporate governance and sustainable business performance are intertwined and is committed towards the highest standards of corporate governance. The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals. Disclosure of these corporate governance practices will be given in accordance with the NSX Listing Rules. In addition, the Company's full Corporate Governance Plan is available from the Company's website ([www.circlecorpgroup.com](http://www.circlecorpgroup.com)).

Further, the Company acknowledges the need for Shareholders to be informed of all material business matters affecting the Company. In addition to various announcements made during the year, the timely release of half-yearly financial results will provide Shareholders and the investing public an overview of the Company's performance and operations.

## 7.10 Disclosure of Interests

For each of the Directors, the proposed annual remuneration (excluding superannuation) for the financial year following the Company being admitted to the Official List together with the relevant interests of the Director in the shares of the Company as at the date of this Prospectus (and assuming completion of the Acquisition and In-specie Distribution) is set out in the table below.

Director	Proposed Remuneration <sup>1</sup>	Shares
Dato' Brian Tan	US\$225,000 (\$283,733)	94,184,050
Dato' Michael Yip Chin Hwee	US\$1,500 (\$1,892)	12,654,292
Yap Chee Lim	US\$29,000 (\$36,570)	6,310,905
Dato' Cheah Choong Kit	US\$8,500 (\$10,719)	nil
Helen Hsu	US\$700 (\$883)	nil

<sup>1</sup> Assuming an exchange rate of \$1.00 to US\$0.793.

The Company's constitution provides that the remuneration of a Director that may be appointed to the Board will be fixed by the Board.

## 7.11 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

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## **8. RISK FACTORS**

### **8.1 Introduction**

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

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

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **8.2 Company specific risks**

#### **(a) Competition and New Technologies**

The digital marketing and advertising industry in which the Company will participate is subject to increasing global competition which is fast-paced and fast-changing. While the Company intends to undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company.

For instance, new technologies could overtake the advancements made by the Company which could negatively impact on the financial position and financial performance of the Company. Similarly, aggressive pricing or additional service offerings from competitors could require the Company to adjust its own pricing and service offerings to continue to generate business, which could negatively impact on the financial position and financial performance of the Company.

In particular, as part of the Company's business strategy it will seek to increase its gross margin but the ability to increase gross margin could be negatively affected by competitors' behaviour such as aggressive pricing and intense competition. These behaviours may not only impede the Company's ability to increase gross margin but may have the effect of actually reducing its current gross margin.

There is a risk that the Company will not be able to compete in the competitive industries in which it operates. The Company will be competing against a number of significant companies and other entities for app downloads, advertisements, commercial content and revenue, and client retention. In addition, the emergence of new competitors in the market, or technological developments providing an alternative to the Company's products and services could adversely impact the

Company's market share and the Company's financial position and financial performance.

(b) **Development and marketing risks**

Following completion of the Offer, the Company intends to further market the Business Circle mobile app. By its nature, there is no guarantee that the Company's marketing campaign will be successful and there is no guarantee of whether the Company will generate any revenue or profits.

The Company may encounter difficulty in market awareness of its brand. It intends to focus initially on marketing with the aim of attracting additional users. Any failure to expand the usage of the Business Circle mobile app would have an adverse impact on the Company's financial position and financial performance.

(c) **Brand establishment and maintenance**

The Company believes that establishing and maintaining its brand in the digital marketing and advertising industries is important to growing its proposed user base and product acceptance. This will depend largely on the Company's ability to provide useful and innovative products. The actions of external industry participants may affect the brand if Users do not have a positive experience using Apps, operating systems or devices that provide access to the Company's products. If the Company fails to successfully establish and maintain its brand its business and operating results could be adversely affected.

(d) **Dependence on the internet**

Expansion in the sales of the Company's services depends on the continued acceptance of the internet as a communications and commerce platform for individuals and enterprises. The internet could become less viable as a business tool due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality-of-service.

The performance of the internet and its acceptance as a business tool has been harmed by "viruses," "worms" and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If for any reason the internet does not remain a widespread communications medium and commercial platform, the demand for the Company's services would be significantly reduced, which would negatively affect the Company.

(e) **Hacker Attacks**

The Company relies upon the availability of its web services to provide services to advertisers and affiliates and attract new advertisers and affiliates. Hackers could render the website unavailable through a denial of service or other disruptive attacks.

Although the Company has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the web services

could lead to a loss of revenues whilst the Company is unable to provide its services. Further, it could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on growth of the business.

(f) **Fraud**

The Company makes use of inbuilt fraud identification and alert systems which minimises its risk of fraud. However, incidents of fraud and ineffective advertising reported in the online advertising market can undermine trust in the efficacy of online advertising, which may have a negative impact on the Company's business.

The risk of fraud may drive increasing calls for regulation of the market in key high-value jurisdictions, which may result in the Company incurring additional regulatory overhead or being required to develop or implement greater levels of controls within its advertising network.

(g) **Privacy concerns**

Regulations in various jurisdictions limit tracking and collection of personal identification and information. If the Company breaches such regulations, the Company's business, reputation, financial position and financial performance may be detrimentally affected. External events may also cause regulators to amend regulations in respect of the collection and use of user information. Any amended regulations may introduce controls which make the operation of certain types of tracking technologies unusable which could damage the Company's financial position and financial performance by adding costs to the Company through the requirement to develop and implement new technologies.

### **8.3 Industry Specific**

(a) **Regulatory Environment**

The Company currently has offices in Malaysia and Australia and is subject to the laws and regulations of those countries. In addition, the Company provides online and mobile marketing solutions to advertisers and affiliates internationally. Users, competitors, members of the general public or regulators could allege breaches of the legislation in the relevant jurisdictions. This could result in remedial action or litigation, which could potentially lead to the Company being required to pay compensation or a fine.

The Company's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon the Company's profitability. In addition, if regulators took the view that the Company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant

reputational damage and adversely impact upon the financial position and financial performance of the Company.

The Company intends to offer its services in various countries. Regulatory changes could see the Company being required to hold a licence in some of these jurisdictions or otherwise comply with local regulations. This could preclude the Company from offering certain services in these jurisdictions until such a licence has been obtained, or may require the Company to comply with a range of regulatory requirements. Any such increase in the costs and resources associated with the regulatory compliance in these jurisdictions could adversely impact upon the financial position and financial performance of the Company.

## **8.4 General Risks**

### **(a) Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's programmes, as well as on its ability to fund those programmes.

### **(b) Market conditions**

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

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

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

### **(a) Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing. Any additional equity financing will dilute securityholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its work programmes as the case may be. There is however no guarantee

that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(c) **Currently no market**

There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer or that the price of the Shares will increase.

The price at which the Company's Shares trade on NSX after listing may be higher or lower than the Offer price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in exchange rates, changes to government policy, legislation or regulation and other events or factors.

There may be relatively few or many potential buyers or sellers of the Shares on NSX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

(d) **Investment speculative**

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

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

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

(e) **Compliance with Cayman Islands and Australian laws**

As a Cayman Islands company, the Company will need to ensure its continuous compliance with Cayman Islands law and, since the Company will be listed on the NSX and registered as a foreign company in Australia, the Company will also need to ensure continuous compliance with relevant Australian laws and regulations, including the NSX Listing Rules and certain provisions of the Corporations Act. Further, given the countries of incorporation of CCIL, IMW and CCMT, the Company will also be required to comply with applicable laws in Malaysia and Hong Kong.

To the extent of any inconsistency between Cayman Islands and Australian law (or the laws of Malaysian and/or Hong Kong) and



regulations, the Company may need to make changes to its business operations, structure or policies to resolve such inconsistency. If the Company is required to make such changes, this is likely to result in additional demands on management and extra costs.

Because the Company is incorporated and registered in the Cayman Islands, certain provisions of the Corporations Act, including in relation to takeovers and substantial holdings do not apply to it. A summary of Cayman Islands company laws is set out in Section 11.3.



13 September 2017

The Directors  
Circle International Holdings Limited  
Unit D-9-3, Block D, Setiawalk  
Persiaran Wawasan  
Pusat Bandar Puchong, 47160 Puchong  
Selangor Darul Ehsan, Malaysia

Dear Sirs

## **INVESTIGATING ACCOUNTANT'S REPORT - CIRCLE INTERNATIONAL HOLDINGS LIMITED**

### **Introduction**

This Investigating Accountant's Report ("Report") has been prepared for inclusion within a prospectus ("Prospectus") to be dated on or about 13 September 2017 for the compliance listing of Circle International Holdings Limited ("CIHL" or the "Company") on the National Stock Exchange of Australia Limited ("NSX"). The Prospectus includes an offer of 10,000 fully paid ordinary shares ("Shares") at an issue price of \$0.315 each to raise \$3,150.

This Report has been included in the Prospectus which is issued to facilitate the secondary trading of shares previously issued by the Company and to ensure compliance with the admission requirements of the NSX.

All amounts unless indicated otherwise are expressed in Australian dollars.

### **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.

#### **HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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## **1. Background Information**

The Company is a Cayman Islands company and was incorporated on 12 December 2016 for the purpose of acquiring the entire issued share capital of Circle Corporation International Limited, ("CCIL"), Circle Corporation Mediatech Sdn Bhd ("CCMT") and Inno Mind Works Sdn Bhd ("IMW").

CCIL was incorporated in Hong Kong on 7 May 2015. CCMT was incorporated in Malaysia on 22 August 2014 and was acquired by CCSB as a dormant company on 25 January 2017. IMW is incorporated in Malaysia and was acquired by CCSB on 3 January 2017. The Companies to be acquired are focused on the new media technology industry.

CCIL, CCMT and IMW (collectively referred to as "Circle Group" or "Group") are currently wholly owned subsidiaries of Circle Corp Sdn Bhd ("CCSB"), a company incorporated in Malaysia.

CCIL is the international marketing and business development arm within the Circle Group. Its principal activities are to secure digital media and conventional media sales from the key overseas markets of Taiwan, Hong Kong and China. CCMT is the local operating arm of the Group, managing its two proprietary brands, the Business Circle mobile app and Worldwide Excellence Award. IMW is a digital branding and marketing agency whose expertise covers digital advertising and marketing solutions ranging from content conceptualisation and creation to media planning and buying, and other related services.

The Company has entered into three separate acquisition agreements with CCSB to acquire the entire issued share capital of each of CCIL, CCMT and IMW in consideration for an issue of an aggregate of 180,000,000 fully paid ordinary shares ("Consideration Shares") in the Company to CCSB. Completion under the acquisition agreements is conditional upon the NSX granting conditional approval for the Company to be admitted to the Official List of NSX.

