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FLEXIROAM Limited

ACN: 143 777 397

# REPLACEMENT PROSPECTUS

**For an offer of up to 60,000,000 shares at a price of \$0.20 each  
to raise up to \$12,000,000, with a minimum subscription  
requirement to raise at least \$8,000,000.**

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#### IMPORTANT NOTICE

This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisors before deciding whether to apply for securities pursuant to this replacement Prospectus. Any investment in the Company under this replacement Prospectus should be considered speculative in nature.

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## IMPORTANT INFORMATION

This replacement Prospectus is dated 15 April 2015 and was lodged with ASIC on that date. ASIC, ASX and their respective officers do not take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to the Prospectus to be admitted for quotation on ASX.

No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offer must do so using the Application Form attached to or accompanying this Prospectus. Before applying for Shares potential investors should carefully read the Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Shares, the assets and liabilities of the Company and the Company's financial position and performance, profits and losses, and prospects.

Investors should carefully consider these factors in light of their own personal financial and taxation circumstances.

Any investments in the Company should be considered speculative. Refer to Section 6 of this Prospectus for details relating to risk factors. Applicants should read this document in its entirety and persons considering applying for Shares pursuant to the Prospectus should obtain professional advice from an accountant, stockbroker, lawyer or other advisor before deciding whether to invest.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offer.

The offer of Shares under this Prospectus does not constitute an offer in any jurisdiction outside Australia. The Offer is not made to persons or places to which, or in which, it would not be lawful to make such an offer of securities. Any person in such places who come into possession of this Prospectus should seek advice on and comply with any legal restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

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. For further information on selling restrictions that apply to Shares in certain jurisdictions outside of Australia, see Section 1.7.

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, 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. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

## WEBSITE – ELECTRONIC PROSPECTUS

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Flexiroam Website, [www.investor.flexiroam.com](http://www.investor.flexiroam.com). Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. See Section 8.10 for more details.

## RISKS

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects of the Company potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered speculative. Refer to Section 6 for details relating to risk factors.

## EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an exposure period of 7 days from the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of 7 days. The purpose of the exposure period is to enable the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in the Prospectus. If deficiencies are detected, 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 persons who lodge applications prior to the expiry of the exposure period. See Section 1.18 for more details.

## MISCELLANEOUS

Photographs used in this Prospectus are for illustration only and should not be interpreted to mean that the assets or items shown in them are owned by the Company or that people depicted are employees of the Company.

All references to “\$”, “AUD”, “dollar” and “cents” are references to Australian currency unless otherwise stated.

All references to “US\$” are references to United States of America currency unless otherwise stated.

All references to “RM” are references to Malaysian currency unless otherwise stated.

All references to “S\$” are references to Singaporean currency unless otherwise stated.

All references to time relate to the time in Perth, Western Australia.

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 10.

## CORPORATE DIRECTORY

### DIRECTORS

Kenn Tat Ong (Executive Director and Chief Executive Officer)  
Adam Sierakowski (Non-Executive Chairman)  
Iik Kho (Non-Executive Director)  
Stephen Hewitt-Dutton (Non-Executive Director)

### COMPANY SECRETARY

Deborah Ho

### REGISTERED OFFICE

C/- Trident Capital  
Level 24, 44 St Georges Terrace  
Perth Western Australia 6000

Principal Place of Business  
22-2 Jalan PJU 8/3A, Bandar Damansara Perdana, 47820 Petaling JAYA, Selangor D.E., Malaysia

### SHARE REGISTRY

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands Western Australia 6009

### AUDITOR

HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth Western Australia 6000

### CORPORATE ADVISOR

Trident Capital  
Level 24, 44 St Georges Terrace  
Perth Western Australia 6000

### SOLICITORS

#### Legal Adviser to Australian Law

Price Sierakowski Corporate  
Level 24, 44 St Georges Terrace  
Perth Western Australia 6000

#### Legal Adviser to Malaysian Law

Peter Ling & Van Geyzel  
B-19-4, Tower B  
Northpoint Office Suites  
Midvalley City No. 1  
Medan Syed Putra  
59200 Kuala Lumpur  
Malaysia

### LEAD MANAGER

Patersons Securities Limited  
Level 48, 264 George Street  
Sydney, New South Wales 2000

### INVESTIGATING ACCOUNTANTS

HLB Mann Judd  
Level 4, 130 Stirling Street  
Perth Western Australia 6000

### ASX CODE

FRX

### WEBSITE

[www.investor.flexiroam.com](http://www.investor.flexiroam.com)

## CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Board of Directors of Flexiroam Limited (**Company**), I am delighted to present this Prospectus to you and invite you to become a shareholder of the Company.

The Company is the ultimate parent company of Flexiroam Sdn. Bhd., a Malaysian incorporated wholly-owned subsidiary. Flexiroam is an international mobile roaming provider, offering budget international roaming services for outbound travellers from 8 different countries to destinations in over 200 countries and territories around the world.

The Company proposes to raise at least \$8 million and up to \$12 million from the Offer. These funds will be used primarily to grow Flexiroam's business by further developing and marketing Flexiroam's existing products, implementing Flexiroam's international expansion plans, fund the research and development of new products and pay the various costs associated with the Offer.

Further information regarding the Company's business and the terms of the Offer are set forth in sections 1 and 4 of this Prospectus. Details about the risks of an investment of this type are contained in section 6. Investors should obtain professional investment advice before deciding to invest. Please read this document carefully before making your investment decision.

I ask that you consider the Offer contained in the Prospectus and look forward to welcoming you as a shareholder of the Company. If you are an existing shareholder, I thank you for your support to date and invite you to increase your investment to take advantage of the Company's new direction.

Yours faithfully,

**Adam Sierakowski**  
**Chairman**  
**15 April 2015**



## INVESTMENT OVERVIEW

### 1. INTRODUCTION

Question	Response	More info.
Who is the issuer of the Prospectus?	Flexiroam Limited (ACN 143 777 397) ( <b>Company</b> )	Section 4
Who is the Company and what does it do?	<p>The Company is the parent company of Super Bonus Profit Sdn. Bhd. (a company incorporated in Malaysia), which in turn holds 100% of the issued capital of Flexiroam (a company incorporated in Malaysia). Together these companies make up the Group.</p> <p>Flexiroam is a Malaysian based telecommunications business, offering budget international roaming services for outbound travellers from 8 different countries in over 200 different countries and territories around the world.</p>	Section 4
What is the Company's strategy?	The Company's strategy is to maximise returns for its Shareholders through maintaining and growing Flexiroam's roaming services subscriber base throughout the Asia Pacific region, as well as developing the products and services it has to offer its customers. The Company aims for Flexiroam to become a major provider of budget international roaming services in the Asia-Pacific region.	Section 4
What activity has the Company planned?	<p>The Company plans to maintain and grow its subscriber base through the continued development of its existing business model, and in doing so, drive revenue growth.</p> <p>The Company plans to replicate its business model in Singapore, Thailand and Indonesia. The Company plans to gain access in each new market by developing a large local subscriber base through online means, acquiring new channel partners and establishing a local distribution network.</p> <p>If Full Subscription of the Offer is achieved, the Company also plans to expand its operations into China, Hong Kong and India.</p> <p>The Company also plans to develop and launch new products and features to retain existing customers.</p>	Section 4

Question	Response	More info.
Who are the Company's Directors?	<p>Kenn Tat Ong (Jef), Executive Director and Chief Executive Officer</p> <p>Adam Sierakowski, Non-Executive Chairman</p> <p>lik Kho (Gerard), Non-Executive Director</p> <p>Stephen Hewitt-Dutton, Non-Executive Director</p> <p>Information about the background and experience of each Director and of key management is set out in Section 2.</p>	Section 2
What is the business model?	<p>Flexiroam's business model is described in further detail at Section 4, and it includes the use of the following acquisition channels to expand its subscriber base and drive revenue growth:</p> <ul style="list-style-type: none"> <li>• B2C Acquisition Channel: Flexiroam makes direct sales to international outbound travellers. Sales are generated through the Company's website and online marketing campaigns, Flexiroam Business Centres and Flexiroam's in-house sales team.</li> <li>• B2B Acquisition Channel: Flexiroam forms key relationships with travel industry participants and corporations to access new potential subscribers. Access to new potential subscribers is generated by entering into collaboration agreements with airlines, travel insurance companies, travel agents and other travel industry participants.</li> </ul> <p>Flexiroam, through its acquisition channels offers cost effective international roaming products and services to travellers; captures international outbound travellers through strategic partnerships with airlines, travel agencies and online travel sites; and employs sales personnel to identify and convert business customers into long-term corporate customers.</p>	See Section 4



Question	Response	More info.
What is the business model? (cont')	<p>Flexiroam has two key product lines currently available, the Flexiroam Roaming Pass and the Flexiroam SIM Cards. Flexiroam plans to develop three more key products to offer its customers. These include the Flexiroam Mobile App, the Flexiroam Roaming Device and the SIM Paste. Further details of Flexiroam's products and products to be developed are set forth in Sections 4.3(b) and 4.3(h).</p> <p>Flexiroam's products and services are supported by the Flexiroam Tracking System (<b>FTS</b>), a purpose built, cloud-based tracking system that uses an integrated network of servers to manage the global accessibility of Flexiroam's products. Further details of the FTS is set forth in Section 4.3(e).</p>	
What is the financial position of the Company?	<p>The Company is currently an unlisted public company. The Company intends to list on the ASX. The Company's annual report is available from the Flexiroam Website.</p> <p>Flexiroam was founded in March 2011, and as at 31 December 2014 it had:</p> <ul style="list-style-type: none"> <li>• Cash balance of RM608,780 or \$218,033(AUD);</li> <li>• Total assets of RM63,760,234 or \$22,311,900(AUD);</li> <li>• Net assets of RM59,404,594 or \$20,787,700(AUD); and</li> <li>• Shareholders' equity of RM59,401,977 or \$20,786,800(AUD).</li> </ul> <p>The above financial information for the 9 month period ended 31 December 2014 is based on the audited financial statements of Flexiroam.</p> <p>Further financial information regarding the Company is considered in the Investigating Accountant's Report in Section 5 of this Prospectus.</p>	Section 5

Question	Response	More info.
What benefits are being paid to Directors?	<p>The Directors will be paid directors' fees for operating the Company following the successful listing of the Company on the ASX.</p> <ul style="list-style-type: none"> <li>As Executive Director and Chief Executive Officer, Kenn Tat Ong will be paid \$120,000 per annum plus statutory superannuation (if any). Separately, Kenn Tat Ong has an Executive Service Agreement with Flexiroam pursuant to which he is paid RM8,240 per month, details of which are provided in Section 7 of this Prospectus.</li> <li>As Chairman, Adam Sierakowski will be paid \$48,000 per annum plus statutory superannuation (if any).</li> <li>As Non-Executive Director, Gerard Kho will be paid \$36,000 per annum plus statutory superannuation (if any).</li> <li>As Non-Executive Director, Stephen Hewitt-Dutton will be paid \$36,000 per annum plus statutory superannuation (if any).</li> </ul> <p>For further information on the Directors' interests, please refer to Section 8.5</p>	Section 8.5
What benefits are being paid to other persons?	<p>The Company will pay various service providers who have assisted with the preparation of the documentation required to enable the Company to prepare this Prospectus. These persons will include accountants, solicitors and corporate advisors. Full details of the amounts paid, or to be paid are included at Section 8.9.</p>	Section 8.9
How will the Company comply with the Corporations Act and other corporate governance policies?	<p>The Company's Directors collectively have experience in the management and administration of listed companies and have a general working knowledge of the laws and regulations affecting public companies in Australia.</p> <p>A statement disclosing the extent to which the Company intends to follow the corporate governance recommendations set by the ASX Corporate Governance Council is included at Section 2.4.</p>	Section 2.4

Question	Response	More info.
What important contracts has the Company entered into?	<p>The Company is a party to the following types of material contracts:</p> <p>Company Agreements:</p> <ul style="list-style-type: none"> <li>• Share Sale Agreement</li> <li>• Convertible Notes Agreement</li> <li>• Performance Rights Plan</li> <li>• Patersons Mandate</li> </ul> <p>Flexiroam Agreements:</p> <ul style="list-style-type: none"> <li>• Executive Service Agreements - Kenn Tat Ong</li> <li>• Trident Capital Corporate Advisory Mandate</li> <li>• AirAsia X Collaboration Agreement</li> <li>• Success Resources Sales and Purchase Agreement</li> <li>• Northern Malaysia Distributor Agreement</li> <li>• EU Holidays Advertising and Promotion Agreement</li> <li>• EU Holidays Sales and Purchase Agreement</li> <li>• EU Holidays Appointment of Distributor Agreement</li> <li>• Beijing Network Sales and Purchase Agreement</li> <li>• Summit Capital Training Sales and Purchase Agreement</li> <li>• Summit Capital Training Advertising and Promotion Agreement</li> <li>• KLIA2 Tenancy Agreement</li> <li>• KLIA Tenancy Agreement</li> <li>• Kota Kinabalu Airport Tenancy Agreement</li> <li>• Excel Event Network Tenancy Agreement</li> <li>• CIP 500 Funding Agreement</li> <li>• TRON Collaboration Agreement</li> <li>• Cloud9 Network Agreement</li> <li>• Mayflower Agreement</li> </ul>	Section 7 and section 8.4