CCSB will then distribute and transfer certain of the Consideration Shares in specie to CCSB's shareholders on a pro-rata basis to their shareholdings in CCSB ("In-specie Distribution"). The In-specie Distribution is also conditional upon the NSX granting conditional approval for the Company to be admitted to the Official List of NSX. The balance of the Consideration Shares will be transferred to Directors of the Company and to associates and related parties of the Company for free.

As at 31 December 2016, the issued share capital of the Company was 100 ordinary fully paid shares. This was subject to a share split subsequent to year end which resulted in 400 ordinary fully paid shares. There have been no share issues by the Company subsequent to 31 December 2016 and to the date of this Report.

The Company's main objectives on completion of the Offer are set out in Section 6.7 of the Prospectus.

## 2. *Scope of Report*

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

- a) the historical reviewed financial information of CIHL, comprising the historical Statement of Financial Position as at 31 December 2016 and the historical Statement of Comprehensive Income and Statement of Changes in Equity for the period then ended as set out in Appendix 1 to this Report; and
- b) the proforma consolidated financial information of the Company, comprising the proforma consolidated Statement of Financial Position as at 31 December 2016 and the proforma consolidated Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended.

For accounting purposes, the acquisition of CCIL, CCMT and IMW by the Company is a transaction under common control. A common control transaction is defined in accounting standards as one in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory. Whilst there is no specific guidance in International Financial Reporting Standards (“IFRS”) on accounting for common control transactions, in practice such transactions are accounted for under book value accounting (alternatively known as predecessor accounting) with the assets acquired and liabilities assumed being recognised at their book values.

As there is no change in ultimate control of the Circle Group entities, no goodwill is created as a result of the transaction. Any excess of consideration paid over the pre-acquisition equity of the acquirees is recorded within a merger reserve.

The historical financial information presented in this Report is the historical financial information of CIHL at 31 December 2016 which has been subject to review.

The proforma consolidated financial information presented in this Report is the historical financial information of CIHL for the period ended 31 December 2016, assuming that the acquisition of the Circle Group 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 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.

We performed a review of the historical unaudited financial information of CIHL as at and for the period ended 31 December 2016 and the proforma unaudited financial information of CIHL and the Circle Group as at and for the period ended 31 December 2016 in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements.

Our review of the historical financial information and the proforma financial information of the Company was carried out in accordance with Standard on Assurance Engagements ASAE 3450 *“Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information”* 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 Accountants 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 the proforma 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 financial information and proforma financial information included in this Report or elsewhere in the Prospectus.

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

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 Statement of Financial Position of CIHL as at 31 December 2016, and the Statement of Comprehensive Income and Statement of Changes in Equity for the period then ended (audited).
- b) The proforma consolidated Statement of Financial Position of CIHL as at 31 December 2016, and the proforma consolidated Statement of Comprehensive Income and proforma consolidated Statement of Changes in Equity for the year then ended as they would appear after incorporating the following actual or proposed significant events and transactions by the Company subsequent to 31 December 2016:
  - (i) the share split in relation to CIHL's ordinary issued share capital with 100 ordinary shares being split into 400 ordinary shares;
  - (ii) the issue of 180,000,000 CIHL ordinary shares at a deemed issue price of \$0.315 as consideration for the acquisition of the Circle Group;
  - (iii) the share issue by CIHL of 10,000 Shares at an issue price of \$0.315 to raise \$3,150;
  - (iv) costs of the transaction of approximately \$295,655;

- (v) net positive working capital and other movements of the Circle Group entities subsequent to balance date of \$1,429,735.

- c) Notes to the historical financial information and proforma financial information.

Appendices 2 to 4 to this Report contain historical audited financial information for the Circle Group entities. In the case of CCIL and CCMT, these are the audited financial statements for the year ended 31 December 2016 and the period from the incorporation of CCIL and CCMT to 31 December 2015. In the case of IMW, these are the audited financial statements for the years ended 31 December 2016, 31 December 2015 and 31 December 2014.

The financial statements in Appendices 2 to 4 have been audited by the local independent statutory auditor of the relevant entity and have been translated into Australian dollars.

#### **4. Subsequent Events**

In our opinion, there have been no material items, transactions or events subsequent to 31 December 2016 not otherwise disclosed in the Prospectus that 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 audited financial information of CIHL as at 31 December 2016 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company 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 the results of its operations for the period then ended; and
- b) the proforma consolidated financial information of CIHL as at 31 December 2016 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company 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 for the period then ended. As noted in Section 2 of this Report, the proforma consolidated financial information presented in this Report is the historical financial information of CIHL for the period ended 31 December 2016, assuming that the acquisition of Circle Group by the Company and the other proposed transactions set out in Section 3(b) of this Report had been completed as at that date.

#### **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 (expected to be \$29,000).

- b) Apart from the above fees, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, in connection with the preparation of this Report.
- c) Neither HLB, nor any of its employees or associated persons has any interest in Circle Group 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.

Yours faithfully  
**HLB MANN JUDD**



**M R W OHM**  
**Partner**



## APPENDIX 1

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

	<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Pro Forma Consolidated Reviewed 31/12/16 \$</b>
Revenue	-	2,166,567
Cost of sales	-	(326,647)
Gross profit	-	1,839,920
Other income	-	1,412
Administrative expenses	-	(194,859)
Finance costs	-	(4,623)
Transaction costs	-	(295,655)
<b>Profit from ordinary activities</b>	<b>-</b>	<b>1,346,195</b>
Income tax expense	-	(290,321)
<b>Profit from ordinary activities after taxation</b>	<b>-</b>	<b>1,055,874</b>
<b>Other comprehensive income</b>		
Exchange differences on translating foreign operations	-	78,206
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>78,206</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>1,134,080</b>

This statement should be read in conjunction with the accompanying notes.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

		<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Proforma Consolidated Reviewed 31/12/16 \$</b>
	<b>Notes</b>		
<b>Current assets</b>			
Cash and cash equivalents	2	138	75,830
Trade and other receivables	3	-	1,472,117
Loan receivables	4	-	1,535,515
<b>Total current assets</b>		<b>138</b>	<b>3,083,462</b>
<b>Non-current assets</b>			
Plant and equipment		-	364,038
Intangible assets	5	-	2,093,652
Investments	6	-	4,930
<b>Total non-current assets</b>		<b>-</b>	<b>2,462,620</b>
<b>Total assets</b>		<b>138</b>	<b>5,546,082</b>
<b>Current liabilities</b>			
Trade and other payables	7	-	1,712,842
Other liabilities	8	-	282,558
Tax payable		-	565,605
Borrowings	9	-	72,937
<b>Total current liabilities</b>		<b>-</b>	<b>2,633,942</b>
<b>Non-current liabilities</b>			
Borrowings	9	-	238,944
<b>Total non-current liabilities</b>		<b>-</b>	<b>238,944</b>
<b>Total liabilities</b>		<b>-</b>	<b>2,872,886</b>
<b>Net assets</b>		<b>138</b>	<b>2,673,196</b>
<b>Equity</b>			
Issued capital	10	138	1,539,116
Retained earnings	11	-	1,055,874
Reserves	12	-	78,206
<b>Total equity</b>		<b>138</b>	<b>2,673,196</b>

This statement should be read in conjunction with the accompanying notes.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
<b>Period ended 31 December 2016 – CIHL (reviewed):</b>				
<b>Balance at 31 December 2016</b>	<b>138</b>	<b>-</b>	<b>-</b>	<b>138</b>
<b>Proforma adjustments:</b>				
Issue of CIHL shares to acquire Circle Group	1,535,828	-	-	1,535,828
Issue of 10,000 CIHL Shares pursuant to Prospectus	3,150	-	-	3,150
Costs of the transaction	-	-	(295,655)	(295,655)
Net positive working capital movements subsequent to balance date	-	-	1,351,529	1,351,529
Exchange differences on translation of foreign operations	-	78,206	-	78,206
<b>Consolidated Proforma total</b>	<b>1,539,116</b>	<b>78,206</b>	<b>1,055,874</b>	<b>2,673,196</b>

This statement should be read in conjunction with the accompanying notes.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of the historical and proforma consolidated financial information by Circle International Holdings Limited ("CIHL" or the "Company") 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 IFRS*

The financial information complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"), with the exception of certain disclosure requirements as noted in the preceding paragraph. Compliance with AIFRS ensures that the financial information, comprising the financial statements and notes thereto, comply with measurement requirements but not all of the disclosure requirements of International Financial Reporting Standards.

*Historical cost convention*

These financial statements have been prepared under the historical cost convention.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to insignificant risks of changes in value.

**(c) Trade and other Receivables**

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

**(d) Financial Instruments**

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Transaction costs on the issue of equity

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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

instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

**(e) Property, plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Furniture and fittings	10 years
Office equipment	10 years
Computer equipment	3 years
Motor vehicles	5 years
Freehold land and buildings	2%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

*Impairment*

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. 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.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

*Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**(f) Intangible assets**

*Intangible assets acquired separately*

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

*Internally generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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

- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

*Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

**(g) Impairment of assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless that asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying value does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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

profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(h) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred, except for borrowing costs relating to qualifying assets when the interest is capitalised to the qualifying assets.

**(i) Trade and Other Payables**

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

**(j) Provisions and Employee Leave Benefits**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying value is the present value of those cashflows. Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, for example under an insurance contract, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

**(k) Leases**

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the Company. All other leases are classified as operating leases.



**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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

Finance leases are capitalised, recording an asset and a liability equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

**(l) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**(m) Contributed Equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back, the consideration paid, including any directly attributable incremental

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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

costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued.

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Circle International Holdings Limited.

**(n) 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. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount.

**(o) Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of assets or liabilities (other than as a result of a business combination) which affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference arises from the initial recognition of goodwill; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised, except:

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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

- when the deductible temporary difference giving rise to the asset arises from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither accounting profit nor taxable income; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when they relate to the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**(p) Principles of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (collectively referred to as “the Group”). 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:

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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

- 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.

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.

**(q) Book value accounting**

For accounting purposes, the acquisition of CCIL, CCMT and IMW by the Company is a transaction under common control. A common control transaction is defined under AASB 3 *Business Combinations* as one in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination and that control is not transitory.

Whilst common control transactions are outside the scope of AASB 3 and there is no specific guidance in International Financial Reporting Standards ("IFRS"), accounting for common control transactions are in practice accounted for under book value accounting (alternatively known as predecessor accounting).