Question	Response	More info.
What is the effect of the IPO on the Company?	<p>The IPO will provide the Company with cash and reserves with which to grow its business through the funding of further development and marketing of its existing products, implementation of its global expansion, and the research, development and deployment of new products.</p> <p>The capital structure of the Company will be impacted by the number of Shares issued. Control of the Company will remain with the major Shareholder, Reapfield.</p> <p>The future of the Company will be dependent on many things, some of which are outside of the control of the Company. Specifically in relation to the funds raised under the Prospectus, the future growth of the Company will be dependent on the Company's ability to grow its subscriber base, successfully replicate its business model outside of Malaysia, and successfully commercialise and deploy its products.</p>	Sections 1 and 4
Will the Company pay dividends?	The Company does not expect to pay dividends in the near future.	Section 1.16
Where will the Shares be quoted?	An application will be made to the ASX for quotation of the Shares under the Offer, under the trading symbol "FRX".	Section 1.8
Are any shares escrowed?	Subject to the Company being admitted to the Official List, certain Shares on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow. For further information see Section 1.7.	Section 1.7
When will I know if my Application was successful?	A holding statement confirming your allocation under the Offer will be sent to you if your Application is successful. Holding statements are expected to be issued on or about 2 June 2015.	Section 1.11
How can I obtain further advice?	<p>By speaking to your accountant, stockbroker or other professional adviser.</p> <p>If you require assistance or additional copies of this Prospectus, please contact the Company on +618 6211 5099.</p>	
Contact details	For further details, see the Corporate Directory at the beginning of this Prospectus.	Corporate Directory

## 2. THE OFFER

Question	Response	More info.
What is the Offer?	The Offer is for up to 60 million Shares at an Offer Price of 20 cents per Share to raise funds of up to \$12 million with a Minimum Subscription of \$8 million.  There is no allowance for oversubscriptions.	Section 1
How will funds raised under the Offer be used?	The gross funds raised by this Offer assuming Full Subscription will be \$12 million (or \$8 million if the Minimum Subscription is achieved, before costs associated with the Offer), which the Company intends to use for the further development and marketing of Flexiroam's existing products, funding the research, development and marketing of new products, the international expansion of Flexiroam's operations and to pay for the expenses of the Offer.	Sections 1.4 and 8.9
What are the key dates of the Offer?	Lodgement of this Prospectus with ASIC: 15 April 2015  Opening Date of Offer: 15 April 2015  Closing Date of Offer: 19 May 2015  Dispatch of Statements of Shareholding: 2 June 2015  Expected date for Shares to commence trading on ASX: 16 June 2015  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 notice.	Key Offer Details
What is the Offer Price?	The Offer Price is \$0.20 per Share.	Section 1
What rights and liabilities are attached to the Shares being offered?	All Shares issued under the Offer will rank equally with Existing Shares on issue on the terms set out in section 8.2.  A summary of the rights and liabilities attaching to the Shares is set out at section 8.2	Section 8.2
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 1.9

Question	Response	More info.
How do I apply for Shares under the Offer?	All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the application being 20 cents per Share. Cheques must be made payable to "Flexiroam Limited" and should be crossed "Not Negotiable".	Sections 1.3 and 11
Where do I send the Application Form?	Applications Forms should be sent to Flexiroam Limited, c/- Trident Capital of Level 24, 44 St Georges Terrace, Perth, Western Australia 6000 or mailed to PO Box Z5183, Perth, Western Australia 6831.  Completed Application Forms and cheques must be received by the Company before 5.00 pm WST on the Closing Date.	Sections 1.3 and 11
Can I speak to a representative about the Offer?	Questions relating to the Offer or to the completion of an Application Form can be directed to the Company on +618 6211 5099.	Section 1.20



### 3. KEY RISK FACTORS

Question	Response	More info.
What are the key risks of investing in Shares in the Company?	<p>The list below is a summary of some of the key risks associated with investing in the Company. A more comprehensive list of risks is set out in Section 6.</p> <p>Specific Risks:</p> <ul style="list-style-type: none"><li>• Reliance on Key Management Team and CEO</li><li>• Technology Risks</li><li>• Network Operations and IT Risks</li><li>• Unauthorised Use of Intellectual Property or Independent Development of Technology</li><li>• Managing Rapid Growth</li><li>• Concentration of Shareholding</li><li>• Unforeseen Expenditure Risk</li><li>• Contractors and Contractual Disputes</li><li>• Dependence on Third Party Servers and Products</li><li>• Government Policy Changes and Legal Risk</li><li>• Foreign Currency Risk</li><li>• Liquidity Risk</li></ul> <p>General Risks:</p> <ul style="list-style-type: none"><li>• Investment Risk</li><li>• Share Market</li><li>• Insurance risks</li><li>• Commercialisation Risks</li><li>• Competition Risk</li><li>• Economic and Government Risks</li></ul>	Section 6

#### 4. OFFER STATISTICS

Offer Price	\$0.20 per share		
	Minimum Subscription (\$8,000,000)	Full Subscription (\$12,000,000)	Section
Number of Existing Shares currently on issue	139,200,001	139,200,001	Key Offer Details, and Section 1
Number of Shares available under the Prospectus	40,000,000	60,000,000	Key Offer Details, and Section 1
Total number of Shares on issue following the Offer	179,200,001	199,200,001	Key Offer Details, and Section 1
Total proceeds from the Offer (before costs)	\$8,000,000	\$12,000,000	Key Offer Details, and Section 1
Total number of Advisor Shares on issue following the Offer*	2,700,000	2,700,000	Key Offer Details, and Section 7
Total number of Options on issues following the Offer**	3,000,000	3,000,000	Key Offer Details, and Section 8

\* Advisor Shares are to be issued by the Company to Trident Capital or its nominees in accordance with the Trident Capital Corporate Advisory Mandate summarised in Section 7.2(b).

\*\* 1,000,000 of the Options are to be issued by the Company to Trident Capital or its nominees. 2,000,000 of the Options are to be issued by the Company to Seamist or its nominees. Those nominees have not been determined as of the date of this Prospectus. Each Option will have an exercise price of \$0.20 and an expiry date 3 years from issue. A summary of the rights and liabilities attaching to the Options is set out in Section 8.3.

## KEY OFFER DETAILS

### KEY FINANCIAL DATA RELATING TO THE OFFER

Offer price per Share	20 cents
Shares to be offered pursuant to the Offer	
• assuming Minimum Subscription	40,000,000
• assuming Full Subscription	60,000,000
Cash proceeds of the Offer	
• assuming Minimum Subscription	\$8,000,000
• assuming Full Subscription	\$12,000,000
Total number of Existing Shares on issue before the Offer	139,200,001
Total number of Options on issue before the Offer	Nil
Total number of Shares on issue following the Offer (excluding the Advisor Shares*)	
• assuming Minimum Subscription	179,200,001
• assuming Full Subscription	199,200,001
Total number of Advisor Shares on issue following the Offer*	2,700,000
Total number of Shares on issue following the Offer (including the Advisor Shares*)	
• assuming Minimum Subscription	181,900,001
• assuming Full Subscription	201,900,001
Total number of Options on issue following the Offer**	3,000,000

\* Advisor Shares are to be issued by the Company to Trident Capital or its nominees in accordance with the Trident Capital Corporate Advisory Mandate summarised in Section 7.2(b).

\*\* 1,000,000 of the Options are to be issued by the Company to Trident Capital or its nominees. 2,000,000 of the Options are to be issued by the Company to Seamist or its nominees. Those nominees have not been determined as of the date of this Prospectus. Each Option will have an exercise price of \$0.20 and an expiry date 3 years from issue. A summary of the rights and liabilities attaching to the Options is set out in Section 8.3.

## INDICATIVE TIMETABLE

Dates shown in the table below are indicative only and may be varied. The Company reserves the right to vary the Opening Date and the Closing Dates without prior notice, which may have a consequential effect on the other dates. **Applicants are therefore urged to lodge their Application Forms as soon as possible.**

INDICATIVE TIMETABLE	
Lodgement of this Prospectus with ASIC	15 April 2015
Opening Date for the Offer	15 April 2015
Closing Date for the Offer ("Closing Date")	19 May 2015
Dispatch of Statements of Shareholding	2 June 2015
Expected date for New Shares to commence trading on ASX	16 June 2015

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## DETAILS OF THE OFFER

I turned back into mist and  
downs of the mountains  
sloping and jagged  
the only sound was  
the squeaky  
I stopped and took  
the place where  
I realized that it  
was insane. I  
balm in the place  
on I realized that  
to distract myself. I  
said goodbye  
to the house.

I had planned  
to walk through most  
of the day, though most  
of the time I wouldn't hike  
when I wouldn't hike  
the genuine rigors  
of the mountains.

I had abandoned my  
plans when I was alone  
in the mountains.

## 1. DETAILS OF THE OFFER

By this Prospectus, the Company offers up to 60,000,000 Shares at a price of \$0.20 per Share to raise funds of up to \$12 million. The Minimum Subscription to be raised under the Offer is \$8 million. There is no allowance for oversubscription.

The Offer is open to the general public.

The Shares to be issued pursuant to this Prospectus are of the same class and will rank equally in all respects with the Existing Shares in the Company. The rights and liabilities attaching to Shares are further described in Section 8.2 of the Prospectus.

Applications for Shares must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to Section 11 for further details and instructions.

### 1.1 THE OFFER

Under the Offer, members of the general public may apply for Shares pursuant to this Prospectus. Applications for Shares under the Offer can only be made on the Application Form contained at the back of the Prospectus. The Application Form should be completed in accordance with the instructions set out on the back of the form.

Applications under the Offer must be for a minimum of 10,000 Shares (\$2,000) and then in increments of 1,000 Shares (\$200). No brokerage, stamp duty or other costs are payable by applicants. Refer to Section 1.3 below for payment and lodgement details.

The Offer is conditional upon the satisfaction of the conditions referred to in Sections 1.2 and 1.8.

### 1.2 MINIMUM SUBSCRIPTION

The Minimum Subscription for the Offer is 40,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$8,000,000. No Shares will be allotted or issued until the Offer has reached its Minimum Subscription. If the Minimum Subscription of the Offer has not been achieved within four (4) months after the date of this Prospectus, all Application Monies will be refunded without interest in accordance with the Corporations Act.

### 1.3 PAYMENT AND LODGEMENT DETAILS

The details provided in this section relate to the Application Form.

All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the application being 20 cents per Share. Cheques must be made payable to "Flexiroam Limited" and should be crossed "Not Negotiable". All Applications Monies will be paid into a trust account.

Completed Application Forms and cheques must be received by the Company, 19 May 2015 before 5.00pm WST on the Closing Date.

**Applicants are urged to lodge their Application Forms as soon as possible, as the Offer may close early without notice.**



**Delivered to:**

Flexiroam Limited  
C/- Trident Capital  
Level 24, 44 St Georges Terrace  
Perth Western Australia 6000

**Mailed to:**

Flexiroam Limited  
C/-Trident Capital  
PO Box Z5183  
Perth Western Australia 6831

An original, completed and lodged Application Form for Shares together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in each Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe amend or complete the Application Form is final however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and 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 the Applicant that all relevant approvals have been obtained.

**1.4 PURPOSE OF THE OFFER**

The principal purpose of the Offer is to:

1. further develop and market Flexiroam's existing products including the Flexiroam Tracking System and the Company's website (further details of which are set forth in Section 4.3(b));
2. fund the research, development and marketing of new products including the Flexiroam Mobile App, Flexiroam Roaming Device and SIM Paste (further details of these products in development are set forth in Section 4.3(h));
3. implement Flexiroam's international expansion plans into Singapore, Thailand, Indonesia and if Full Subscription of the Offer is achieved, Flexiroam also plans to expand its operations into China, Hong Kong and India; and
4. pay the various costs associated with the Offer.

## 1.5 PROPOSED APPLICATION OF FUNDS RAISED

Funds raised from the Offer are intended to be applied as follows:

PROPOSED APPLICATION OF FUND RAISED**		
	Minimum Subscription \$8,000,000	Full Subscription \$12,000,000
Expenses of the Offer*	\$870,000	\$1,120,000
Flexiroam Tracking System (FTS) – product development	\$1,000,000	\$1,000,000
Flexiroam websites – product development and marketing	\$900,000	\$900,000
Flexiroam Mobile App –product development, marketing and distribution	\$2,000,000	\$2,000,000
Flexiroam Roaming Device – technological advancement (research and development)	\$800,000	\$800,000
SIM Paste – technological advancement (research and development)	\$700,000	\$700,000
International Expansion – Singapore, Thailand and Indonesia (if Full Subscription of the Offer is achieved, the Company also plans to expand its operations into China, Hong Kong and India)	\$815,000	\$4,565,000
Working Capital	\$915,000	\$915,000
<b>Funds Raised by the Prospectus</b>	<b>\$8,000,000</b>	<b>\$12,000,000</b>

Notes:

\* Additional expenses of the Offer have been paid from existing funds of the Company. For further information, see Section 8.9.

\*\* Actual expenditure may differ from the above estimates due to a number of factors. For details of the Company's business and risk factors relating to its operations please refer to Section 4 – Company and Business Overview, and Section 6 – Risk Factors of this Prospectus.

**The Directors are satisfied that upon completion of the Offer (regardless of whether the Full Subscription or the Minimum Subscription is raised), the Company will have sufficient capital to meet its stated objectives.**

The use of further equity funding or share placements will be considered by the Directors where it is appropriate to accelerate a specific project.

It is also possible that future acquisitions that may be contemplated may exceed the current or projected financial resources of the Company and it is expected that these acquisitions would be funded by additional financing and/or equity issues (subject to any necessary shareholder approvals).