Under book value accounting, the assets acquired and liabilities assumed are recognised at their book values and no goodwill is created as a result of the transaction.

Any excess of consideration paid over the pre-acquisition equity of the acquirees is recorded within a merger reserve.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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

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

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of non-financial assets other than goodwill and other indefinite life intangibles

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular assets that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or fair value calculations which incorporate a number of key estimates and assumptions.

**(s) Proforma transactions**

The proforma consolidated Statement of Financial Position of the Company as at 31 December 2016, and the proforma consolidated Statement of Comprehensive Income and proforma consolidated Statement of Changes in Equity for the year then ended as they would appear after incorporating the following actual or proposed significant events and transactions by the Company subsequent to 31 December 2016:

- (i) the share split in relation to CIHL's ordinary issued share capital with 100 ordinary shares being split into 400 ordinary shares.
- (ii) the issue of 180,000,000 CIHL ordinary shares at a deemed issue price of \$0.315 as consideration for the acquisition of the Circle Group;
- (iii) the share issue by CIHL of 10,000 Shares at a deemed issue price of \$0.315 to raise \$3,150;
- (iv) costs of the transaction of approximately \$295,655; and
- (v) net positive working capital and other movements of the Circle Group entities subsequent to balance date of \$1,429,735.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

**2. CASH AND CASH EQUIVALENTS**

	<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Proforma Consolidated Reviewed 31/12/16 \$</b>
Balance	138	138
Cash balances of Circle Group acquired	-	403,761
Proceeds from issue of CDIs pursuant to Prospectus	-	3,150
Payment of costs of the transaction	-	(295,655)
Working capital movements	-	(35,564)
	<b>138</b>	<b>75,830</b>

**3. TRADE AND OTHER RECEIVABLES**

Balance	-	-
Circle Group receivables acquired	-	1,639,428
Working capital movements	-	(167,311)
	<b>-</b>	<b>1,472,117</b>

**4. LOANS RECEIVABLE**

Circle Group loan receivables acquired	-	16,016
Loan to Circle Corp Sdn. Bhd.	-	762,542
Advance to Prestige Holdings Pty Ltd	-	750,605
Other loan movements post balance date	-	6,352
	<b>-</b>	<b>1,535,515</b>

**5. INTANGIBLE ASSETS**

Balance	-	-
Circle Group intangible assets acquired (i)	-	2,093,652
	<b>-</b>	<b>2,093,652</b>

- (i) The intangible asset represents the Group's e-commerce system under development

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

**6. INVESTMENTS**

	<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Proforma Consolidated Reviewed 31/12/16 \$</b>
Balance	-	-
Investment in agricultural scheme – at cost (i)	-	4,930
	<b>-</b>	<b>4,930</b>

- (i) The investment relates to an investment by IMW in an oil palm plantation agricultural scheme in Sarawak.

**7. TRADE AND OTHER PAYABLES**

Balance	-	-
Circle Group trade payables acquired	-	1,679,190
Working capital movements	-	33,652
	<b>-</b>	<b>1,712,842</b>

**8. OTHER LIABILITIES**

Loans from Directors acquired	-	245,956
Loan from Circle Corp Sdn. Bhd. acquired	-	412,761
Repayment of Circle Corp Sdn. Bhd. loan		(412,761)
Increase in loans from Directors		36,602
	<b>-</b>	<b>282,558</b>

**9. BORROWINGS**

<u>Current</u>		
Term loan acquired – current	-	5,762
Bank borrowings acquired	-	65,793
Bank overdraft acquired	-	52,261
Movements in borrowings	-	(50,879)
	<b>-</b>	<b>72,937</b>

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

**9. BORROWINGS (CONT'D)**

	<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Proforma Consolidated Reviewed 31/12/16 \$</b>
<u>Non-current</u>		
Term loan acquired – non-current	-	253,129
Movements in borrowings	-	(14,185)
	<b>-</b>	<b>238,944</b>

**10. ISSUED CAPITAL**

	<b>Number</b>	<b>\$</b>
Balance of CIHL as at 31 December 2016	100	138
Share split post-balance date	300	-
Issue of shares to acquire Circle Group entities (i)	180,000,000	1,535,828
Issue of Shares pursuant to the Prospectus	10,000	3,150
	<b>180,010,400</b>	<b>1,539,116</b>

- (i) As part of the acquisition of the Circle Group entities, the Company will issue 180,000,000 shares at a deemed issue price of \$0.315 each to acquire 100% of the issued capital of the Circle Group entities. The net assets of the Circle Group entities acquired as at 31 December 2016 are \$1,535,828.



**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

**11. RETAINED EARNINGS**

	<b>Historical CIHL Reviewed 31/12/16 \$</b>	<b>Proforma Consolidated Reviewed 31/12/16 \$</b>
Balance	-	-
Post-acquisition profit or loss of Circle Group	-	1,055,874
	<b>-</b>	<b>1,055,874</b>

**12. RESERVES**

Balance	-	-
Exchange differences on translation of foreign operations	-	78,206
	<b>-</b>	<b>78,206</b>

**13. SUBSEQUENT EVENTS**

In our opinion, there have been no material items, transactions or events subsequent to 31 December 2016 not otherwise disclosed in the Prospectus that 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.

**14. CONTINGENCIES AND COMMITMENTS**

There are no contingent liabilities or material expenditure commitments at the date of this Report not otherwise outlined in the Prospectus.

**15. RELATED PARTY TRANSACTIONS**

Details of Directors' and Proposed Directors' interests in the Company's issued capital and transactions with the Company are included in Section 7 of the Prospectus.

## APPENDIX 2

**CIRCLE CORPORATION INTERNATIONAL LIMITED ("CCIL")**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>CCIL Audited Year ended 31/12/16 \$</b>	<b>CCIL Audited Period ended 31/12/15 \$</b>
Revenue	2,880,999	917,131
Cost of sales	(1,664,777)	(372,750)
Gross profit	1,216,222	544,381
Other income	1	-
Administrative expenses	(139,375)	(42,233)
<b>Profit before income tax</b>	<b>1,076,848</b>	<b>502,148</b>
Income tax expense	(174,218)	(79,680)
<b>Net profit for the period</b>	<b>902,630</b>	<b>422,468</b>
Other comprehensive income, net of tax:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	32,436	12,790
<b>Other comprehensive income, net of tax</b>	<b>32,436</b>	<b>12,790</b>
<b>Total comprehensive income for the period</b>	<b>935,066</b>	<b>435,258</b>

## APPENDIX 2

**CIRCLE CORPORATION INTERNATIONAL LIMITED ("CCIL")**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

<b>Consolidated</b>	<b>CCIL Audited 31/12/16 \$</b>	<b>CCIL Audited 31/12/15 \$</b>
<b>Current assets</b>		
Cash and cash equivalents	402,413	22,754
Trade and other receivables	1,211,760	831,837
Loan to related entity	7,595	6,116
<b>Total current assets</b>	<b>1,621,768</b>	<b>860,707</b>
<b>Non-current assets</b>		
Intangible assets	2,093,653	52,975
<b>Total non-current assets</b>	<b>2,093,653</b>	<b>52,975</b>
<b>Total assets</b>	<b>3,715,421</b>	<b>913,682</b>
<b>Current liabilities</b>		
Trade and other payables	1,478,403	359,311
Amounts payable to Directors	120,808	35,317
Amounts payable to CCSB	412,761	-
Tax payable	262,151	82,082
<b>Total current liabilities</b>	<b>2,274,123</b>	<b>476,710</b>
<b>Non-current liabilities</b>	-	-
<b>Total non-current liabilities</b>	-	-
<b>Total liabilities</b>	<b>2,274,123</b>	<b>476,710</b>
<b>Net assets</b>	<b>1,441,298</b>	<b>436,972</b>
<b>Equity</b>		
Issued capital	70,974	1,714
Retained earnings	1,325,098	422,468
Foreign currency translation reserve	45,226	12,790
<b>Total equity</b>	<b>1,441,298</b>	<b>436,972</b>

## APPENDIX 2

**CIRCLE CORPORATION INTERNATIONAL LIMITED ("CCIL")**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2016**

	Issued capital \$	Retained earnings \$	Foreign Currency Translation Reserve \$	CCIL Audited Total \$
<b>Balance on registration (7 May 2015)</b>	<b>1,714</b>	-	-	<b>1,714</b>
Profit for the period	-	422,468	-	422,468
Exchange differences on translation of foreign operations	-	-	12,790	12,790
Total comprehensive income for the period	-	422,468	12,790	435,258
<b>Balance at 31 December 2015</b>	<b>1,714</b>	<b>422,468</b>	<b>12,790</b>	<b>436,972</b>
<b>Balance at 1 January 2016</b>	<b>1,714</b>	<b>422,468</b>	<b>12,790</b>	<b>436,972</b>
Profit for the year	-	902,630	-	902,630
Exchange differences on translation of foreign operations	-	-	32,436	32,436
Total comprehensive income for the year	-	902,630	32,436	935,066
Equity issued during the year	69,260	-	-	69,260
<b>Balance 31 December 2016</b>	<b>70,974</b>	<b>1,325,098</b>	<b>45,226</b>	<b>1,441,298</b>

## APPENDIX 3

**CIRCLE CORPORATION MEDIATECH SDN BHD ("CCMT")**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	CCMT Audited Year ended 31/12/16 \$	CCMT Audited Period ended 31/12/15 \$
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(1,861)	(1,184)
<b>Loss before income tax</b>	<b>(1,861)</b>	<b>(1,184)</b>
Income tax expense	-	-
<b>Net loss for the period</b>	<b>(1,861)</b>	<b>(1,184)</b>
Other comprehensive income, net of tax:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	131	77
<b>Other comprehensive income, net of tax</b>	<b>131</b>	<b>77</b>
<b>Total comprehensive loss for the period</b>	<b>(1,730)</b>	<b>(1,107)</b>

## APPENDIX 3

**CIRCLE CORPORATION MEDIATECH SDN BHD ("CCMT")**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	<b>CCMT Audited 31/12/16 \$</b>	<b>CCMT Audited 31/12/15 \$</b>
<b>Current assets</b>		
Cash and cash equivalents	1	1
<b>Total current assets</b>	<b>1</b>	<b>1</b>
<b>Non-current assets</b>	<b>-</b>	<b>-</b>
<b>Total non-current assets</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>1</b>	<b>1</b>
<b>Current liabilities</b>		
Trade and other payables	2,446	702
Amounts payable to Directors	391	405
Amounts payable to CCSB		
Tax payable		
<b>Total current liabilities</b>	<b>2,837</b>	<b>1,107</b>
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,837</b>	<b>1,107</b>
<b>Net liabilities</b>	<b>(2,836)</b>	<b>(1,106)</b>
<b>Equity</b>		
Issued capital	1	1
Accumulated losses	(3,045)	(1,184)
Foreign currency translation reserve	208	77
<b>Total equity</b>	<b>(2,836)</b>	<b>(1,106)</b>

## APPENDIX 3

**CIRCLE CORPORATION MEDIATECH SDN BHD ("CCMT")**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2016**

	<b>Issued capital</b>	<b>Accumulated losses</b>	<b>Foreign Currency Translation Reserve</b>	<b>CCMT Audited Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance on registration (22 August 2014)</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
Loss for the period	-	(1,184)	-	(1,184)
Exchange differences on translation of foreign operations	-	-	77	77
Total comprehensive loss for the period	-	(1,184)	77	(1,107)
<b>Balance at 31 December 2015</b>	<b>1</b>	<b>(1,184)</b>	<b>77</b>	<b>(1,106)</b>
<b>Balance at 1 January 2016</b>	<b>1</b>	<b>(1,184)</b>	<b>77</b>	<b>(1,106)</b>
Loss for the year	-	(1,861)	-	(1,861)
Exchange differences on translation of foreign operations	-	-	131	131
Total comprehensive loss for the year	-	(1,861)	131	(1,730)
<b>Balance 31 December 2016</b>	<b>1</b>	<b>(3,045)</b>	<b>208</b>	<b>(2,836)</b>

## APPENDIX 4

**INNO MIND WORKS SDN BHD ("IMW")**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>IMW Audited Year ended 31/12/16 \$</b>	<b>IMW Audited Year ended 31/12/15 \$</b>	<b>IMW Audited Year ended 31/12/14 \$</b>
Revenue	805,979	1,277,964	1,183,325
Cost of sales	(607,345)	(884,664)	(865,672)
Gross profit	198,634	393,300	317,653
Other income	41,162	64,401	9,645
Finance costs	(16,884)	(30,543)	(10,784)
Administrative expenses	(194,296)	(415,840)	(305,669)
<b>Profit before income tax</b>	<b>28,616</b>	<b>11,318</b>	<b>10,845</b>
Income tax expense	(15,493)	(15,997)	(7,447)
<b>Net profit/(loss) for the year</b>	<b>13,123</b>	<b>(4,679)</b>	<b>3,398</b>
Other comprehensive income, net of tax: <i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations	(4,389)	(3,108)	(3,345)
<b>Other comprehensive loss, net of tax</b>	<b>(4,389)</b>	<b>(3,108)</b>	<b>(3,345)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>8,734</b>	<b>(7,787)</b>	<b>53</b>



## APPENDIX 4

**INNO MIND WORKS SDN BHD ("IMW")**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

<b>Consolidated</b>	<b>IMW Audited 31/12/16 \$</b>	<b>IMW Audited 31/12/15 \$</b>	<b>IMW Audited 31/12/14 \$</b>
<b>Current assets</b>			
Cash and cash equivalents	1,348	28,118	41,400
Trade and other receivables	427,668	358,457	217,044
Loan to related entity	8,421	-	36,703
<b>Total current assets</b>	<b>437,437</b>	<b>386,575</b>	<b>295,147</b>
<b>Non-current assets</b>			
Investment	4,930	4,930	4,930
Plant and equipment	370,437	524,717	437,355
<b>Total non-current assets</b>	<b>375,367</b>	<b>529,647</b>	<b>442,285</b>
<b>Total assets</b>	<b>812,804</b>	<b>916,222</b>	<b>737,432</b>
<b>Current liabilities</b>			
Trade and other payables	198,339	345,614	570,330
Amounts payable to Directors	124,757	95,681	165,620
Amounts payable to CCSB	-	160,903	-
Borrowings	123,817	594	11,047
Tax payable	15,395	11,913	7,667
<b>Total current liabilities</b>	<b>462,308</b>	<b>614,705</b>	<b>754,664</b>
<b>Non-current liabilities</b>			
Borrowings	253,129	256,673	69,137
<b>Total non-current liabilities</b>	<b>253,129</b>	<b>256,673</b>	<b>69,137</b>
<b>Total liabilities</b>	<b>715,437</b>	<b>871,378</b>	<b>823,801</b>
<b>Net assets/(liabilities)</b>	<b>97,367</b>	<b>44,844</b>	<b>(86,369)</b>
<b>Equity</b>			
Issued capital	214,353	170,564	34,113
Accumulated losses	(108,693)	(121,816)	(117,137)
Foreign currency translation reserve	(8,293)	(3,904)	(3,345)
<b>Total equity/(deficiency)</b>	<b>97,367</b>	<b>44,844</b>	<b>(86,369)</b>

## APPENDIX 4

**INNO MIND WORKS SDN BHD ("IMW")**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2016**

	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Total \$</b>
<b>Balance at 1 January 2014</b>	<b>34,113</b>	<b>(120,535)</b>	<b>-</b>	<b>(86,422)</b>
Profit for the year	-	3,398	-	3,398
Exchange differences on translation of foreign operations	-	-	(3,345)	(3,345)
Total comprehensive income for the year	-	3,398	(3,345)	53
<b>Balance at 31 December 2014</b>	<b>34,113</b>	<b>(117,137)</b>	<b>(3,345)</b>	<b>(86,369)</b>
<b>Balance at 1 January 2015</b>	<b>34,113</b>	<b>(117,137)</b>	<b>(3,345)</b>	<b>(86,369)</b>
Loss for the year	-	(4,679)	-	(4,679)
Exchange differences on translation of foreign operations	-	-	(559)	(559)
Total comprehensive income for the year	-	(4,679)	(559)	(5,238)
Equity issued during the year	136,451	-	-	136,451
<b>Balance at 31 December 2015</b>	<b>170,564</b>	<b>(121,816)</b>	<b>(3,904)</b>	<b>44,844</b>
<b>Balance at 1 January 2016</b>	<b>170,564</b>	<b>(121,816)</b>	<b>(3,904)</b>	<b>44,844</b>
Profit for the year	-	13,123	-	13,123
Exchange differences on translation of foreign operations	-	-	(4,389)	(4,389)
Total comprehensive income for the year	-	13,123	(4,389)	8,734
Equity issued during the year	43,789	-	-	43,789
<b>Balance 31 December 2016</b>	<b>214,353</b>	<b>(108,693)</b>	<b>(8,293)</b>	<b>97,367</b>

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## 10. MATERIAL CONTRACTS

All contracts which may be material in terms of the Offer or the operation of the business of the Company are summarised below.

### 10.1 Acquisition Agreements

The Company and CCSB are party to three Acquisition Agreements each dated 25 August 2017 in respect of the acquisition by the Company of 100% of the fully paid ordinary shares in the capital of each of CCIL, CCMT and IMW. The consideration to be paid to CCSB will be satisfied through the issue by the Company of an aggregate of 180,000,000 Shares. CCSB has agreed to distribute certain of these Shares in-specie to its shareholders on a pro-rata basis and the balance for free to Directors and related parties and associates of the Company's founder Dato' Brian Tan. Refer to Section 6.4 for further details.

Completion of the Acquisition Agreements is conditional upon the fulfilment of the following conditions precedent:

- (a) the parties obtaining all required third party and governmental approvals and consents to give effect to the Acquisition Agreements including any necessary shareholder approvals; and
- (b) the Company receiving a letter from the NSX confirming that the NSX will grant conditional quotation of the Company's shares on the official list of the NSX.

The Acquisition Agreements also contains other representations, warranties and conditions considered standard for an agreement of this nature.

### 10.2 Deed of Assignment of Trademarks and Intellectual Property Rights

The Company and CCSB are party to a Deed of Assignment of Trademarks and Intellectual Property Rights dated 25 August 2017 (**Deed**). Pursuant to the Deed, CCSB has agreed to assign to the Company all of its rights in and to the intellectual property rights (including registered trademarks) pertaining to the Business Circle mobile app and Worldwide Excellence Award for nominal consideration (approximately \$0.30).

Completion of the Deed is conditional upon the fulfilment of the same conditions precedent which the Acquisition Agreements are subject to. The Deed also contains other representations, warranties and conditions considered standard for a deed of this nature.

### 10.3 Director Letter of Appointment (Dato' Brian Tan)

The Company entered into a Director Letter of Appointment with Dato' Brian Tan on 1 July 2017 pursuant to which Dato Tan was appointed as the Managing Director and Chief Executive Officer of the Company (**Tan Letter**). Dato' Brian Tan is also currently engaged as a director of CCIL, CCMT and IMW. A summary of the key terms and conditions of the Tan Letter are set out below:

- (b) (**Term**): The engagement with the Company commenced on 1 July 2017 and continues until the Tan Letter is validly terminated in accordance with its terms.

- (c) **(Remuneration):** The remuneration payable is US\$225,000 per annum (approximately \$283,733) (to be reviewed annually) to be apportioned as follows:

- (i) the Company – US\$56,900 (approximately \$71,753);
- (ii) CCIL – US\$112,100 (approximately \$141,362);
- (iii) CCMT – US\$42,000 (approximately \$52,963); and
- (iv) IMW – US\$14,000 (approximately \$17,654).

In addition, the Company will reimburse Dato' Brian Tan for reasonable expenses incurred in performing his duties.

- (d) **(Termination):** Dato' Brian Tan must submit his resignation if, for any reason, he is disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company.

The Tan Letter otherwise contains terms and conditions which are considered standard for an agreement of its nature, including in relation to confidentiality.

#### 10.4 Director Letter of Appointment (Yap Chee Lim)

The Company entered into a Director Letter of Appointment with Yap Chee Lim on 1 July 2017 pursuant to which Mr Lim was appointed as an Executive Director of the Company (**Lim Letter**). A summary of the key terms and conditions of the Lim Letter are set out below.

- (a) **(Term):** The engagement with the Company commenced on 1 July 2017 and continues until the Lim Letter is validly terminated in accordance with its terms.
- (b) **(Remuneration):** The remuneration payable is US\$29,000 per annum (approximately \$36,570) to be reviewed annually. In addition, the Company will reimburse Mr Lim for reasonable expenses incurred in performing his duties.
- (c) **(Termination):** Mr Lim must submit his resignation if, for any reason, he is disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company.