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

## 1.6 CAPITAL STRUCTURE

Set out in the table below is a summary of the capital structure of the Company before and after completion of the Offer under this Prospectus.

CAPITAL STRUCTURE				
	Minimum Subscription		Full Subscription	
	Number of Shares	%	Number of Shares	%
Existing Shares on issue at the date of this Prospectus*	139,200,001	76.5	139,200,001	68.9
Shares now offered pursuant to the Offer	40,000,000	22.0	60,000,000	29.8
Advisor Shares issued to Trident Capital**	2,700,000	1.5	2,700,000	1.3
<b>Total Shares on issue at the completion of the Offer</b>	<b>181,900,001</b>	<b>100</b>	<b>201,900,001</b>	<b>100</b>
Options issued***	3,000,000		3,000,000	
<b>Total fully diluted Share capital</b>	<b>184,900,001</b>		<b>204,900,001</b>	
Options on issue before the date of this Prospectus		Nil		
Options on issue upon completion of the Offer***		3,000,000		

\* The Directors expect that a substantial portion of the Existing Shares on issue at the date of this Prospectus will be under escrow (refer to Section 1.7 for details).

\*\* The Advisor Shares are to be issued by the Company to Trident Capital or its nominees in accordance with the Trident Corporate Advisory Mandate summarised in Section 7.2(b).

\*\*\*1,000,000 of the Options are to be issued by the Company to Trident Capital or its nominees. 2,000,000 of the Options are to be issued by the Company to Seamist or its nominees. The nominees have not been determined as of the date of this Prospectus. Each Option will have an exercise price of \$0.20 and an expiry date 3 years from issue. A summary of the rights and liabilities attaching to the Options is set out in Section 8.3.

## 1.7 RESTRICTED SECURITIES

Subject to the Company being admitted to the Official List, securities issued to promoters, seed capitalists and vendors of classified assets may have escrow restrictions placed on them pursuant to the Listing Rules. Such securities may be required to be held in escrow for up to 24 months and may not be transferred, assigned or otherwise disposed of during

that period. At this stage it is expected that a total of 129,350,000 Shares on issue as at the completion of the Offer under this Prospectus are expected to be subject to the restricted securities provisions as follows:

- (a) 81,000,000 Shares representing Shares belonging to Reapfield for a period of 24 months from the date of official quotation of the securities of the Company under paragraph 3 of Appendix 9B of the Listing Rules;
- (b) 7,500,000 Shares representing Shares belonging to Reapfield for a period of 24 months from the date of official quotation of the securities of the Company under paragraph 1 of Appendix 9B of the Listing Rules;
- (c) 4,500,000 Shares representing all of the Shares belonging to Si Pin Lim for a period of 24 months from the date of official quotation of the securities of the Company under paragraph 3 of Appendix 9B of the Listing Rules;
- (d) 4,500,000 Shares representing all of the Shares belonging to Kai Fatt Wong for a period of 24 months from the date of official quotation of the securities of the Company under paragraph 3 of Appendix 9B of the Listing Rules;
- (e) 900,000 Shares representing Shares issued to unrelated seed investors for a period of 12 months from the date on which the Shares were issued under paragraph 2 of Appendix 9B of the Listing Rules;
- (f) 25,000,000 Shares representing Shares issued to promoters for a period of 24 months from the date of official quotation of the securities of the Company under paragraph 7 of Appendix 9B of the Listing Rules;
- (g) 250,000 Shares representing Shares issued to related seed investors for a period of 24 months from the date of official quotation of the securities of the Company under paragraph 1 of Appendix 9B of the Listing Rules.
- (h) 2,000,000 Options representing Options to be issued to Seamist and/or its nominees for a period of 24 months from the date of official quotation of all the securities of the Company under paragraph 7 of Appendix 9B of the Listing Rules;
- (i) 1,000,000 Options representing Options to be issued to Trident Capital and/or its nominees for a period of 24 months from the date of official quotation of all the securities of the Company under paragraph 7 of Appendix 9B of the Listing Rules; and
- (j) 2,700,000 Shares representing the Advisor Shares to be issued to Trident Capital and/or their nominees for a period of 24 months from the date of official quotation of all the securities of the Company under paragraph 7 of Appendix 9B of the Listing Rules.

ASX may determine further escrow restrictions once the Company lodges its application for quotation of the Shares. The Company will announce to the ASX full details (number and duration) of the Shares required to be held in escrow prior to the Shares re-commencing trading on ASX.

## **1.8 ASX LISTING**

The Company will apply to ASX no later than seven (7) days from the date of this Prospectus for ASX to grant official quotation of the Shares issued pursuant to this Prospectus.

If the Shares are not admitted to quotation by ASX within three (3) months after the date of this Prospectus, no Shares will be issued. In that case, Application Monies will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation of the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

## **1.9 CAPITAL RAISING FEES**

The Company reserves the right to pay a fee of up to 6% of the value of the Shares to holders of an Australian Financial Services Licence in respect of Shares placed to their clients under the Offer.

## **1.10 OFFER NOT UNDERWRITTEN**

The Offer is not underwritten.

## **1.11 ALLOCATION AND ALLOTMENT OF SHARES**

The Directors reserve the right to reject any application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the Shares, the allotment of Shares will occur as soon as practicable after the Offer closes. All Shares issued pursuant to the Offer will rank pari passu in all respects with the Existing Shares of the Company. Statements of shareholding will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their statement of shareholding will do so at their own risk.

## **1.12 APPLICATION MONIES TO BE HELD IN TRUST**

The Application Monies for Shares to be issued pursuant to the Offer will be held in a separate bank account on behalf of applicants until the Shares are allotted. If the minimum subscription of the Offer is not fully subscribed within a period of four (4) months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and no Shares will be allotted pursuant to this Prospectus. All Interest earned on Application Monies (including those which do not result in allotment of Shares) will be retained by the Company.

### **1.13 CHESS AND ISSUER SPONSORSHIP**

The Company will apply to CHESS. The Company will operate an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of shares. The Company will not issue certificates to shareholders. Rather, holding statements (similar to bank statements) will be dispatched to shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for shareholders who elect to hold shares on the CHESS sub-register) or by the Company's Share Registry (for shareholders who elect to hold their shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under the Prospectus and provide details of a shareholder's Holder Identification Number (for shareholders who elect to hold shares on the CHESS sub register) or Shareholder Reference Number (for shareholders who elect to hold their shares on the issue sponsored sub-register). Updated holding statements will also be sent to each shareholder following the month in which the balance of their shareholding changes, and also as required by the Listing Rules or the Corporations Act.

### **1.14 RISKS**

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 6 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

### **1.15 OVERSEAS INVESTORS**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Prospectus. For more details see Section 8.14.

### **1.16 DIVIDENDS**

The Company does not expect to pay dividends in the near future.

### **1.17 PRIVACY DISCLOSURE**

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific shareholders can be obtained by that shareholder through contacting the Company or the Share Registry



## **1.18 EXPOSURE PERIOD**

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC. The exposure period may be extended by ASIC by a further period of up to 7 days.

The purpose of the exposure period is to enable the Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in the Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. During the exposure period, the Prospectus may be viewed online at the Flexiroam Website or a hard copy of the Prospectus will be made available upon request to the Company. Applications received during the exposure period will not be processed until after expiration of the exposure period. No preference will be conferred on applications received during the exposure period and all such applications will be treated as if they were simultaneously received on the Opening Date.

## **1.19 FORECAST FINANCIAL INFORMATION**

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's expansion strategies and short-term nature of the Company's contracts with its customers as well as uncertain macros market and economic conditions in the Company's markets and how they apply to the Company, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings and accordingly the forecast financials are not included in this Prospectus.

## **1.20 ENQUIRIES**

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

Questions relating to the Offer can be directed to the Company on +618 6211 5099.

Questions relating to the completion of an Application Form can be directed to the Company on +618 6211 5099.

## 2 DIRECTORS AND SENIOR MANAGEMENT



## 2. DIRECTORS AND SENIOR MANAGEMENT

The Directors of the Company collectively have significant experience in the corporate sectors. Brief summaries of the Directors and Senior Management profiles are set out below.

### 2.1 COMPOSITION OF BOARD OF DIRECTORS FOLLOWING ADMISSION

Following admission of the Company to the Official List, the Board of the Company is to be made up of:

- Kenn Tat Ong (Jef) as Executive Director and Chief Executive Officer;
- Adam Sierakowski as Non-Executive Chairman;
- Iik Kho (Gerard) as Non-Executive Director; and
- Stephen Hewitt-Dutton as Non-Executive Director.

### 2.2 DIRECTOR PROFILES

#### **Kenn Tat Ong (Jef) – Chief Executive Officer**

Jef is the Chief Executive Officer of the Company. Jef is also the founder and Chief Executive Officer of Flexiroam. Jef holds a Bachelor of Computer Science & Information Technology from Champlain College, Vermont in the United States. Jef has over 9 years' experience in the telecommunications industry, having previously been on the board of two Malaysian based start-up information technology companies.

#### **Adam Sierakowski – Chairman**

Adam is a lawyer and founding director of legal firm Price Sierakowski. He has over 15 years' experience in legal practice, much of which he had spent as a corporate lawyer consulting and advising on a range of transactions to a variety of large private and listed public entities. Mr Sierakowski is a director of Trident Management Services Pty Ltd and Trident Capital Pty Ltd. Adam has advised a variety of public and private clients on the structuring of their transactions and has been engaged in coordinating fundraising both domestically and overseas. Adam has vast experience in restructuring, mergers, acquisitions and has played a key role in the recapitalization of ASX listed shells.

Adam is currently a director of ASX listed companies iWebgate Limited (Non-Executive Chairman), Kinetiko Energy Limited (Non-Executive Chairman), Narhex Life Sciences Limited (Non-Executive Chairman) and Coziron Resources Limited (Non-Executive Chairman). He was previously a director of Carnavale Resources Limited (Non-Executive Chairman), Triangle Energy Limited (Non-Executive Director) and Stirling Biofuels International Limited (Non-Executive Director). He is a member of the Australian Institute of Company Directors and the Association of Mining Exploration Companies.

#### **Iik Kho (Gerard) – Non-Executive Director**

Dr. Kho is the current CEO of PropertyGuru Malaysia, an online property portal. Dr. Kho holds a degree in Law, a degree in Medical Science and Masters of Commerce, all from the University of Sydney. He also holds a Doctorate in Strategic Leadership from Regent

University, Virginia. Dr. Kho has also served as CEO and vice president of Reapfield Group, a Malaysian real estate company.

#### **Stephen Hewitt-Dutton – Non-Executive Director**

Stephen has over 20 years' of experience in corporate finance, accounting and company secretarial matters. He is an Associate Director of Trident Capital and holds a Bachelor of Business from Curtin University and is an affiliate of the Institute of Chartered Accountants. Before joining Trident Capital, Stephen was an Associate Director of Carmichael Corporate where he assisted clients by providing equity market, IPO and M&A advice and assistance. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 15 years. Stephen is a currently a director of ASX listed companies 3D Medical Limited and Reclaim Industries Limited.

### **2.3 SENIOR MANAGEMENT TEAM**

#### **Lip Lin Tan – Chief Financial Officer of Flexiroam**

Mr Tan graduated from the University of Glasgow with a Bachelor's degree in Accounting and has 20 years' experience in the funds management industry. Mr Tan served as a CFO of FutureNrg Sdn. Bhd., a Malaysian based technology company that operates as a subsidiary of Fitters Diversified Berhad which is listed on the Malaysian Stock Exchange. Mr Tan is responsible for Flexiroam's financial management.

#### **Kup Sang Yeap – Vice-President, Sales & Marketing of Flexiroam**

Mr Yeap graduated from Multimedia University, Malaysia with a Bachelor's degree in Multimedia Management. Mr Yeap has more than 11 years' experience in marketing having previously been employed by Dyuemall Sdn. Bhd., a Malaysian based online shopping mall, in its marketing team. Mr Yeap heads Flexiroam's Sales & Marketing team and is responsible for identifying new markets suitable for its products and managing existing retail channels.

#### **Ying Hwa Ong – Vice-President, Operations of Flexiroam**

Ms Ong graduated from the University of Putra, Malaysia with a bachelor's degree in Science with a major in Human Resource Development. Ms Ong has more than 3 years' experience in human resource management. Ms Ong is responsible for managing Flexiroam's human resource requirements and for the training, retention and development of Flexiroam's workforce.

#### **Jhia Sheng Khoo – Vice-President, Business Development of Flexiroam**

Mr Khoo graduated from the University of East London with a bachelor's degree in Business Information Systems. Mr Khoo is responsible for the growth of Flexiroam's customer base and works closely with Flexiroam's Chief Executive Officer to implement Flexiroam's investment strategy.

#### **Li Choong Tan – Vice-President, Network & Support of Flexiroam**

Mr Tan graduated from the University of Derby, with a bachelor's degree in Science. Mr Tan is responsible for the technical aspects of Flexiroam's operations. Mr Tan has more than 11 years' experience in the area of technical support.

## **Xin Yu Lim – Vice-President, Product Development of Flexiroam**

Ms Lim graduated from RMIT University, Melbourne with a diploma in Visual Merchandising. Ms Lim heads the Product Development team and is responsible for the management of Flexiroam's brand management and product design.