The Lim Letter otherwise contains terms and conditions which are considered standard for an agreement of its nature, including those in relation to confidentiality.

#### 10.5 Group Loans

IMW has borrowed approximately \$119,500 from Dato' Michael Yip Chin Hwee, a Director, pursuant to an unsecured interest free loan. The proceeds of the loan were put toward IMW's working capital. There is no fixed term of repayment in respect of this loan.

CCIL has borrowed approximately \$770,000 from CCSB pursuant to an unsecured interest free loan with no fixed term of repayment and owes Dato' Brian Tan, a Director, approximately \$109,000 of accrued director fees.

Further, IMW has borrowed approximately \$360,000 from the United Overseas Bank (Malaysia) Berhad. Approximately \$234,000 was borrowed to finance IMW's acquisition of the office property described in Section 6.5.3 which has a 30 year term and is secured by a legal charge registered against the office property and is the subject of a guarantee granted by the directors of IMW which the Company has agreed to provide a substitute guarantee in respect of pursuant to the IMW Acquisition Agreement. The balance of approximately \$126,000 was borrowed to finance working capital.

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## **11. ADDITIONAL INFORMATION**

### **11.1 Litigation**

As at the date of this Prospectus, neither the Company nor CCSB, CCIL, CCMT or IMW are involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or such other entities.

### **11.2 Certificate of incorporation, Articles and rights attaching to shares**

A summary of the Company's shares and provisions of its Articles, is set out below. This summary is not intended to be exhaustive.

#### **(a) General description of share capital**

The Company's current authorised share capital (representing the current maximum par value of Shares that can be issued by the Company) is US\$100,000,000, consisting of a single class of 400,000,000 Shares of par value US\$0.25 each. As of the date of this Prospectus, there are 400 issued and outstanding Shares. Immediately upon completion of the Offer and Acquisition there will be 180,010,400 issued and outstanding Shares. Each Share is non-assessable save to the extent that the par value of such Share has not been fully paid. All Shares are, and will on completion of the Offer and Acquisition, be fully paid. The Shares are not redeemable, but may be repurchased by the Company as described in Section 11.2(b) below.

The Articles permit the Company:

- (i) to increase its authorised share capital by the creation of additional authorised but unissued shares, or to reduce its authorised share capital by the cancellation of authorised but unissued shares, by way of Ordinary Resolution;
- (ii) to consolidate the shares forming the share capital of the Company into a lower number of shares of a proportionally larger par value, or subdivide the shares forming the share capital of the Company into a larger number of shares of a proportionally lower par value, by way of Ordinary Resolution; and
- (iii) to reduce its share capital in any way, including by reducing the par value of its issued share capital, cancelling any paid-up share capital which is lost or unrepresented by available assets, and extinguishing or reducing the liability of any of its shares, by way of Special Resolution and an order from the Grand Court of the Cayman Islands confirming such reduction.

#### **(b) Powers of directors generally, and with respect to share capital**

- (i) Under the Articles, the Board may exercise all the powers of the Company except any powers that the Cayman Islands

Companies Law or the Articles require the Company to exercise by way of Ordinary Resolution or Special Resolution.

- (ii) The Board may issue additional Shares in the capital of the Company from time to time as they may determine, to the extent of the authorised but unissued Shares.
- (iii) Subject to the NSX Listing Rules, the Cayman Islands Companies Law and the Articles, the Board may offer, issue, allot or otherwise dispose of Shares in the capital of the Company (including Shares) to such persons, in such manner, on such terms and having such rights and being subject to such restrictions, as they may from time to time determine (to the extent of available authorised but unissued Shares), and may divide the Share capital of the Company into any number of separate classes of shares having different rights (including, without limitation, voting, dividend, return of capital, conversion and redemption rights), restrictions, preferences and privileges.
- (iv) Subject to the NSX Listing Rules, the Cayman Islands Companies Law, the Articles and any rights conferred on the holders of any shares or attaching to any class of shares, the Board may cause the Company to repurchase or otherwise acquire Shares in such manner, upon such terms and subject to such conditions as they think fit. Pursuant to the Cayman Islands Companies Law, the repurchase of any Share may be paid out of the Company's profits, out of the share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of such repurchase, or out of capital if the Company is able to, immediately following such repurchase, pay its debts as they fall due in the ordinary course of business.

(c) **General meetings and voting**

(i) **Requirement to hold meetings**

Under Cayman Islands Companies Law, the Company is not required to hold annual general meetings, but the Articles provide that the Company shall in each calendar year hold an annual general meeting. General meetings may be held at such place within or outside the Cayman Islands as the Board shall consider appropriate.

(ii) **Notice of meetings**

General meetings may be held in such time and place within or outside the Cayman Islands as the Board shall consider appropriate.

At least 5 clear days' notice must be given of any annual general meeting or other general meeting of the Company, save that a general meeting (including an annual general meeting) shall be capable of being held on shorter notice if it is so agreed by 90%

of the holders of shares in the capital of the Company entitled to attend and vote at such meeting.

The notice convening a general meeting must include details of:

- (A) the place, the date and the hour of the meeting;
- (B) subject to the requirements of the NSX Listing Rules, the general nature of the business to be transacted at the meeting;
- (C) if a Special Resolution is to be proposed at the meeting, the intention to propose the Special Resolution as such and the text of the Special Resolution; and
- (D) the ability to appoint a proxy, and the place (and, if applicable, electronic address) for the purposes of delivery of proxy appointments.

(iii) **Quorum Requirements**

A quorum for a general meeting is two shareholders present in person, by proxy or (in the case of a Shareholder that is a non-natural person) by a duly authorised representative and entitled to vote on the business to be transacted.

If a quorum is not present within 30 minutes after the time set for a general meeting, the meeting:

- (A) if called on a requisition of Shareholders, is cancelled; and
- (B) in any other case, is adjourned to the same time and place in seven days, or to such other day, time and place as determined by the Board (and if no quorum is present at the resumed meeting within 30 minutes after the time set for the meeting, the Shareholder present shall constitute quorum).

(iv) **Manner of voting**

The Articles provide that, at any general meeting, a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is demanded. On a show of hands, each Shareholder present in person or represented by proxy or (in the case of a Shareholder that is a non-natural person) by authorised representative shall have one vote.

A poll may instead be demanded:

- (A) before the show of hands on that resolution is taken;
- (B) before the result of the show of hands on that resolution is declared; or



- (C) immediately after the result of the show of hands on that resolution is declared.

In the event that a poll is demanded, each Shareholder present in person or represented by proxy or (in the case of a Shareholder that is a non-natural person) by authorised representative has one vote for each Share held by that Shareholder.

A poll may be demanded by the chairman of the meeting, at least five (5) Shareholders entitled to vote at the meeting, and/or a Shareholder or Shareholders holding not less than ten per cent (10%) of the total voting rights of all Shareholders having the right to vote at the relevant general meeting.

(v) **Voting Thresholds**

Generally, all matters to be transacted at a general meeting are passed as Ordinary Resolutions, save for certain matters specified under the Articles or the Cayman Islands Companies Law as requiring a Special Resolution.

To be passed at a general meeting:

- (A) Ordinary Resolutions require the affirmative vote of a simple majority of the votes cast by such Shareholders as, being entitled to do so, attend and vote at the general meeting in person, by proxy, or (in the case of a shareholder that is a non-natural person) by authorised representative; and
- (B) Special Resolutions require the affirmative vote of a two-thirds majority of the votes cast by such Shareholders as, being entitled to do so, attend and vote at the general meeting in person, by proxy, or (in the case of a shareholder that is a non-natural person) by authorised representative.

Special Resolutions and Ordinary Resolutions may also be passed by a unanimous written resolution of all the shareholders having the right to attend and vote at the general meeting.

(d) **Dividends**

Under the Cayman Islands Companies Law and the Articles, the Board may declare and authorise the payment of dividends and distributions out of the realised or unrealised profits of the Company, out of the share premium account (provided that the Company will, immediately following that dividend or distribution, be able to pay its debts as they fall due in the ordinary course of business), or as otherwise permitted by the Cayman Islands Companies Law. Except as provided by the Articles or the rights attached to any Shares, dividends shall be declared and paid according to the amounts paid up on the nominal value of the Shares on which the dividend is paid. Dividends may be declared and paid in cash or in kind (including paid up share capital or shares in another body

corporate). Any dividend unclaimed after a period of three (3) years from the date the dividend became due for payment shall be forfeited and shall revert to the Company.

(e) **Variation of Rights attaching to Shares**

The Shares have the rights and privileges and are subject to the restrictions set out in the Articles. For so long as the Shares constitute the only class of shares in the capital of the Company, the rights attaching to the Shares may be amended by way of Special Resolution.

Under the Articles, if at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares may be varied, modified or abrogated in such manner as those rights and/or the Articles may provide or, if no such specific provision is made, either:

- (i) with the consent in writing of holders of not less than two-thirds of the issued shares of that class; or
- (ii) with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class by not less than a two-thirds majority of the holders of the shares of that class present and voting at such meeting (whether in person or by proxy).

For the purposes of the foregoing, the Board may treat two or more or all of the classes of shares as forming one class of shares if the Board consider that such classes of shares would be affected by the proposed variation in the same way. Rights attaching to a class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares with rights that are equal to the rights of such existing class of shares.

(f) **Takeover provisions**

As a foreign company registered in Australia, the Company will not be subject to Chapters 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares (i.e. substantial holders and takeovers). Further, the takeovers provisions under the Cayman Islands' Code on Takeovers and Mergers and Rules Governing Substantial Acquisitions of Shares are not applicable to the Company.

(g) **Appointment and Removal of Directors**

(i) **Appointment and removal by shareholders**

Subject to any requirements as to minimum or maximum number of directors then applying to the Company, the Company may by Ordinary Resolution:

- (A) remove any director before the expiration of his or her period of office (but without prejudice to any claim for damages that such director may have for breach of any

contract of service between him or her and the Company);

- (B) appoint one or more additional persons as directors, either to fill vacancies or as additional directors (provided that no person other than a director seeking re-election following retirement by rotation (as described below) shall be capable of appointment by Ordinary Resolution unless, at least 30 business days before the general meeting at which such person's appointment is to be considered, notice in writing duly signed by the nominee giving his or her consent to the nomination shall have been left at the registered office of the Company).

(ii) **Appointment by Directors**

The Board has the power to appoint at any time any person who is willing to act as a director, either to fill a vacancy or as an additional director (subject to any requirements as to minimum or maximum number of directors then applying to the Company). Any Director so appointed shall (unless such Director has been designated as the "managing director" in accordance with the NSX Listing Rules) retire at the next annual general meeting after such appointment and shall be eligible to stand for re-election as a director at such meeting.

(iii) **Rotational Retirement of Directors**

At each annual general meeting, one-third of the directors who are subject to retirement by rotation shall retire from office (or if their number is not a multiple of three, the number nearest to but not exceeding one-third). If there are fewer than three directors who are subject to retirement by rotation, one of them shall retire from office at the annual general meeting. For these purposes, any Director that has been designated as the "managing director" in accordance with the NSX Listing Rules and any Director required to retire by virtue of being appointed by the directors since the previous annual general meeting are not counted as directors who are subject to retirement by rotation. The directors to retire by rotation at each annual general meeting shall be, so far as necessary to obtain the number required, first, any Director who wishes to retire and not offer himself or herself for re-election, and secondly, those directors who have been longest in office since their last appointment or re-appointment. A Director who retires by rotation at an annual general meeting may, if willing, be reappointed by Ordinary Resolution.

(h) **Size of the Board and Board Vacancies**

The Articles provide that, unless determined otherwise by Ordinary Resolution, there shall be a minimum of two directors, and no maximum.

(i) **Indemnification of Directors**

The Articles contain provisions indemnifying the Company's past and existing directors and officers (excluding an auditor) to the maximum extent permitted by Cayman Islands law against any liability incurred by that person in or as a result of acting in such capacity, unless such liability arose as a result of the actual fraud or wilful default of such person.

The Articles also permit the Company to pay for professional liability insurance in respect of the directors and officers of the Company.

(j) **Requirements for advance notification of Shareholder nominations and proposals**

The Articles establish advance notice procedures with respect to nomination of candidates for election as Directors other than nominations made by or at the direction of the Board or a committee of the Board.

(k) **Shareholder right to call Shareholder meeting**

The Articles do not contain any specific rights for shareholders to require matters or proposals to be put to vote at any annual or other general meeting, save that:

- (i) Shareholders have the ability to nominate a person to be put forward for election as a Director at a general meeting (as described in Section 11.1(g) above); and
- (ii) Shareholders holding Shares which at the relevant date represent in aggregate not less than one-tenth of the paid up Share capital of the issued Shares carrying the right of voting at general meetings of the Company have the right, by written requisition to the Company, to require a general meeting to be called by the Board for the transaction of any business specified in such requisition.

The Board must call a general meeting when so requisitioned within 21 days of the receipt of such requisition. If the Board do not proceed to so convene a general meeting within 21 days of the receipt of the requisition, any of the requisitionists representing a majority of the total voting rights of all of them may themselves convene a general meeting to be held within three months following the expiry of such 21 day period.

**11.3 Comparison of laws governing the company as a Cayman Island company with laws governing Australian publicly listed companies generally**

Unless otherwise stated, the Corporations Act provisions referred to below do not apply to the Company as a foreign company.

	<b>CAYMAN ISLANDS LAW</b>	<b>AUSTRALIAN LAW</b>
<b>Transactions that require Shareholder approval</b>	The principal transactions or actions of a Cayman Islands company that require	Under the Corporations Act, the principal transactions or actions

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	<p>shareholder approval under the Cayman Islands Companies Law include:</p> <p>(a) the alteration of the authorised share capital of the company (whether by way of increase in the authorised share capital, cancellation of authorised but unissued share capital, or consolidation or subdivision of share capital);</p> <p>(b) the initiation of a voluntary winding up of the company (and the appointment, remuneration of, removal, and/or acceptance of resignation a liquidator in connection therewith);</p> <p>(c) the alteration of the constitution of the company (including rights attaching to the shares);</p> <p>(d) a reduction of the issued share capital of the company (which requires the additional sanction of the Cayman Islands courts);</p> <p>(e) the changing of the name of the company;</p> <p>(f) a statutory consolidation or merger of the company with another company;</p> <p>(g) the migration of the company to a jurisdiction outside</p>	<p>requiring shareholder approval include:</p> <p>(a) adopting or altering the constitution of the company;</p> <p>(b) appointing or removing a director or auditor;</p> <p>(c) certain transactions with related parties of the company;</p> <p>(d) putting the company into liquidation; and</p> <p>(e) changes to the rights attached to shares.</p> <p>Shareholder approval is also required for certain transactions affecting share capital (e.g. share buybacks and share capital reductions).</p> <p>Under the NSX Listing Rules, shareholder approval is required for matters including:</p> <p>(a) increases in the total amount of directors' fees;</p> <p>(b) directors' termination benefits in certain circumstances;</p> <p>(c) certain transactions with related parties;</p> <p>(d) certain issues of shares; and</p> <p>(e) if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking.</p>

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	<p>the Cayman Islands (provided that such jurisdiction permits the migration); and</p> <p>(h) the approval of a scheme of arrangement or compromise between the company and its shareholders (which requires the additional sanction of the Cayman Islands courts).</p> <p>The articles of association of a Cayman Islands company may also specify that additional matters require shareholder approval (such as matters requiring approval under the NSX Listing Rules).</p>	
<b>Shareholders' right to request or requisition a general meeting</b>	<p>The Cayman Islands Companies Law provides that, in default of any regulations in the constitution of a company as to the persons who are competent to summon general meetings, three shareholders acting together may summon a general meeting.</p> <p>However, the Articles of the Company provides that the threshold is shareholders holding shares representing one-tenth of the paid up capital of Shares carrying the right to vote at a general meeting, as described in Section 11.1(k).</p>	<p>The Corporations Act requires the directors to call a general meeting on the request of members with at least 5% of the vote that may be cast at the general meeting or at least 100 shareholders who are entitled to vote at a general meeting.</p> <p>Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.</p>
<b>Shareholders' right to appoint proxies to attend and vote at meetings on their behalf</b>	<p>The Cayman Islands Companies Law does not contain a specific right for shareholders to appoint proxies to attend and vote at general meetings on their behalf. However, the constitution of the Company provides such right.</p>	<p>The position specified under the Company's Articles is comparable under the Corporations Act.</p>

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
<b>Changes in the rights attaching to shares</b>	<p>The Cayman Islands Companies law does not contain provisions determining the action necessary to change the rights attaching to shares.</p> <p>In the absence of a specific procedure for varying the rights attaching to shares in a Cayman Islands company (whether set out in the articles of association of such company or otherwise), any rights attaching to shares may be varied by a Special Resolution of the shareholders or relevant class thereof, or (if the Company's share capital is divided into different classes) by a consent in writing of the holders of not less than two-thirds of the shares of any such class, as described in Section 11.2(e).</p>	<p>The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares.</p> <p>If a company does not have a constitution, or has a constitution that does not set out a procedure, such rights may only be varied or cancelled by:</p> <ul style="list-style-type: none"> <li>(a) a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or</li> <li>(b) a written consent of members with at least 75% of the votes in the class.</li> </ul>
<b>Shareholder protections against oppressive conduct</b>	<p>Under common law principles, shareholders in a Cayman Islands company are entitled to have the affairs of the company conducted in accordance with such company's constitution and applicable law. As such, shareholders may bring personal or representative actions against the company in respect of breaches of their (and other similarly affected shareholders') rights as shareholders under the constitution of the company and applicable law (for example, in the event that they are prevented from exercising voting rights, or from requisitioning a meeting).</p> <p>A minority shareholder may also bring a derivative action in the name of the company. While, as a matter of common law (under the general rule</p>	<p>Under the Corporations Act, shareholders have statutory remedies for oppressive or unfair conduct of the company's affairs and the court can make any order as it sees appropriate.</p>

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	<p>known as the rule in <i>Foss v Harbottle</i>), the Cayman Islands courts will generally refuse to interfere with the management of a company at the insistence of a minority shareholder in circumstances where the majority have approved or ratified the matter or act in contention. However, based on English common law authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, a minority shareholder may be permitted to commence a derivative action in the name of the company in order to challenge any such matter or act which:</p> <ul style="list-style-type: none"> <li>(a) is ultra vires the company or illegal;</li> <li>(b) constitutes a fraud on the minority where the wrongdoers control the company;</li> <li>(c) constitutes an infringement of individual rights of shareholders (such as a right to attend and vote at a meeting); and/or</li> <li>(d) has not been properly approved in accordance with any applicable special or extraordinary majority of the shareholders.</li> </ul> <p>The Cayman Islands Companies Law also gives power to the Cayman Islands courts to wind up a company if the courts are of the opinion that it would be just and equitable to do so (and if the courts consider it just and equitable to wind up the company, they may instead</p>	



	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	<p>make other orders with respect to the company as an alternative to a winding up order). The basis on which the courts may make exercise such powers on application by shareholders in a Cayman Islands company have been held to include the following:</p> <ul style="list-style-type: none"> <li>(a) the substratum of the company has disappeared;</li> <li>(b) there has been some fraud on the minority or illegality; or</li> <li>(c) there has been mismanagement or misapplication of the company's funds.</li> </ul>	
<b>Shareholders' rights to bring or intervene in legal proceedings on behalf of the company</b>	<p>Shareholders have a common law right to bring derivative actions in the name of the company. However, as described above, the Cayman Islands courts will generally refuse to permit a derivative action in respect of a matter which has been lawfully ratified by a majority of the shareholders.</p>	<p>The Corporations Act permits a shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.</p> <p>The court must grant the application if it is satisfied that:</p> <ul style="list-style-type: none"> <li>(a) it is probable that the company will not itself bring the proceedings, or properly take responsibility for them, or for the steps in them;</li> <li>(b) the applicant is acting in good faith;</li> <li>(c) it is in the best interests of the company that the applicant be granted leave;</li> <li>(d) if the applicant is applying for leave to bring proceedings, there is a serious</li> </ul>