## **2.4 CORPORATE GOVERNANCE**

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 3<sup>rd</sup> edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 1.1 Condition 13, the corporate governance statement set out below discloses the extent to which the Company intends to follow the recommendations as at the date of reinstatement of the Company's securities to quotation on ASX. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Flexiroam Website, under the section marked "Corporate Governance":

- (a) Board Charter;
- (b) Board Performance Evaluation Policy;
- (c) Code of Conduct;
- (d) Audit Committee Charter;
- (e) Remuneration and Nomination Committee Charter;
- (f) Security Trading Policy;
- (g) Continuous Disclosure Policy;
- (h) Shareholder Communication and Investor Relations Policy;
- (i) Risk Committee Charter;
- (j) Risk Management Policy; and
- (k) Diversity Policy.

## **Principle 1: Lay solid foundations for management and oversight**

### ***Recommendation 1.1***

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and have documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- (a) setting and reviewing strategic direction and planning;
- (b) reviewing financial and operational performance;
- (c) identifying principal risks and reviewing risk management strategies; and
- (d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer. The Chief Executive Officer is accountable to the Board.

### ***Recommendation 1.2***

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

### ***Recommendation 1.3***

The Company has a written agreement with each of the Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

### ***Recommendation 1.4***

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- (a) ensuring a good flow of information between the Board, its committees, and Directors;



- For personal use only
- (b) monitoring policies and procedures of the Board;
  - (c) advising the Board through the Chairman of corporate governance policies; and
  - (d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

**Recommendation 1.5**

The Company has a Diversity Policy, the purpose of which is:

- (a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- (b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity, which will be disclosed in the Company's corporate governance statement for the financial year ended 30 June 2015, and will review the effectiveness and relevance of these measurable objectives on an annual basis.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation will be disclosed by the Company in each corporate governance statement.

**Recommendation 1.6**

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chairman will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Company will report on whether an evaluation of its Chief Executive Officer and senior executives has taken place in the relevant reporting period in each of its corporate governance statements.

**Recommendation 1.7**

The Chairman will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- (a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
- (b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and

- (c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually.

The Company will report on whether an evaluation of the Board, its committees and individual directors has taken place in the relevant reporting period, and whether the process was in accordance with the process disclosed, in each of its corporate governance statements.

## **Principle 2: Structure the board to add value**

### ***Recommendation 2.1***

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Flexiroam Website.

When the Board meets as a remuneration and nomination committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Flexiroam Website.

### ***Recommendation 2.2***

The mix of skills and diversity which the Board is looking to achieve in its composition is:

- (a) a broad range of business experience; and
- (b) technical expertise and skills required to discharge duties.

### ***Recommendation 2.3***

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

- (a) Kenn Tat Ong (Jef) (Executive Directors and Chief Executive Officer)
- (b) Adam Sierakowski (Independent Chairman)
- (c) Iik Kho (Gerard) (Independent Non-Executive Director)
- (d) Stephen Hewitt-Dutton (Independent Non-Executive Director)

#### **Recommendation 2.4**

Currently, the Board considers that membership weighted towards relevant expertise is appropriate at this stage of the Company's operations.

#### **Recommendation 2.5**

Adam Sierakowski is the Chairman. He is not an independent Chairman. Mr Sierakowski is considered the most appropriate person to Chair the Board because of his public company experience.

#### **Recommendation 2.6**

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

### **Principle 3: Act ethically and responsibly**

#### **Recommendation 3.1**

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Flexiroam Website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

### **Principle 4: Safeguard integrity in corporate reporting**

#### **Recommendation 4.1**

Due to the size of the Board, the Company does not have a separate audit committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the audit committee and is disclosed on the Flexiroam Website.

When the Board meets as an audit committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an audit committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company

through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

#### **Recommendation 4.2**

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### **Recommendation 4.3**

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chairman will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

### **Principle 5: Make timely and balanced disclosure**

#### **Recommendation 5.1**

The Company is committed to:

- (a) ensuring that shareholders and the market are provided with full and timely information about its activities;
- (b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- (c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Flexiroam Website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure

issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Chief Executive Officer manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

## **Principle 6: Respect the rights of security holders**

### ***Recommendation 6.1***

The Company provides information about itself and its governance to investors via the Flexiroam Website. The Company is committed to maintaining the Flexiroam Website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Flexiroam Website:

- (a) relevant announcements made to the market via ASX;
- (b) media releases;
- (c) investment updates;
- (d) Company presentations and media briefings;
- (e) copies of press releases and announcements for the preceding three years; and
- (f) copies of annual and half yearly reports including financial statements for the preceding three years.

### ***Recommendation 6.2***

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Flexiroam Website.

Information is communicated to Shareholders via:

- (a) reports to Shareholders;
- (b) ASX announcements;
- (c) annual general meetings; and
- (d) the Flexiroam Website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the Flexiroam Website) for Shareholders to make their enquiries.

### **Recommendation 6.3**

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

### **Recommendation 6.4**

Shareholders are given the option to receive communications from, and send communication to, the Company and its Share Registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the Flexiroam Website) for shareholders to make their enquiries.

## **Principle 7: Recognise and manage risk**

### **Recommendation 7.1**

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Flexiroam Website.

The Board has adopted a Risk Management Policy, which is disclosed on the Flexiroam Website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- (a) operational risk;
- (b) financial reporting;
- (c) compliance / regulations; and
- (d) system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

### **Recommendation 7.2**

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

- (a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
- (b) quarterly rolling forecasts prepared;

### **Recommendation 7.3**

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

### **Recommendation 7.4**

Given the speculative nature of the Company's business, it will be subject to general risks and certain specific risks.

The Company will identify those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclose how it intends to manage those risks in each of its corporate governance statements.

## **Principle 8: Remunerate fairly and responsibly**

### **Recommendation 8.1**

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Flexiroam Website.

When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Flexiroam Website.



### **Recommendation 8.2**

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

### **Recommendation 8.3**

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

#### **Security Trading Policy**

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- (a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- (b) trading in the Company's securities which is not subject to the Company's trading policy; and
- (c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Flexiroam Website.

# 3 INDUSTRY OVERVIEW



### **3. INDUSTRY OVERVIEW**

#### **3.1 OVERVIEW**

The telecommunications industry is a multi-billion dollar industry. There were approximately 3.6 billion unique mobile users in 2014. Furthermore, the international travel industry is a multi-billion dollar industry and the international mobile roaming market now represents a multi-billion dollar industry.

An opportunity exists for telecommunications service and product providers, such as Flexiroam, who offer significant savings on international roaming services.

#### **3.2 GLOBAL ROAMING IN THE ASIA PACIFIC REGION**

In 2013 the total number of international outbound travellers from Malaysia, Singapore, and Indonesia was approximately 99 million travellers.

The number of international outbound travellers from this region has grown steadily over the last ten years. The Asia Pacific region is an important outbound tourism market, making up 34.3% of the world's tourists in 2011. In 2011 South-East Asia was the second largest source of outbound tourism from the Asia Pacific region.

The growth in international travel has led to the growth in the international mobile roaming market.

Despite efforts by various industry participants, international data and voice roaming charges in the Asia Pacific region remain excessive in relation to domestic telecommunication services for most travellers. As a result, a significant opportunity exists for an innovative global roaming provider, such as Flexiroam, who is able to offer consumers a low-cost product while travelling.

#### **3.3 COMPETITIVE LANDSCAPE**

Flexiroam has been in operation since 2011 and is a niche player in terms of its market share. However, since its launch, Flexiroam has grown the number of subscribers to its services each month it has been in business. With an increase in marketing along with further development of the products and services Flexiroam provides, Flexiroam aims to increase its subscriber numbers as well as its market share and become a major international competitor in the roaming market place.

Key competitors include the following providers and products:

- (a) Mobile providers: These providers are currently considered the most conventional way to roam. An international outbound traveller uses his or her domestic mobile operator to make and receive calls. This method usually involves higher roaming charges and complicated pricing models for calls.
- (b) International Direct Dial (IDD) call cards: The international outbound traveller purchases an off-the shelf calling card and commonly is required to enter a code from a fixed line or mobile line from the foreign country. This method is cheaper than the conventional roaming method. However, the traveller must adopt a new mobile when using the IDD call cards and this may prove inconvenient for some travellers.

- (c) Internet calls: The international outbound traveller uses an internet based application to make and receive calls while abroad. This method is dependent upon access to the internet, such as a wifi hotspot.
- (d) Local SIM cards: The international outbound traveller purchases a SIM card in the foreign country. This method requires the traveller to adopt a new mobile number when using the local sim card and therefore may prove inconvenient for some travellers.
- (e) International SIM cards: The international outbound traveller purchases a SIM card that has network coverage in multiple countries. The cost of purchasing an International SIM card can be higher than the cost of purchasing IDD call cards and Local SIM cards.

### 3.4 TRENDS AND KEY DRIVERS

A number of trends and key drivers relevant to the global roaming market have been identified, including the following:

- (a) **A decline in roaming prices:** There has been a decrease in global roaming market prices in recent years. Operators around the world drove their retail tariff prices down by up to 82% across all services, between 2007 and 2011. This was a sign of the industry acknowledging the need to offer travellers affordable roaming services.
- (b) **Increased innovation in roaming tariffs:** In recent years operators have begun offering global tariffs or packages which permit customers to roam on their standard domestic rate plus a connection fee. In addition to these offers, new roaming bundles and standard tariffs have been launched, indicating significant commercial activity to provide competitive roaming offers to regional and global consumers.
- (c) **Strong substitutes:** There are already strong app or internet based substitutes that are in competition with mobile roaming services. Despite certain downsides of these alternatives, they are appealing to travellers given their affordability. Technologies in these areas continue to evolve rapidly in both the domestic and international markets.
- (d) **Growing demand for consumer protection and transparency:** Today's information age brings options to consumers. Travellers have access to a world of information and choices, comparing value is relatively easy. More so, travellers have higher acceptance of new technology. These invariably give travellers a stronger bargaining power to demand affordable, transparent roaming pricing along with better services when they travel overseas.



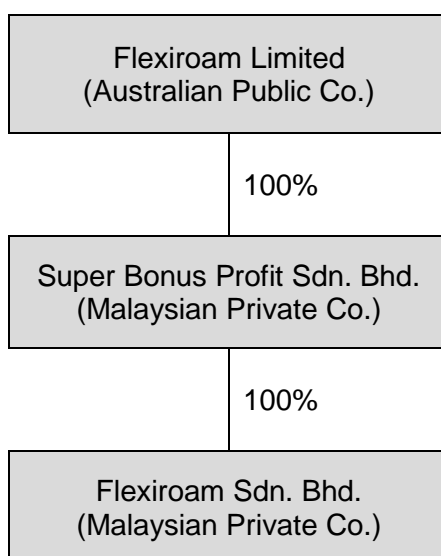
## **4 COMPANY AND BUSINESS OVERVIEW**

## 4. COMPANY AND BUSINESS OVERVIEW

The information provided in this Section is in summary form only. Investors should read the remainder of this Prospectus which contains more detailed information before making a decision to apply for Shares.

### 4.1 CORPORATE STRUCTURE

The Company is the parent company of Super Bonus Profit Sdn. Bhd., a Malaysian incorporated wholly-owned subsidiary. The Company owns all of the issued capital in Super Bonus Profit Sdn. Bhd. Super Bonus Profit Sdn. Bhd. is the parent company of Flexiroam Sdn. Bhd., a Malaysian incorporated wholly-owned subsidiary. Super Bonus Profit Sdn. Bhd. owns all of the issued capital in Flexiroam Sdn. Bhd. Set out below is an overview of the corporate structure:



### 4.2 COMPANY HISTORY AND BACKGROUND

The Company was incorporated on 21 May 2010.

The Company has been evaluating high quality and value adding investment opportunities to take advantage of global market trends and maximise share value.

The Company acquired Flexiroam on 18 March 2015 pursuant to a Share Sale Agreement. For further information in relation to the Share Sale Agreement, please refer to Section 7 of the Prospectus.

The Company has an equity interest in Redcliffe Resources Limited, an ASX listed mining exploration company, with a total investment of \$51,000 at a price of \$0.015. The Company also holds convertible notes in Redcliffe Resources Limited, with a total investment of \$150,000 in convertible notes, convertible into Redcliffe shares at \$0.015. The Company expects full repayment by 1 May 2015. For further information in relation to the convertible notes, please refer to Section 7.

The Company has also adopted a Performance Rights Plan. Pursuant to the Performance Rights Plan eligible participants will be granted rights to receive Shares provided certain

performance conditions are satisfied. No Performance Rights have been granted pursuant to the Performance Rights Plan as of the date of this Prospectus. However, subject to approval at a meeting of the Company, the Company intends to issue Performance Rights to Kenn Tat Ong and other employees of Flexiroam. Please refer to Section 8.4 for more details.

Super Bonus Profit Sdn. Bhd. was incorporated on 17 October 2014 in Malaysia. It has no assets except for the shares of Flexiroam.

## **4.3 FLEXIROAM**

### **(a) Company history and background**

Flexiroam was incorporated under its former name, Alpha Beyond Sdn Bhd, on 27 October 2004 in Malaysia. Alpha Beyond Sdn Bhd changed its name to Flexiroam Sdn Bhd on 25 August 2011.

In March 2011, Flexiroam began offering international travellers departing from Malaysia, budget global roaming products and services. Flexiroam now offers international outbound travellers from 8 different countries (see paragraph (iii) below) roaming products and services within over 200 different countries and territories worldwide.

Flexiroam's products offer subscribers a simple pricing model by offering unlimited inbound and outbound voice calls to travellers for a pre-determined fixed fee. Flexiroam's products do not require its subscribers to have internet connection to make and receive calls. Also they allow the traveller to retain his or her primary mobile number.

#### **(i) Cost and Pricing Advantage**

Conventional global mobile roaming rates are relatively expensive.