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
		<p>question to be tried; and</p> <p>(e) either at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying, or the court considers it appropriate to grant leave.</p> <p>The Corporations Act provides that proceedings brought or intervened in with leave must not be discontinued, compromised or settled without the leave of the court.</p>
<b>“Two strikes” rule in relation to remuneration reports</b>	There are no equivalent provisions under the laws of the Cayman Islands, and no equivalent provisions have been included in the Company's Articles.	<p>The Corporations Act requires that a company's annual report must include a report by the directors on the company's remuneration framework (called a remuneration report).</p> <p>A resolution must be put to shareholders at each annual general meeting of the company's shareholders (<b>AGM</b>) seeking approval for the remuneration report. The approval is advisory only. However, if more than 25% of shareholders vote against the remuneration report at two consecutive AGMs (i.e. two strikes), an ordinary (50%) resolution must be put to shareholders at the second AGM proposing that a further meeting be held within 90 days. At the second meeting, all of the directors who approved the second remuneration report must resign and stand for re-election.</p>
<b>Disclosure of substantial holdings</b>	There are no equivalent provisions under the laws of the Cayman Islands, and no equivalent provisions have	The Corporations Act requires every person who is a substantial holder to notify the listed company and the NSX that they

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	<p>been included in the Company's Articles.</p>	<p>are a substantial holder and to give prescribed information in relation to their holding if:</p> <ul style="list-style-type: none"> <li>(a) the person begins to have, or ceases to have, a substantial holding in the company or scheme;</li> <li>(b) the person has a substantial holding in the company or scheme and there is a movement of at least 1% in their holding; or</li> <li>(c) the person makes a takeover bid for securities of the company.</li> </ul> <p>Under the Corporations Act a person has a substantial holding if the total votes attached to voting shares in the company in which they or their associates have relevant interests is 5% or more of the total number of votes attached to voting shares in the company, or the person has made a takeover bid for voting shares in the company and the bid period has started and not yet ended.</p> <p>The Australian substantial holder regime in the Corporations Act does not apply to the Company because the Company is a Cayman Islands incorporated company.</p>
<b>How takeovers are regulated</b>	<p>Except for specific rules that apply only to companies listed on the Cayman Islands Stock Exchange or companies that are regulated by the Cayman Islands Monetary Authority (which are not applicable to the Company), there are no rules or restrictions under the Cayman Islands' Code on Takeovers and Mergers and Rules Governing Substantial Acquisitions of Shares</p>	<p>The Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if any person's voting power in the company will increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.</p> <p>Exceptions to the prohibition apply (eg. acquisitions with shareholder approval, 3% creep over 6 months and rights issues</p>

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	governing the acquisition of all or a specified percentage of direct or indirect voting rights in a Cayman Islands company, or the conduct of the directors of a Cayman Islands company following an actual or potential takeover or merger offer, nor are there any statutory restrictions in respect of defensive mechanisms which the board of directors could employ in respect of actual or potential takeover or merger offers.	that satisfy prescribed conditions). Substantial holder notice requirements apply (as discussed above under the heading "Disclosure of substantial holdings"). Compulsory acquisitions are permitted by persons who hold 90% or more of securities or voting rights in a company. The Australian takeovers regime in the Corporations Act does not apply to the Company because the Company is a Cayman Islands incorporated company.
<b>How transactions with related parties are dealt with</b>	<p>The Cayman Islands Companies Law does not contain provisions similar to those under the Corporations Act regarding the entry into contracts with related parties. However, in the event that any payment obligation, transfer of property or grant of charge thereon is made to a related party that is also a creditor at a time when the company is insolvent, the Cayman Islands Companies Law provides that such transfer is deemed to be a preference and therefore is invalid if it occurred within six months immediately preceding the commencement of a liquidation.</p> <p>Under the Company's Articles, in any vote of directors regarding the approval of any matter, contract or transaction in which a director is directly or indirectly interested, the interested director may count towards the quorum and vote on such matter, contract or transaction provided that the nature and extent of his or her interest has been disclosed to the other directors.</p>	<p>The Corporations Act regulates transactions under which a financial benefit is given by a company to a related party of the company (being the directors of the company, persons who control the company and their respective associates).</p> <p>Generally, transactions with related parties must be approved by shareholders. However, exceptions to this requirement exist in certain circumstances such as where the board of the company is of the view that:</p> <ul style="list-style-type: none"> <li>(a) the terms of the transaction were negotiated on an arm's length basis;</li> <li>(b) the financial benefit constitutes reasonable remuneration to the related party; and</li> <li>(c) where the financial benefit is given to all shareholders of the company in a manner that does not discriminate unfairly between the related party and the other</li> </ul>

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
		shareholders of the company.
<b>Duties of directors</b>	<p>As a matter of Cayman Islands law, the duties of a director primarily derive from common law, the Companies Law, and the articles of association of the company.</p> <p>Under common law principles that will be applied by the Cayman Islands courts, directors have fiduciary duties to the company similar to those noted as applicable under the Corporations Act and the general requirements under Australian law, including: (i) the duty to act honestly and in good faith in what he or she considers are the best interests of the company (generally meaning the interests of the shareholders as a whole); (ii) the duty of loyalty and to avoid actual or potential conflicts of interest arising between his or her duties to the company and his or her personal interest; (iii) a duty to exercise his or her powers as a director under the Companies Law and the articles of association of the company only for the purposes for which they are conferred and not for a collateral or improper purpose; (iv) a duty not to fetter his or her discretion as a director; and (v) a duty of care, diligence and skill.</p> <p>The Cayman Islands Companies Law contains certain statutory duties, including: (i) the duty not to pay or make any distribution to shareholders out of capital or share premium unless the company is able to pay its debts as they fall due following such payment; and (ii) the</p>	<p>The Corporations Act sets out various duties that apply to the directors of a company. These include that a director must:</p> <ul style="list-style-type: none"> <li>(a) exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise;</li> <li>(b) exercise their powers and discharge their duties in good faith in the best interests of the company and for a proper purpose; and</li> <li>(c) not improperly use their position or information obtained as a result of their position to gain an advantage for themselves or someone else or to cause detriment to the company.</li> </ul> <p>In addition, there is a general requirement under Australian law that In Australia a director owes a fiduciary duty to the company, that is he or she must "act honestly, in good faith and to the best of his or her ability in the interests of the company.</p> <p>A director who fails to perform their duties under the Act may:</p> <ul style="list-style-type: none"> <li>(a) contravene a civil penalty provision of the Act and face a pecuniary penalty of up to \$200,000;</li> <li>(b) in certain circumstances, be guilty of a criminal offence where a director or other officer is reckless or</li> </ul>

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	<p>duty to maintain certain statutory registers (register of members, register of directors, register of mortgages and charges) and maintain proper books and records; and (iii) the duty to ensure that certain returns and filings are made to the Registrar of Companies of the Cayman Islands (including any changes in directors, any changes in the authorised share capital of the company or the memorandum and articles of association of the company, and any Special Resolutions passed by the shareholders of the company).</p> <p>A director must also act in accordance with any specific duties set forth in the articles of association from time to time.</p> <p>A director who fails to perform their Cayman Islands common law duties may be personally liable for financial compensation to the aggrieved party, the restoration of the company's property, or for the payment to the company of any profits made in breach of the director's duty.</p> <p>In addition, a director who fails to perform their duties under the Cayman Islands Companies Law may be personally liable to a statutory fine and/or imprisonment of varying severity depending on the nature of the duty breached. This liability is in addition to any liability the company itself may be subject to.</p> <p>A Cayman Islands company may, however, include a provision in its articles of association (or otherwise enter into a separate contractual arrangement with a director)</p>	<p>intentionally dishonest with a potential penalty of up to \$340,000 or imprisonment for up to 5 years, or both;</p> <p>(c) be personally liable to compensate the company or others for any loss or damage they suffer; and</p> <p>(d) be prohibited from managing a company.</p> <p>A company may enter into a deed of indemnity with a director indemnifying a director out of the property of the company against any liability the director incurs to another person (other than the company or a related body corporate of the company), unless the liability arises out of conduct involving a lack of good faith by the director or in relation to certain pecuniary penalties and compensation orders under the Corporations Act.</p> <p>A company may also purchase insurance for directors and certain other officers against liability incurred by the director as a result of being a director of the company. However, the company must not pay, or agree to pay, a premium for an insurance policy in relation to a director where the director's liability arises out of conduct involving a wilful breach of the director's duty or where the director is liable as a result of a breach of the duty to not improperly use their position or information obtained as a result of their position to gain an advantage for themselves or someone else or to cause detriment to the company.</p>

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	<p>indemnifying a director against any loss caused in certain circumstances (where there has been no wilful neglect, wilful default, fraud or dishonesty).</p> <p>A Cayman Islands company may also purchase insurance for directors and certain other officers against liability incurred as a result of any negligence, default, breach of duty or breach of trust in relation to the company.</p>	
<b>The ability to obtain a copy of a company's share register</b>	<p>As the Company is a Cayman Islands exempted company, shareholders have no general right under the Cayman Islands Companies Law to inspect or obtain copies of the share register. The Articles of Association do not give such right save where authorised by Ordinary Resolution.</p>	<p>Under the Corporations Act, a company must allow anyone to inspect its share register.</p> <p>A shareholder of a company has a right to inspect the share register free of charge and a third party is entitled to inspect the register upon payment of a reasonable fee.</p> <p>A company must provide the applicant with a copy of the register within 7 days following receipt of an application to inspect the company's share register and payment of the relevant fee.</p>
<b>Winding up of a solvent company</b>	<p>Under Cayman Islands law, a voluntary liquidation may be commenced by the shareholders of a company if a Special Resolution is passed to that effect. The directors are then required to swear a declaration of the company's solvency within 28 days of the voluntary liquidation resolution being passed. If the directors are unable to do so, the voluntary liquidator appointed by the voluntary liquidation resolution will apply to the Cayman Islands courts for a supervision order and the liquidation will proceed under the supervision of the Cayman Islands courts.</p>	<p>Under the Corporations Act, the directors of a solvent company may wind up a company with the approval of shareholders holding 75% of the issued capital in the company, following which a company liquidator can commence the winding up process.</p> <p>A member or creditor can ask the court to review any part of the winding up. This includes appointment of a liquidator, a liquidator's payment, or other issues that arise.</p>



	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	<p>In addition, any shareholder who has held shares for at least six months (or any lesser period if the shares are held following transmission on death of a former shareholder) is entitled to petition the Cayman Islands courts to make a winding up order. A Cayman Islands court may make a winding up order if it is of the opinion that it is just and equitable that the company should be wound up. However, where a shareholder has contractually agreed not to present a petition for winding up against a company, the Cayman Islands Companies Law provides that the Cayman Islands courts shall dismiss any petition for winding up by that shareholder.</p>	
<b>Winding up of an insolvent company</b>	<p>Upon a petition to the Cayman Islands courts made by the company itself (with the sanction of an Ordinary Resolution) or by any creditor (including a contingent or prospective creditor) or contributory, a company may be wound up if it can be shown to the satisfaction of the Cayman Islands courts that the company is unable to pay its debts.</p> <p>There is no equivalent Cayman Islands statutory provision to the prohibition on trading while insolvent under the Corporations Act, but when the company is insolvent (or of doubtful solvency) the "best interests of the company" for the purposes of directors' fiduciary duties (as described above) will generally be determined primarily by reference to the interests of the creditors of the company as a general body, rather than</p>	<p>A company is considered insolvent if it cannot pay its debts as and when they fall due. While insolvent, a company must not trade or continue conducting business as usual. Trading while insolvent can result in civil penalties or criminal charges under the Corporations Act.</p> <p>The winding up of an insolvent company can be effected through the appointment of an administrator or company liquidator.</p> <p>Voluntary administration tries to resolve the company's insolvency in the best way possible. A qualified person is appointed as voluntary administrator to try and bring the company back to solvency. If it is not possible to bring the company back to solvency, the voluntary administrator's job is to decide the best course of action</p>



	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	<p>by reference to the shareholders as a whole.</p> <p>Where the Cayman Islands courts make an order for winding up, an official liquidator will be appointed by the court, and the directors of the company shall cease to have any power or authority.</p> <p>Provisional liquidators may also be appointed in certain circumstances in advance of the Cayman Islands courts making a winding up order, including on petition by a company where it is (or is likely to become) unable to pay its debts and intends to present a compromise or arrangement to its creditors in order to restructure the company's affairs.</p> <p>Where the Cayman Islands courts order the appointment of a provisional liquidator following an application by the company to permit such a restructuring, the powers of the provisional liquidator so appointed may be limited by the courts and the existing directors may be allowed to remain in control of the company, subject to the supervision of the court.</p> <p>Where the Cayman Islands courts have made a winding up order or an order to appoint provisional liquidators, no suit, action or other proceedings shall be continued or commenced against the company except with leave of the courts (although secured creditors retain their rights enforce their security without leave of the courts). In addition, any disposition of the company's property following the commencement of winding up is, unless the</p>	<p>in the interest of the company's creditors.</p> <p>Liquidation involves a registered liquidator taking control of the insolvent company and liquidating the assets of the company, following which the company is deregistered. The liquidator has an obligation to ensure that creditors are treated fairly as part of the liquidation.</p>

	CAYMAN ISLANDS LAW	AUSTRALIAN LAW
	Cayman Islands courts order otherwise and subject to the rights of enforcement by secured creditors, void.	
<b>Transfer of Shares</b>	<p>The Cayman Islands Companies Law requires that shares of a Cayman Islands company are in registered form, and so legal title to shares will pass only on entry into the Company's register of members (which may be a physical or electronic register either inside or outside the Cayman Islands). The Cayman Islands Companies Law does not contain any other requirements for transfers of shares.</p> <p>The Articles of the Company do not prohibit off market transfers (unless prohibited by the rules and regulations of any stock exchange on which it is listed from time to time).</p>	<p>Other than trading of shares on-market, except where a right to shares has devolved by will or by operation of law, shares may only be transferred upon the completion and delivery of an instrument of transfer that complies with the Corporations Act.</p> <p>A company must register a transfer of shares if a proper instrument of transfer has been delivered to the company.</p> <p>A person transferring shares remains the holder of the shares until the transfer is registered and the name of the transferee is entered in the register of members in respect of the shares.</p> <p>The directors of a company may refuse to register a transfer of shares only if permitted to do so by the Corporations Act and the NSX Listing Rules.</p>

#### 11.4 Interests of Directors

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

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

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

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

## 11.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

HLB Mann Judd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 9 of this Prospectus. The Company estimates it will pay HLB Mann Judd a total of \$25,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors in Australia to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$100,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding

lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

Carey Olsen has acted as the solicitors in the Cayman Islands to the Company in relation to the Offer. The Company estimates it will pay Carey Olsen \$22,217 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Carey Olsen has not received fees from the Company for any other services.

SL Goon & Partners Advocates & Solicitors, solicitors in Malaysia, has acted as an adviser to the Company in relation to the provision of a due diligence report in respect of CCMT and IMW. The Company estimates it will pay SL Goon & Partners Advocates & Solicitors approximately \$46,215 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, SL Goon & Partners Advocates & Solicitors has not received fees from the Company for any other services.

Bodnar Horvath, solicitors in Hong Kong, has acted as an adviser to the Company in relation to the provision of a due diligence report in respect of CCIL. The Company estimates it will pay Bodnar Horvath approximately \$3,564 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bodnar Horvath has not received fees from the Company for any other services.

## **11.6 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section."

HLB Mann Judd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 9 of this Prospectus in the form and context in which the information and report is included. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Robert Mengkwai & Loo has given its written consent to being named as the auditor to the Company in this Prospectus. Robert Mengkwai & Loo has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Winson Asia CPA Limited has given its written consent to being named in this Prospectus as the auditor of CCIL and to the inclusion of the audited financial statements for CCIL for the financial periods ended 31 December 2015 and 31 December 2016 (which financial statements have been incorporated by reference into this Prospectus as described in Section 4B). Winson Asia CPA has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

A.K. Woo & Associates has given its written consent to being named in this Prospectus as the auditor of CCMT and to the inclusion of the audited financial statements for CCMT for the financial periods ended 31 December 2015 and 31 December 2016 (which financial statements have been incorporated by reference into this Prospectus as described in Section 4B). A.K. Woo & Associates has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

KW Ong & Partners has given its written consent to being named in this Prospectus as the auditor of IMW and to the inclusion of the audited financial statements for IMW for the financial periods ended 31 December 2014, 31 December 2015 and 31 December 2016 (which financial statements have been incorporated by reference into this Prospectus as described in Section 4B). KW Ong & Partners has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as solicitors in Australia and Nominated Adviser to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Carey Olsen has given its written consent to being named as solicitors in the Cayman Islands to the Company in this Prospectus. Carey Olsen has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

SL Goon & Partners Advocates & Solicitors, solicitors in Malaysia, has given its written consent to being named as an adviser to the Company in this Prospectus in relation to the provision of a due diligence report in respect of CCMT and IMW. SL Goon & Partners Advocates & Solicitors has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Bodnar Horvath, solicitors in Hong Kong, has given its written consent to being named as an adviser to the Company in this Prospectus in relation to the provision of a due diligence report in respect of CCIL. Bodnar Horvath has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus. Computershare Investor Services Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 11.7 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$295,655 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	(\$)
ASIC fees	2,400
NSX fees	92,259
Steinepreis Paganin Legal Fees	100,000
Adviser as to Hong Kong Law Fees	3,564
Adviser as to Malaysian Law Fees	46,215
Adviser as to Cayman Islands Law Fees	22,217
Investigating Accountant's Fees	29,000
<b>TOTAL</b>	<b>295,655</b>

## 11.8 Foreign Company Registration in Australia

The Company is registered as a foreign company in Australia pursuant to the provisions of the Corporations Act. The Company's Australian Registered Body Number (**ARBN**) is 621 001 296. Gabriel Chiappini is appointed to act as the Company's local agent in Australia.

## 11.9 Company Tax Status and Financial Year

The Company is registered in the Cayman Islands. The Company is not a tax resident of Australia. The financial year of the Company ends on 31 December of each year.

## 11.10 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 Nominated Adviser 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.

## 11.11 Electronic Prospectus

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 this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at [www.circlecorpgroup.com](http://www.circlecorpgroup.com).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **11.12 Financial Forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

#### **11.13 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

NSX has established a transfer service agreement between NSX and ASX CHES. 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 (**CHES**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the ASX Settlement Operating Rules. On admission to CHES, the Company will operate an electronic issuer-sponsored subregister and an electronic CHES subregister. These 2 subregisters together will make up the Company's principal register of shares.

Under CHES, 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 CHES statement. This statement will also advise investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHES sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer-sponsored sub-register.

A CHES 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.

#### **11.14 Privacy Statement**

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 shareholding 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 shareholders) 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.



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**12. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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**Dato' Brian Tan**  
**Managing Director and CEO**  
**For and on behalf of**  
**Circle International Holdings Limited**

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## 13. GLOSSARY

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

**\$** means an Australian dollar.

**Acquisition** means the acquisitions pursuant to the Acquisition Agreements, whereby the Company has agreed to acquire 100% of the issued share capital of CCIL, CCMT and IMW from CCSB.

**Acquisition Agreements** means the three respective acquisition agreements between the Company and CCSB dated 25 August 2017.

**Application Form** means the application form attached to or accompanying this Prospectus relating to the Offer.

**Articles** means the amended and restated memorandum and articles of association of the Company adopted on 1 September 2017.

**ASEAN** means the Association of Southeast Asian Nations.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**Board** means the Board of Directors as constituted from time to time.

**Cayman Island Companies Law** means the Companies Law (as revised) of the Cayman Islands.

**CCIL** means Circle Corporation International Limited, a company registered in Hong Kong with company number (2234050).

**CCMT** means Circle Corp Mediatech Sdn Bhd, a company registered in Malaysia with company number (1106064-V).

**CCSB** means Circle Corp Sdn Bhd, a company registered in Malaysia with company number (844463-X).

**Closing Date** means the closing date of the Offer as set out in the indicative timetable in the Investment Overview in Section 2 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

**Company** means Circle International Holdings Limited (Company Number OI-318051 and ARBN 621 001 296).

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company at the date of this Prospectus.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

**Group** means CCIL, CCMT and IMW together.

**IMW** means Inno Mind Works Sdn Bhd, a company registered in Malaysia with company number (834868-T).

**In-specie Distribution** means the distribution and transfer of Shares by CCSB to its shareholders on a pro rata basis to their respective shareholdings in CCSB as described in Section 6.4.

**NSX** means National Stock Exchange of Australia Limited or the financial market operated by it as the context requires.

**NSX Listing Rules** means the official listing rules of NSX.

**Offer** means the offer of Shares pursuant to this Prospectus as set out in Section 5.

**Official List** means the official list of NSX.

**Official Quotation** means official quotation by NSX in accordance with the NSX Listing Rules.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Ordinary Resolution** has the meaning given in Section 11.2(c)(v).

**Prospectus** means this Prospectus.

**Section** means a section of this Prospectus.

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

**Shareholder** means a holder of Shares.

**Special Resolution** has the meaning given in Section 11.2(c)(v).

**WST** means Western Standard Time as observed in Perth, Western Australia.