Service providers often rely on another operator to facilitate a global roaming phone call, and are therefore required to pay that other operator an interconnect fee. In simple terms, an interconnect fee is the fee that the calling operator pays to the called operator for call termination. A terminating operator is often a de-facto monopolist and can therefore charge the calling operator relatively high termination charges. The calling operator commonly passes these high charges on to the end-user which can result in "bill-shock".

By contrast, the Flexiroam Tracking System scans multiple routing partners to select the best and cheapest wholesale partner to terminate a call or data service. As a result Flexiroam can offer subscribers a fixed daily rate and help avoid "bill-shock".

#### **(ii) Early-Mover Advantage**

Flexiroam is one of the first prepaid international roaming services in Malaysia that offers budget international roaming to international outbound travellers. The opportunity is for Flexiroam to be an aggressive early mover in the budget global roaming space in order to both improve the end-users



global roaming experience through the avoidance of “bill-shock”, and provide investors with a meaningful return on investment.

(iii) **Coverage in 200 Countries and Territories**

Flexiroam's Roaming Pass uses existing mobile operator networks that use the Global System for Mobile communications (GSM) technology. Unlike proprietary technologies, Flexiroam's Roaming Pass does not require the subscriber to use a specific handset or a specific mobile partner(s). As a result, the Flexiroam Roaming Pass can be used by all travellers from Malaysia, Singapore, Indonesia, Australia, Canada, Hong Kong, the USA and the United Kingdom, travelling to one of the areas covered by Flexiroam's network providers. The Flexiroam Roaming Pass bypasses and does not use the mobile operator's roaming facilities. This enables Flexiroam to tap into the existing mobile users market with lower costs. As a result, there are fewer limitations or restrictions to hinder Flexiroam from expanding its coverage area.

(b) **Products**

Flexiroam has made its products and services available from its website, [www.flexiroam.com](http://www.flexiroam.com), to international outbound travellers departing from Malaysia, Singapore, Indonesia, Australia, Canada, Hong Kong, the United States of America and the United Kingdom. International outbound travellers departing from Malaysia can also purchase Flexiroam's products from a Flexiroam Business Centre which include its retail booths located at Kuala Lumpur International Airport 2 (**KLIA2**) and the Sultan Abdul Aziz Shah Airport's SkyPark Terminal (**SkyPark**), or its temporary retail booth located at Kuala Lumpur International Airport (**KLIA**). Flexiroam has entered into a tenancy agreement for a retail booth at Kota Kinabalu Airport. See Section 7 for summaries of the tenancy agreements for each of the Flexiroam Business Centres.

Flexiroam intends to use funds raised under the Offer to establish further retail outlets across Singapore, Indonesia and Thailand as set out in Sections 1.4 and 4.3(i). Flexiroam intends to use funds raised under the Offer to promote the further development and marketing of its existing products as set out in Sections 1.4 and 4.3(i).

Flexiroam's website is a key component of its business model. It provides an easy-to-use interface which existing subscribers can use to log-in and manage their existing accounts, update their account details, access online customer support and recharge their existing service. The website also allows new customers to sign-up and purchase Flexiroam products and services. Business customers can also apply for a customised business plan via the website.

All of Flexiroam's products and services are supported by the Flexiroam Tracking System and include:

- **Roaming Pass:** The traveller receives a bespoke Roaming Pass based upon intended trip destination(s) and duration that entitles the traveller to make unlimited voice calls while visiting the designated destination(s);
- **Buzz SIM Card:** A single trip physical SIM card available for travellers to get access to unlimited internet and calls while overseas;

- Infinity SIM Card: A multiple-trip SIM card delivering international roaming to frequent travellers;
- Data SIM Card: A designated internet roaming service SIM card for frequent travellers;
- Pilgrimage Solutions: Special seasonal SIM Cards available for travellers going for Umrah and Hajj;
- Corporate Solution: Enterprise-based roaming services packages for businesses; and
- Customised SIM Solutions: Complete SIM Card solution that offers branding and new revenue streams to both telecom and non-telecom businesses.

Flexiroam's products and services include the following features:

- can be purchased online from the Flexiroam website, [www.flexiroam.com](http://www.flexiroam.com) or from any Flexiroam Business Centre;
- the traveller activates his or her Flexiroam product or service before departing. The traveller then receives an SMS from Flexiroam explaining how to activate call forwarding. The traveller then follows these instructions activating the call forwarding from his or her domestic mobile service to Flexiroam;
- upon arriving at the destination, the traveller switches his or her SIM card to either a local SIM card or one of Flexiroam's SIM cards;
- once a local SIM card or a Flexiroam SIM card has been inserted into the traveller's mobile device, the traveller then sends Flexiroam an SMS. The Flexiroam Tracking System then directs all calls from the travellers home mobile number to his or her new overseas number. Whenever someone calls the travellers home number, it is automatically forwarded to the new overseas number;
- while overseas, the traveller can make and receive unlimited calls. Additionally, subscribers using Flexiroam's SIM cards instead of a local SIM card can also have unlimited internet access from Flexiroam;
- additional charges are not billed by Flexiroam. However, local charges are charged by the local mobile operator;
- upon the traveller arriving in his or her home country, the traveller deactivates the Flexiroam product or service by calling a designated number from his or her mobile device; and
- Flexiroam will send the traveller a savings report showing how much the travellers saved in roaming charges by using Flexiroam's product or services.

Flexiroam's products address existing flaws associated with current global roaming services as follows:

- **Mobile providers** are commonly expensive to use and often have complex usage conditions for international roaming. Flexiroam's products offer unlimited usage for a predetermined fixed fee, exclusive of local connection charges.
- **IDD call cards** can only be used to make outbound voice calls. Flexiroam's products offer unlimited inbound and outbound voice calls.
- **Internet calls** are limited to selected mobile phones and rely on internet access or excessive data usage. Flexiroam's products are not dependent on any type of phone or internet access.
- **Local SIM cards and international SIM cards** do not permit the user to retain their existing mobile number.

(c) **Business Model**

Flexiroam's business model uses two key acquisition channels in order to increase its subscriber base and generate revenue growth:

- B2C Acquisition Channel:** Flexiroam sells to international outbound travellers departing from Australia, Singapore, United States of America, United Kingdom, Canada, Indonesia and Hong Kong via Flexiroam's website and through online marketing campaigns. Also, Flexiroam makes direct sales to international outbound travellers departing from Malaysia from its Flexiroam Business Centres.
- B2B Acquisition Channel:** Flexiroam forms key relationships with strategic businesses that are affiliated with the travel industry in order to access high volumes of new potential subscribers. Access to new potential subscribers is generated by entering into collaboration agreements with airlines, travel insurance companies, travel agents and other travel industry participants.

The following diagram illustrates Flexiroam's business model:



Flexiroam's full business model is currently operational in Malaysia. International outbound travellers departing from Australia, Singapore, United States of America, United Kingdom, Canada, Indonesia and Hong Kong can currently only purchase Flexiroam products online. Flexiroam plans to replicate its full business model in Singapore, Thailand and Indonesia upon completion of the Offer. If Full Subscription

of the Offer is achieved, Flexiroam also plans to expand its operations into China, Hong Kong and India. Flexiroam plans to gain access in each new market by building a large subscriber base through online means, acquiring new channel partners and establishing a local distribution network.

(d) **The Flexiroam Brand**

“Flexiroam” is a combination of the word “flexible” and “roaming”. Flexiroam is developing its brand so that it is to be known for driving the cost of international roaming costs down by offering flexible roaming solutions to its customers.

Flexiroam uses the Flexiroam trademark to sell its products to its customers through brand recognition.



Flexiroam has registered this trademark in Malaysia. Reapfield, Flexiroam’s controlling shareholder, has registered this trademark in India. An application has been made to transfer the registration of the trademark in India to Flexiroam and an exclusive licence is in place between Reapfield and Flexiroam for Flexiroam’s use of the trademark.

(e) **Flexiroam Tracking System**

Flexiroam’s products and services are underpinned by the Flexiroam Tracking System; a purpose built, cloud-based tracking system that uses an integrated network of servers to manage the global accessibility of Flexiroam’s products and services.

The Flexiroam Tracking System is composed of three core components as follows:

(i) **Webserver**

The Flexiroam Tracking System seamlessly integrates with third party network providers to render various functions for Flexiroam including:

- (A) carrying out online marketing campaigns;
- (B) facilitate new customer registrations;
- (C) manage existing customer’s account details;
- (D) provide a secure payment system; and
- (E) provide customer support.

Flexiroam has a wholesale network agreement in place with Cloud9, which gives it access to over 580 network providers across 200 countries and territories. See Section 7.2(s) for details of the agreement in place with Cloud9.

(ii) **Database**

The Flexiroam Tracking System database provides secured storage of subscriber's data.

(iii) **Roaming Gateway**

The Flexiroam Tracking System also serves as Flexiroam's call management system to control call routing, call reporting and voicemail.

(f) **Patent Pending**

A patent for the Flexiroam Tracking System has been filed with the Patent Registration Office at the Intellectual Property Corporation of Malaysia, and is awaiting approval. The patent application was made by Reapfield and a transfer of this application is currently underway to assign this patent application to Flexiroam. An exclusive license is in place between Reapfield and Flexiroam for Flexiroam's use of the technology covered by the patent pending.

Ref. No.	Country	Title	Serial No.	Filing date	Status
MA/P5537/FSB/2013/RR	Malaysia	System and Method for Providing Telecommunications Services.	PI2014001904	25 June 2014	Pending

The patent application process for a utility patent in Malaysia is expected to take approximately 3 to 5 years. There is no guarantee that a patent application will be granted or be held valid and enforceable after grant. The patent application will initially provide for a Malaysian patent that would remain in force for up to 20 years if granted and all annuities are paid.

A granted patent would enable the patent owner, or a person authorised by the patentee (such as an exclusive licensee), to exclude others from making, using, or selling the patented invention within Malaysia. Such a patent would not only help to protect market share and add a valuable asset to Flexiroam's business, it would also provide a vehicle through which licenses to third parties can be granted to have authorised access to the patented technology.

(g) **Strategic relationships and associations**

(i) **Strategic relationships**

Flexiroam has established strategic relationships with travel industry participants including travel agencies, an airline, telecommunication providers and SIM card providers including AirAsia X, Success Resources, Mayflower Tours, and EU Holidays. See Section 7 for a description of the agreements in place with these third parties.

(ii) **Multimedia Super Corridor Malaysia Status**

On 27 May 2014, Flexiroam was awarded Pioneer Multimedia Super Corridor Malaysia Status (**Pioneer MSC Malaysia Status**). Established by the Malaysian Government and administered by the Multimedia

Development Corporation, the Multimedia Super Corridor (**MSC**) is Malaysia's Information, Communication and Technology (**ICT**) initiative designed to attract world-class technology companies to Malaysia by providing participants with a number of incentives, including an investment tax allowance; 100% tax exemption for up to 10 years or an investment tax allowance for up to 5 years; exemption from duty on imports of multimedia equipment; assistance in the recruitment of foreign knowledge workers; and access to research and development commercialisation grants.

Pioneer MSC Malaysia Status is only awarded to companies which meet selected government criteria. Pioneer MSC Malaysia Status recognises Flexiroam's capability to develop and export world-class telecommunication technology.

(iii) **Cradle Investment Programme 500 (CIP 500)**

The CIP 500 is Malaysia's development and technology funding programme administered by a Cradle Fund under the auspices of Malaysia's Ministry of Finance. The CIP 500 helps Malaysian start-up companies attain commercialisation of their products by way of offering conditional grants of up to RM500,000 per application.

The Cradle Fund Approval Committee assess each application for CIP 500 funding on the potential for future funding and revenue growth; strength and sustainability of the business model; core competency and strength of management team; and product or services and technology roadmap.

On 20 February 2013, Flexiroam was awarded a CIP 500 grant and entered into the CIP 500 Agreement. (See Section 7 for more details of this CIP 500 Agreement.) To date, the Cradle Fund has provided RM496,760 to Flexiroam. By joining the Official List, Flexiroam will be triggering the 'success trigger' provisions of the CIP 500 Agreement which requires Flexiroam to pay back 50% of the funding amount (inclusive of a 4% administrative fee per annum). Pursuant to a letter from Cradle Fund Sdn. Bhd. dated 4 March 2015, Flexiroam was exempted from having to pay back its grant funding from Cradle Fund Sdn. Bhd.. However it is required to enter into a marketing campaign with CIP 500 for up to RM258,380 to occur within 24 months of joining the Official List.

(h) **New Products (Research & Development)**

Currently, a Flexiroam subscriber with an active Roaming Pass and a local SIM card for the country they travelling to, can access Flexiroam's services from any GSM enabled mobile device that is from one of the 8 countries to which Flexiroam currently sells its products and services. If the subscriber also uses a Flexiroam SIM card (rather than a third party local SIM card) together with a 2G, 3G or 4G enabled smartphone device, the subscriber can access unlimited data roaming in addition to unlimited calls. Flexiroam intends to develop a number of alternative products through which travellers can access our products and services. Information in relation to the use of funds raised under the Offer to fund the development of Flexiroam's new products is set out below and in Section 1.5.



(i) **Flexiroam Mobile App**

It is intended that the Flexiroam Mobile App will be a smartphone application designed for the international outbound travel market. It is intended that the Flexiroam App will enable travellers to make calls from their smartphone device. The receiver of the call does not need to have the Flexiroam mobile app. It is intended that the Flexiroam Mobile App icon will be similar to the following illustration:



(ii) **Flexiroam Roaming Device**

It is intended that the Flexiroam Roaming Device will be a 4G enabled portable wifi device which connects to a smart phone via a mobile application. It is intended that features of the Flexiroam Roaming Device will include unlimited voice and data roaming while overseas, prepaid and flat rate pricing per day, lightweight and long battery life, support multiple mobile platforms, alleviate the need for switching SIMs and global network coverage. It is intended that the Flexiroam Roaming Device will be similar to the following illustration:



(iii) **SIM Paste**

It is intended that the SIM Paste will be a thin microchip-embedded film that converts the user's phone into a dual SIM phone when fixed on one's local SIM card. SIM Paste automatically turns to the user's local mobile network and activates Flexiroam Service when they travel overseas. It is intended that features of SIM Paste will include unlimited voice and data roaming while overseas, prepaid and flat rate pricing per day, multiple SIM sizes & mobile platforms support capability, automatic service provider switching when overseas and one time application. It is intended that SIM Paste will be similar to the following illustration:



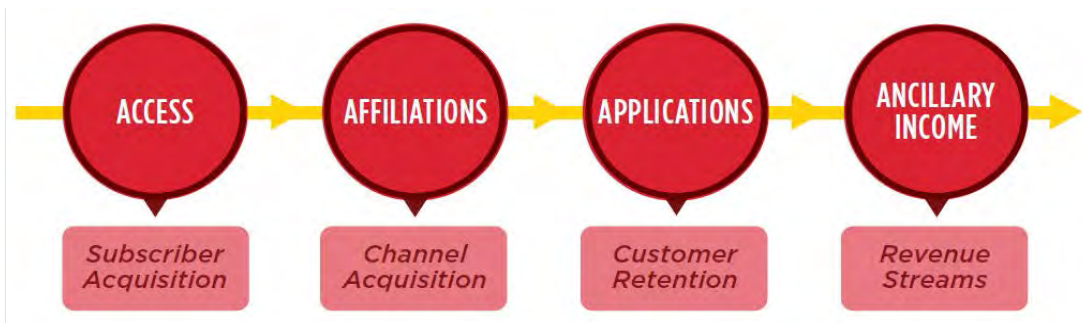


(i) **International Expansion**

Flexiroam plans to replicate its business model in Singapore, Thailand and Indonesia. If Full Subscription of the Offer is achieved, Flexiroam also plans to expand its operations into China, Hong Kong and India.

Flexiroam plans to gain access in each new market by firstly accessing and developing a large local subscriber base through online means. Next, Flexiroam plans to acquire new channel partners by building new affiliations with local travel industry partners. Flexiroam then plans to create new applications and innovative products to retain existing customers. Finally, the Company will capitalise on strategic partnerships to explore new business verticals to generate ancillary income.

The planned international expansion strategy is illustrated in the following diagram:



# 5

## INVESTIGATING ACCOUNTANT'S REPORT



## 5. INVESTIGATING ACCOUNTANT'S REPORT



15 April 2015

The Board of Directors  
Flexiroam Limited  
C/- Trident Capital  
Level 24, 44 St Georges Terrace  
PERTH WA 6000

Dear Sirs

### INVESTIGATING ACCOUNTANT'S REPORT - FLEXIROAM LIMITED

#### INTRODUCTION

This Investigating Accountant's Report ("Report") has been prepared for inclusion in a replacement prospectus to be dated on or about 15 April 2015 ("Prospectus") by Flexiroam Limited ("the Company") in relation to the Company's proposed listing on the Australian Stock Exchange Limited ("ASX") and the offer of up to 60,000,000 shares at an issue price of \$0.20 to raise up to \$12,000,000, with a minimum subscription of \$8,000,000 ("Capital Raising " or the "Offer").

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of the Company.

All amounts are expressed in Australian dollars unless otherwise stated.

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

This Report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. HLB Mann Judd has not been requested to consider the prospects for the Company, nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so.

HLB Mann Judd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this report.

Further declarations are set out in Section 6 of this Report.

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**  
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HLB Mann Judd (WA Partnership) is a member of **HLB International**, a world-wide organisation of accounting firms and business advisers.



**STRUCTURE OF REPORT**

This Report has been divided into the following sections:

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

**1. BACKGROUND INFORMATION**

The Company was incorporated in Australia on 21 May 2010 as Island Metals Limited. Its principal activities were the review of resources based projects with a view to listing on the ASX.

On 9 December 2014, the Company executed a Head of Agreement to acquire all of the issued capital of Flexiroam Sdn. Bhd. ("Flexiroam") company registered in Malaysia.

On 2 February 2015, the shareholders of the Company approved the change of name to Flexiroam Limited.

The audited historical financial information for the three most recent reporting periods ended 30 June 2014 are summarised in Appendix 2 of this Report.

On 18 March 2015 the Company completed the acquisition of Super Bonus Profit Sdn. Bhd., ("SBP") the parent company of Flexiroam. Super Bonus Profit Sdn. Bhd. was incorporated on 17 October 2014 in Malaysia. It has no assets except for the shares of Flexiroam.

Flexiroam was incorporated in Malaysia under its former name Alpha Beyond Sdn. Bhd. on 27 September 2004. It subsequently changed its name to Flexiroam Sdn. Bhd. on 25 August 2011. Flexiroam is an international mobile phone roaming provider and is one of Malaysia's fastest growing international roaming providers, offering international outbound travellers from 8 countries, roaming services in 217 countries and territories around the world. Since its founding, Flexiroam has experienced significant growth. Flexiroam's products offer subscribers an easy to understand pricing model by offering unlimited roaming voice calls and data to travellers for a pre-determined fixed fee. Flexiroam's products do not require its subscribers to have internet connection to make and receive calls. They also allow the traveller to retain his or her primary mobile number.

For accounting purposes, the acquisition of SBP and its subsidiary, Flexiroam by the Company has the features of reverse acquisitions under Australian Accounting Standard AASB 3 "*Business Combinations*", notwithstanding the Company being the legal parent of the group. At acquisition date the net assets of Flexiroam are recorded at their book value and the net assets of the Company are recorded at fair value.

Consequently the historical financial information presented in this Report is the historical financial information of Flexiroam as at 31 December 2014 which has been subject to audit by CWC & Company, Chartered Accountants in Malaysia.

The audited historical financial information for the three most recent reporting periods ended 31 March 2014 are summarised in Appendix 2 of this Report.

The proforma financial information presented in this Report is the historical financial information of Flexiroam and its controlled entities for the period ended 31 December 2014, assuming that the acquisitions of Flexiroam by the Company and the other proposed transactions set out in Section 3(b) of this Report had been completed as at that date.

The proforma consolidated financial information has been prepared using a balance date of 31 December 2014 corresponding to the most recently available financial information of Flexiroam subject to external audit. The acquisition of Flexiroam by the Company was completed on 18 March 2015.

Entities with functional currencies other than Australian dollars have been translated into Australian dollars under the principles of AASB 121 *"The Effects of Changes in Foreign Exchange Rates"*. For the purposes of this Report, the following exchange rates were applied:

Rate	RM/AUD
Closing rate - 31 December 2014	2.8531
Average rate - 30 June 2014 to 31 December 2014	2.9478

The intended use of the funds raised by the issue of shares under the Prospectus is specified in Section 1.5 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 financial information of Flexiroam comprising the historical Statement of Financial Position as at 31 December 2014 and the historical Statement of Comprehensive Income, historical Statement of Cash Flows and historical Statement of Changes in Equity for the period from 1 April 2014 to 31 December 2014 as set out in Appendix 1 to this Report; and
- b) the proforma financial information of the Company comprising the proforma Consolidated Statement of Financial Position as at 31 December 2014 and the proforma Consolidated Statement of Comprehensive Income, proforma Consolidated Statement of Cash Flows and proforma Consolidated Statement of Changes in Equity for the period from 1 April 2014 to 31 December 2014. This information is presented under the following two scenarios:
  - \$8,000,000 capital raising (minimum subscription), and
  - \$12,000,000 capital raising (full subscription).

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

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

The historical financial information as set out in Appendix 1 has been extracted from the interim financial statements of Flexiroam for the period from 1 April 2014 to 31 December 2014 which have been subject to audit by CWC & Company., Chartered Accountants in Malaysia ("CWC"). The audit report of CWC on those financial statements was unmodified.

We performed a review of the historical and proforma financial information of the Company and its controlled entities as at 31 December 2014 in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

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

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

In relation to the information presented in this Report:

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



### 3. FINANCIAL INFORMATION

Set out in Appendix 1 (attached) are:

- a) the historical financial information of Flexiroam comprising the historical Statement of Financial Position as at 31 December 2014 and the historical Statement of Comprehensive Income, historical Statement of Cash Flows and historical Statement of Changes in Equity for the period from 1 April 2014 to 31 December 2014; and
- b) the proforma Consolidated Statement of Financial Position of the Company as at 31 December 2014 and the proforma Consolidated Statement of Comprehensive Income, proforma Consolidated Statement of Cash Flows and proforma Consolidated Statement of Changes in Equity of the Company and its controlled entities for the period from 1 April 2014 to 31 December 2014 as they would appear after incorporating the following significant events and proposed transactions by the Company subsequent to 31 December 2014:
  - i) the issue by the Company on 19 March 2015 of 2,000,000 ordinary fully paid shares at \$0.10 to raise working capital of \$200,000;
  - ii) the acquisition of SBP and its subsidiaries on 18 March 2015 by the Company under a share sale agreements via the issue of 90,000,000 ordinary fully paid shares;
  - iii) the issue by the Company of 15,000,000 ordinary fully paid shares on 18 March 2015 to satisfy loans outstanding in Flexiroam totalling \$1,519,787;
  - iv) the issue by the Company pursuant to this Prospectus of 60,000,000 Offer Shares issued at \$0.20 each raising \$12,000,000 before the expenses of the offer, together with a comparison on the basis of the minimum and full subscriptions;
  - v) the issue by the Company of 2,700,000 ordinary fully paid shares on 18 March 2015 issued to corporate advisors as outlined in Section 7.2(b) of the Prospectus, shown as share issue costs;
  - vi) the issue by the Company of 3,000,000 options exercisable at 20 cents on or before the date that is three years from the date of issue. The options have an issue price of \$0.001;
  - vii) the write off against issued capital of the cash expenses of the issue as outlined in Section 8.7 of the Prospectus of \$1,120,000;

This information is presented under the following two scenarios:

- \$8,000,000 capital raising (minimum subscription) – on this basis the total costs of the Prospectus will decrease by \$250,000 to \$870,000; and
- \$12,000,000 capital raising (full subscription).

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



d) Valuation of Capitalised Costs

Upon completion of the acquisition of Flexiroam, a significant asset of Flexiroam's will be the intangible assets that have been capitalised in the Statement of Financial Position. These intangible assets have been included at cost of acquisition to Flexiroam in the Proforma Statement of Financial Position.

We have not carried out valuations of the intangible assets and do not express a view on whether the carrying values of the intangible assets exceed the recoverable amount.

e) Measurement of assets and liabilities acquired

The acquisition of Flexiroam (for accounting purposes Flexiroam is treated as the acquiree) as recorded in the condensed consolidated Proforma Statement of Financial Position reflects the provisional amounts allocated to the assets and liabilities acquired.

The assets and liabilities acquired will be re-measured after completion of the acquisition. Whilst the total net assets acquired are not expected to change significantly, the allocation between the different types of assets acquired may change somewhat as a result of this re-measurement.

4. SUBSEQUENT EVENTS

There have been no material items, transactions or events subsequent to 31 December 2014 not otherwise disclosed in the Prospectus which have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

5. STATEMENTS

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

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

- c) the assumptions and applicable criteria used in the preparation of the proforma consolidated financial information do not provide a reasonable basis for presenting the significant effects directly attributable to the acquisition and do not reflect proper application of those adjustments to the unadjusted financial information.

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

Yours faithfully  
HLB MANN JUDD



NG NEILL  
Partner

## - APPENDIX 1 -

**FLEXIROAM LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014**

			<i>Reviewed</i>	
		<i>Audited</i>	<i>Consolidated Proforma</i>	
		<i>Historical <sup>(1)</sup></i>	<i>\$8 million</i>	<i>\$12 million</i>
	<i>Notes</i>	<i>\$</i>	<i>capital raising</i>	<i>capital raising</i>
			<i>\$</i>	<i>\$</i>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	2	213,375	7,810,323	11,560,323
Trade receivables		156,610	158,610	158,610
Development expenditure		158,576	158,576	158,576
Other receivables		29,680	30,530	30,530
<b>TOTAL CURRENT ASSETS</b>		<b>558,241</b>	<b>8,158,039</b>	<b>11,908,039</b>
<b>NON-CURRENT ASSETS</b>				
Available for sale assets		-	117,000	117,000
Intangible assets	4	706,733	706,733	706,733
Intellectual property	4	21,029,757	21,029,757	21,029,757
Plant and equipment		52,974	52,974	52,974
<b>TOTAL NON-CURRENT ASSETS</b>		<b>21,789,464</b>	<b>21,906,464</b>	<b>21,906,464</b>
<b>TOTAL ASSETS</b>		<b>22,347,705</b>	<b>30,064,503</b>	<b>33,814,503</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		(6,847)	(6,847)	(6,847)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(6,847)</b>	<b>(6,847)</b>	<b>(6,847)</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax		(917)	(917)	(917)
Loans from related parties	5	(175,248)	-	-
Loans from shareholders	5	(1,344,539)	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(1,520,704)</b>	<b>(917)</b>	<b>(917)</b>
<b>TOTAL LIABILITIES</b>		<b>(1,527,551)</b>	<b>(7,764)</b>	<b>(7,764)</b>
<b>NET ASSETS</b>		<b>20,820,154</b>	<b>30,056,739</b>	<b>33,806,739</b>
<b>EQUITY</b>				
Issued capital	6	21,029,757	30,263,342	34,013,342
Accumulated losses		(219,136)	(219,136)	(219,136)
Reserves		9,533	12,533	12,533
<b>TOTAL EQUITY</b>		<b>20,820,154</b>	<b>30,056,739</b>	<b>33,806,739</b>

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

- (1) The historical balances represent the balances of Flexiroam Sdn. Bhd. which will be the accounting parent entity of Flexiroam Limited in future financial reporting periods. Refer to note 1(m).

**FLEXIROAM LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 1 APRIL 2014 TO 31 DECEMBER 2014**

	<i>Audited Historical <sup>(1)</sup></i>	<i>Reviewed Consolidated Proforma \$8 million capital raising</i>	<i>\$12 million capital raising</i>
	\$	\$	\$
Sales revenue	3,020,350	3,020,350	3,020,350
Cost of sales	(2,299,620)	(2,299,620)	(2,299,620)
	720,730	720,730	720,730
Other revenue	251,310	251,310	251,310
Administration expenses	(504,981)	(504,981)	(504,981)
Employment expenses	(173,836)	(173,836)	(173,836)
Financial expenses	(5,595)	(5,595)	(5,595)
Profit from ordinary activities before tax	287,628	287,628	287,628
Income tax expense	(459)	(459)	(459)
Profit from ordinary activities after tax	287,169	287,169	287,169
Other comprehensive income net of tax	-	-	-
Total comprehensive profit for the period	287,169	287,169	287,169

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

- <sup>(1)</sup> The historical balances represent the balances of Flexiroam Sdn. Bhd. which will be the accounting parent entity of Flexiroam Limited in future financial reporting periods. Refer to note 1(m).



**FLEXIROAM LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD FROM 1 APRIL 2014 TO 31 DECEMBER 2014**

<b>AUDITED HISTORICAL <sup>(1)</sup></b>	<i>Issued capital</i> \$	<i>Accumulated losses</i> \$	<i>Reserves</i> \$	<i>Total Equity</i> \$
As at 1 April 2014	21,029,757	(506,305)	(1,112,317)	19,411,135
Profit for the period	-	287,169	-	287,169
Exchange translation differences	-	-	1,121,850	1,121,850
As at 30 June 2014	21,029,757	(219,136)	9,533	20,820,154

<b>REVIEWED PROFORMA CONSOLIDATED</b>	<i>Issued capital</i> \$	<i>Accumulated losses</i> \$	<i>Reserves</i> \$	<i>Total Equity</i> \$
Balance as at 31 December 2014	21,029,757	(219,136)	9,533	20,820,154
Acquisition	383,798	-	-	383,798
Issue of shares as consideration for loans	1,519,787	-	-	1,519,787
Issue of shares at \$0.10	200,000	-	-	200,000
Issue of shares under Prospectus	8,000,000	-	-	8,000,000
Issue of shares to corporate advisor	540,000	-	-	540,000
Issue of options to corporate advisor	-	-	3,000	3,000
Share issue expenses	(1,410,000)	-	-	(1,410,000)
Proforma total - 31 December 2014 (Minimum raising)	30,263,342	(219,136)	12,533	30,056,739
Issue of shares under Prospectus	4,000,000	-	-	4,000,000
Share issue expenses	(250,000)	-	-	(250,000)
Proforma total - 31 December 2014 (Full subscription)	34,013,342	(219,136)	12,533	33,806,739

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

- <sup>(1)</sup> The historical balances represent the balances of Flexiroam Sdn. Bhd. which will be the accounting parent entity of Flexiroam Limited in future financial reporting periods. Refer to note 1(m).

**FLEXIROAM LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 1 APRIL 2014 TO 31 DECEMBER 2014**

	<i>Audited Historical <sup>(1)</sup> \$</i>	<i>Reviewed Consolidated Proforma \$8 million capital raising \$</i>	<i>\$12 million capital raising \$</i>
<i>Cash flows from operating activities</i>			
Receipts from customers	3,127,512	3,127,512	3,127,512
Payments to suppliers & employees	(2,887,468)	(2,887,468)	(2,887,468)
Interest received	49	49	49
Interest paid	3,732	3,732	3,732
<i>Net cash used in operating activities</i>	<u>243,825</u>	<u>243,825</u>	<u>243,825</u>
<i>Cash flows from investing activities</i>			
Purchase of property, plant & equipment	(48,474)	(48,474)	(48,474)
Purchase of intangible assets	(309,820)	(309,820)	(309,820)
<i>Net cash used in investing activities</i>	<u>(358,294)</u>	<u>(358,294)</u>	<u>(358,294)</u>
<i>Cash flows from financing activities</i>			
Borrowings from related party	101,771	101,771	101,771
Borrowings from holding company	196,642	196,642	196,642
Cash acquired as a result of business combination	-	263,948	263,948
Proceeds from the issue of shares	-	8,200,000	12,200,000
Proceeds from the issue of options	-	3,000	3,000
Share issue costs	-	(870,000)	(1,120,000)
<i>Net cash provided by financing activities</i>	<u>298,413</u>	<u>7,895,361</u>	<u>11,645,361</u>
<i>Net increase in cash and cash equivalents</i>	<u>183,944</u>	<u>7,780,892</u>	<u>11,530,892</u>
<i>Cash at the beginning of the financial period</i>	<u>22,078</u>	<u>22,078</u>	<u>22,078</u>
<i>Effect of exchange rate fluctuations on cash</i>	<u>7,353</u>	<u>7,353</u>	<u>7,353</u>
<i>Cash at the end of the financial period</i>	<u>213,375</u>	<u>7,810,323</u>	<u>11,560,323</u>

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

- <sup>(1)</sup> The historical balances represent the balances of Flexiroam Sdn. Bhd. which will be the accounting parent entity of Flexiroam Limited in future financial reporting periods. Refer to note 1(m).

**FLEXIROAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 APRIL 2014 TO 31 DECEMBER 2014**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial information has been prepared in accordance with applicable accounting standards including the Australian equivalents of International Reporting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Material accounting policies have been adopted in the preparation of the historical and proforma financial information are shown below.

On 9 December 2014, the Company executed a Head of Agreement to acquire all of the issued capital of Flexiroam Sdn. Bhd ("Flexiroam") a company registered in Malaysia. In accordance with AASB3 "Business Combinations", Flexiroam is deemed to be the accounting acquirer in the business combination; consequently, the transaction has been accounted for as a reverse acquisition.

The proforma financial information has been prepared as a continuation of the business and operations of Flexiroam. Flexiroam, as the deemed acquirer, has accounted for the acquisition of the Company.

**(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.

*Historical cost convention*

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

*Critical accounting estimates*

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(l).

*Going concern*

This financial information has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.



**FLEXIROAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 APRIL 2014 TO 31 DECEMBER 2014**

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

**(b) Principles of consolidation**

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

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

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

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

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

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

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.

**FLEXIROAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 APRIL 2014 TO 31 DECEMBER 2014**

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

**(c) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(d) Trade and other receivables**

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

**(e) Impairment of assets**

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

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

**FLEXIROAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 APRIL 2014 TO 31 DECEMBER 2014**

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

**(f) Trade payables**

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

**(g) Intangible assets**

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

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

**(h) Issued capital**

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

**(i) Share-based payment transactions**

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted.

Where the identifiable consideration received (if any) is less than the fair value of the equity instruments granted or liability incurred, the unidentifiable goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received (or to be received) measured at the grant date.

**(j) Revenue recognition**

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



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

**(j) Revenue recognition (cont'd)**

*(i) Interest income*

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

*(ii) Revenue for services*

Revenue from services rendered is recognised in proportion to the stage of completion, unless it is incidental to the sale of a product in which case it is recognised when the goods are sold. The stage of completion is assessed by reference to surveys of work performed as to the percentage of total services to be performed. When the outcome of the transaction cannot be reliably estimated, revenue is only recognised to the extent of the expenses recognised that are recoverable.

**(k) Income tax**

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

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

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

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

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

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

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

*Carrying value of non-current assets*

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

**(m) Reverse acquisition accounting**

The acquisition of Flexiroam by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "*Business Combinations*", notwithstanding the Company being the legal parent of the group. Consequently the historical financial information presented in this Report is the historical financial information of Flexiroam as at 31 December 2014.

**FLEXIROAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(m) Reverse acquisition accounting (cont'd)**

The legal structure of the Flexiroam group subsequent to the acquisition of Flexiroam will be that the Company will remain as the parent entity. However, the principles of reverse acquisition accounting are applicable where the owners of the acquired entity (in this case, Flexiroam) obtain control of the acquiring entity (in this case, the Company) as a result of the businesses' combination.

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

**(n) Proforma transactions**

The proforma Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been derived from the historical financial information as at 31 December 2014 adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to 31 December 2014:

- i) the issue by the Company on 19 March 2015 of 2,000,000 ordinary fully paid shares at \$0.10 to raise working capital of \$200,000;
- ii) the acquisition of SBP and its subsidiaries on 18 March 2015 by the Company under a share sale agreements via the issue of 90,000,000 ordinary fully paid shares;
- iii) the issue by the Company of 15,000,000 ordinary fully paid shares on 18 March 2015 to satisfy loans outstanding in Flexiroam totalling \$1,519,787;
- iv) the issue by the Company pursuant to this Prospectus of 60,000,000 Offer Shares issued at \$0.20 each raising \$12,000,000 before the expenses of the offer, together with a comparison on the basis of the minimum and full subscriptions;
- v) the issue by the Company of 2,700,000 ordinary fully paid shares on 18 March 2015 issued to corporate advisors as outlined in Section 7.2(b) of the Prospectus, shown as share issue costs;
- vi) the issue by the Company of 3,000,000 options exercisable at 20 cents on or before the date that is three years from the date of issue. The options have an issue price of \$0.001;



**FLEXIROAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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(n) Proforma transactions (cont'd)

- vii) the write off against issued capital of the cash expenses of the issue as outlined in Section 9.7 of the Prospectus of \$1,120,000;

This information is presented under the following two scenarios:

- \$8,000,000 capital raising (minimum subscription) – on this basis the total costs of the Prospectus will decrease by \$250,000 to \$870,000
- \$12,000,000 capital raising (full subscription).

**2. CASH AND CASH EQUIVALENTS**

	<i>Audited Historical (1)</i>	<i>Reviewed Consolidated Proforma</i>	
		<i>\$8 million capital raising</i>	<i>\$12 million capital raising</i>
	\$	\$	\$
Balance as at 31 December 2014	213,375	213,375	213,375
Cash balances acquired	-	263,948	263,948
Proceeds from share issues	-	200,000	200,000
Proceeds from shares issued pursuant to this Prospectus	-	8,000,000	12,000,000
Proceeds from issue of options	-	3,000	3,000
Payment of share issue costs	-	(870,000)	(1,120,000)
	213,375	7,810,323	11,560,323

**3. ACQUISITION OF ENTITY**

As disclosed in Note 1 (m), the transaction involving the Company acquiring all the issued capital of Flexiroam has been accounted for under the principles of reverse acquisitions included in AASB 3 "Business Combinations".

Following are details of the pre-combination carrying amounts of the assets and liabilities of the Company:

	\$
Cash	263,948
Available for sale assets	117,000
Other assets	2,850
Total liabilities	-
Net assets	383,798
Issued Capital	647,000
Accumulated losses	(263,202)
Net assets	383,798

**FLEXIROAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	<i>Audited Historical <sup>(1)</sup></i>	<i>Reviewed Consolidated Proforma \$8 million capital raising</i>	<i>\$12 million capital raising</i>
	\$	\$	\$

**4. INTELLECTUAL PROPERTY AND INTANGIBLES**

Intellectual Property	21,029,757	21,029,757	21,029,757
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Intellectual property relates to FLEXIROAM, an international roaming service for overseas travellers to make and receive unlimited calls at a fixed rate by linking their home number to their overseas number.

Intangible assets	706,733	706,733	706,733
Project Marketing and development	919,157	919,157	919,157
Less: Amortisation	(212,424)	(212,424)	(212,424)
	706,733	706,733	706,733

**5. OTHER PAYABLES**

Loans from related parties	175,248	-	-
Loans from shareholders	1,344,539	-	-

In accordance with the share sale agreement, these loans were converted in to 15,000,000 ordinary fully paid shares in the Company.

**6. ISSUED CAPITAL**

	<i>Number</i>	<i>\$</i>
<i>Audited Historical</i>		
Balance as at 31 December	90,000,000	21,029,757
<i>Reviewed Proforma Consolidated</i>		
Acquisition	32,200,001	383,798
Shares issues to satisfy loans	15,000,000	1,519,787
Shares issued on share issue	2,000,000	200,000
Shares to be issued pursuant to this Prospectus	40,000,000	8,000,000
Shares to be issued to corporate advisor	2,700,000	540,000
Share issue costs	-	(1,410,000)
<b>Proforma \$8m raising</b>	<b>181,900,001</b>	<b>30,263,342</b>
Additional shares to be issued pursuant to this Prospectus	20,000,000	4,000,000
Additional share issue costs	-	(250,000)
<b>Proforma \$12m raising</b>	<b>201,900,001</b>	<b>34,013,342</b>

**FLEXIROAM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 APRIL 2014 TO 31 DECEMBER 2014**

**7. OPTIONS**

Assuming the successful completion of all events in the Prospectus, the following options shall be on issue (at 20c per share):

	<i>Number</i>
Options exercisable on or before 18 March 2018	<u>3,000,000</u>

**8. CONTINGENCIES AND COMMITMENTS**

Details of planned expenditure commitments are outlined in Section 1.5 of the Prospectus.

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

**9. RELATED PARTY TRANSACTIONS**

Details of Directors' interests in the Company's issued capital and transactions with the Company are included in Section 8.5 of the Prospectus.

## - APPENDIX 2 -

**2.1 Flexiroam Limited formerly Island Metals Limited ("the Company"),**

This section contains the audited historical statements of the Company for the three years ended 30 June 2014. The financial information presented is in an abbreviated form and does not contain all of the disclosures that are usually contained in statutory accounts prepared in accordance with the *Corporations Act 2001*. For the significant accounting policies used in the preparation of this financial information refer to Appendix 1 of this report.

<i>Statement of Comprehensive Income</i>	<i>Audited FY ended 30 June 2012 \$</i>	<i>Audited FY ended 30 June 2013 \$</i>	<i>Audited FY ended 30 June 2014 \$</i>
Other revenue	24,691	12,516	14,796
Administration expenses	(1,356)	(357)	(2,271)
Consulting expenses	(65,599)	(9,321)	(31,675)
Financial expenses	(187)	(298)	(278)
Profit/(Loss) after tax from continuing operations	(42,451)	2,540	(19,428)
Total comprehensive income/(loss)	(42,451)	2,540	(19,428)

<i>Statement of Financial Position</i>			
<b>CURRENT ASSETS</b>			
Cash at bank	406,642	410,132	209,853
Available for sale financial assets	-	-	30,600
Convertible note	-	-	150,000
Trade and other receivables	1,744	(1)	450
Prepayments	2,000	2,000	2,000
<b>TOTAL CURRENT ASSETS</b>	<b>410,386</b>	<b>412,131</b>	<b>392,903</b>
<b>TOTAL ASSETS</b>	<b>410,386</b>	<b>412,131</b>	<b>392,903</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6,595	5,800	6,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,595</b>	<b>5,800</b>	<b>6,000</b>
<b>TOTAL LIABILITIES</b>	<b>6,595</b>	<b>5,800</b>	<b>6,000</b>
<b>NET ASSETS</b>	<b>403,791</b>	<b>406,331</b>	<b>386,903</b>
<b>EQUITY</b>			
Issued Capital	647,000	647,000	647,000
Accumulated Losses	(243,209)	(240,669)	(260,097)
<b>TOTAL EQUITY</b>	<b>403,791</b>	<b>406,331</b>	<b>386,903</b>



## 2.1 Flexiroam Limited, formerly Island Metals Limited (Cont.)

<i>Statement of Changes in Equity</i>	<i>Issued Capital</i> \$	<i>Accumulated Losses</i> \$	<i>Total Equity</i> \$
As at 1 July 2011	647,000	(200,758)	446,242
Loss for the period	-	(42,451)	(42,451)
As at 30 June 2012	647,000	(243,209)	403,791
Profit for the period	-	2,540	2,540
As at 30 June 2013	647,000	(240,669)	406,331
Loss for the period	-	(19,428)	(19,428)
As at 30 June 2014	647,000	(260,097)	386,903

<i>Statement of Cash Flows</i>	<i>Audited FY ended 30 June 2012</i> \$	<i>Audited FY ended 30 June 2013</i> \$	<i>Audited FY ended 30 June 2014</i> \$
<i>Cash flows from operating activities</i>			
Payments to suppliers & employees	(84,311)	(8,728)	(13,797)
Interest paid	(187)	(298)	(278)
Net cash (used in) operating activities	(84,498)	(9,026)	(14,075)
<i>Cash flows from investing activities</i>			
Interest received	18,955	12,516	14,796
Purchase of investments	-	-	(201,000)
Net cash provided by (used in) investing activities	18,955	12,516	(186,204)
Net (decrease)/increase in cash and cash equivalents	(65,543)	3,490	(200,279)
Cash at the beginning of the financial period	472,185	406,642	410,132
Cash at the end of the financial period	406,642	410,132	209,853

**2.2 Flexiroam Sdn. Bhd. ("Flexiroam")**

This section contains a summary of the audited historical statement of comprehensive income and statement of financial position of Flexiroam for the three years ended 31 March 2014 that is considered to be relevant. The financial information presented is in an abbreviated form and does not contain all of the disclosures that are usually contained in statutory accounts prepared in accordance with the *Corporations Act 2001*. For the significant accounting policies used in the preparation of this financial information refer to Appendix 1 of this report.

<i>Statement of Comprehensive Income</i>	<i>Audited 15 month period ended 31 March 2012 (1) \$</i>	<i>Audited FY ended 31 March 2013 (2) \$</i>	<i>Audited FY ended 31 March 2014 (3) \$</i>
Sales revenue	58,750	414,305	1,377,515
Cost of sales	(191,419)	(355,228)	(609,066)
Gross profit	(132,669)	59,077	768,449
Other revenue	-	-	5,495
Administration expenses	(11,146)	(33,769)	(500,009)
Employment expenses	(110,877)	(262,860)	(225,044)
Financial expenses	(61)	(686)	(1,818)
Loss before tax	(254,754)	(238,238)	47,073
Income tax expense	-	(78)	(340)
Loss after tax from continuing operations	(254,754)	(238,316)	46,733
Total Comprehensive Income	(254,754)	(238,316)	46,733

<i>Statement of Changes in Equity</i>	<i>Issued Capital \$</i>	<i>Accumulated Losses \$</i>	<i>Reserves \$</i>	<i>Total Equity \$</i>
As at 1 January 2010	32	(59,968)	33	(59,903)
Issue of shares	21,029,725	-	-	21,029,725
Loss for the period	-	(254,754)	-	(254,754)
Exchange translation differences	-	-	(2,098,275)	(2,098,275)
As at 31 March 2012	21,029,757	(314,722)	(2,098,242)	18,616,793
Loss for the period	-	(238,316)	-	(238,316)
Exchange translation differences	-	-	(257,812)	(257,812)
As at 31 March 2013	21,029,757	(553,038)	(2,356,054)	18,120,665
Profit for the period	-	46,733	-	46,733
Exchange translation differences	-	-	1,243,737	1,243,737
As at 31 March 2014	21,029,757	(506,305)	(1,112,317)	19,411,135



## 2.2 Flexiroam Sdn. Bhd. ("Flexiroam") (Cont.)

<i>Statement of Financial Position</i>	<i>Audited 15 month period ended 31 March 2012 (1) \$</i>	<i>Audited FY ended 31 March 2013 (2) \$</i>	<i>Audited FY ended 31 March 2014 (3) \$</i>
<b>CURRENT ASSETS</b>			
Cash at bank	3,150	43,509	22,062
Trade and other receivables	-	13,854	35,380
Development expenditure	195,228	173,265	166,646
<b>TOTAL CURRENT ASSETS</b>	<b>198,378</b>	<b>230,628</b>	<b>224,088</b>
<b>NON CURRENT ASSETS</b>			
Intellectual property (i)	18,876,000	18,612,000	19,890,000
Intangible Assets	-	-	490,957
Plant and equipment	-	1,334	11,803
<b>TOTAL NON CURRENT ASSETS</b>	<b>18,876,000</b>	<b>18,613,334</b>	<b>20,392,760</b>
<b>TOTAL ASSETS</b>	<b>19,074,378</b>	<b>18,843,962</b>	<b>20,616,848</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5,680	21,669	59,483
Amount due to holding company	451,708	701,357	1,079,511
Amount due to related company	-	-	66,300
<b>TOTAL CURRENT LIABILITIES</b>	<b>457,388</b>	<b>723,026</b>	<b>1,205,294</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax	-	77	419
Loans from directors	197	194	-
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>197</b>	<b>271</b>	<b>419</b>
<b>TOTAL LIABILITIES</b>	<b>457,585</b>	<b>723,297</b>	<b>1,205,713</b>
<b>NET ASSETS</b>	<b>18,616,793</b>	<b>18,120,665</b>	<b>19,411,135</b>
<b>EQUITY</b>			
Issued Capital	21,029,757	21,029,757	21,029,757
Reserves	(2,098,242)	(2,356,054)	(1,112,317)
Accumulated Losses	(314,722)	(553,038)	(506,305)
<b>TOTAL EQUITY</b>	<b>18,616,793</b>	<b>18,120,665</b>	<b>19,411,135</b>

Notes:

(i) Intellectual property relates to acquisition of the FLEXIROAM asset, as discussed in Note 4 to the pro forma accounts. This asset was originally purchased in 2011 for 60,000,000 Malaysian Ringgit and continues to be held at historical cost, with movement in the balance being translation differences only.

## 2.2 Flexiroam Sdn. Bhd. ("Flexiroam") (Cont.)

<i>Statement of Cash Flows</i>	<i>Audited 15 month period ended 31 March 2012 (1) \$</i>	<i>Audited FY ended 31 March 2013 (2) \$</i>	<i>Audited FY ended 31 March 2014 (3) \$</i>
<i>Cash flows from operating activities</i>			
Receipts from customers	58,750	400,450	1,362,434
Payments to suppliers & employees	(507,257)	(613,892)	(1,202,564)
Income tax paid	-	(78)	(341)
Interest paid	(61)	(686)	(1,818)
<i>Net cash provided by/(used in) operating activities</i>	<i>(448,568)</i>	<i>(214,206)</i>	<i>157,711</i>
<i>Cash flows from investing activities</i>			
Purchase of plant & equipment	-	(1,357)	(11,647)
Purchase of intangible assets	-	-	(566,587)
Purchase of intellectual property	(18,876,000)	-	-
<i>Net cash used in investing activities</i>	<i>(18,876,000)</i>	<i>(1,357)</i>	<i>(578,234)</i>
<i>Cash flows from financing activities</i>			
Borrowings from related party	-	-	66,300
Borrowings from holding company	451,707	255,966	329,996
Loans to directors	-	-	(208)
Proceeds from the issue of shares	18,875,969	-	-
<i>Net cash provided by financing activities</i>	<i>19,327,676</i>	<i>255,966</i>	<i>396,088</i>
<i>Net increase in cash and cash equivalents</i>	<i>3,108</i>	<i>40,403</i>	<i>(24,435)</i>
<i>Cash at the beginning of the financial period</i>	<i>43</i>	<i>3,150</i>	<i>43,509</i>
<i>Effect of exchange rate fluctuations on cash held</i>	<i>(1)</i>	<i>(44)</i>	<i>2,988</i>
<i>Cash at the end of the financial period</i>	<i>3,150</i>	<i>43,509</i>	<i>22,062</i>

## 2.2 Flexiroam Sdn. Bhd. ("Flexiroam") (Cont.)

The audited financial statements of Flexiroam are presented in Malaysian Ringgit and haven't previously been translated. For the purposes of this report, the following exchange rates were used to translate these balances in Australian dollars:

<i>Rate</i>	<i>RM/AUD</i>
1. Closing rate - 31 March 2012	3.1786
Average rate - 31 December 2010 to 31 March 2012	3.1708
2. Closing rate - 31 March 2013	3.2237
Average rate - 1 April 2012 to 31 March 2013	3.1891
3. Closing rate - 31 March 2014	3.0166
Average rate - 1 April 2013 to 31 March 2014	2.9827

Non-monetary items have been translated at closing rates.



## 6 RISK FACTORS

## 6. RISK FACTORS

As with any share investment, there are risks involved. This section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisors before deciding whether to apply for Shares.

There are specific risks which relate directly to the Group's business. In addition, there are other general risks, many of which are largely beyond the control of the Group and its 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.

### 6.1 SPECIFIC RISKS

#### (a) Reliance on Key Management Team and CEO

Flexiroam relies significantly on the contributions of the members of its key management team and in particular its CEO, Mr. Kenn Tat Ong. The departure of any of these employees may have a material impact on the business. To manage this risk, Flexiroam has entered into employment contracts with key senior management and Mr. Kenn Tat Ong, and the Group has in place a Performance Rights Plan to incentivise and retain employees.

#### (b) Technology Risks

Flexiroam competes with other telecommunications companies and international roaming services who may introduce new products and services. While the Directors have no reason to believe that any of Flexiroam's products and services will become obsolete, if these new products and services are superior or perceived to be superior to Flexiroam's products and services, and if Flexiroam is unable to offer these new products and services, then this may impact adversely on the Group's ability to compete in the market. Further expenditure on marketing and development may be required to make Flexiroam's products and services commercially viable.

#### (c) Network Operations and IT Risks

Any material damage or disruption to the Flexiroam Tracking System or the network providers it accesses may impair its ability to provide its products and services and result in a significant disruption to the business and its customers.

The disruption could arise as a result of events which are beyond the Group's control, such as a telecommunications network failure, improper or negligent operation of Flexiroam's systems by employees, consultants or service providers, unauthorised physical or electronic access, general network failure or natural disasters.

In addition the Group may be adversely affected by attacks and other forms of cybercrime, such as attempts by computer hackers to gain access to Flexiroam's systems and databases that may cause its sites to fail and disrupt customers' dealings with the Group. While Flexiroam employs prevention measures and disaster recovery protocols, no assurance can be given that the Group's servers and production environment will not be adversely affected by malicious viruses and hackers.



Any material damage to the Group's IT and telecommunications system may materially and adversely affect the Group's operations and financial performance.

(d) **Unauthorised Use of Intellectual Property or Independent Development of Technology**

Flexiroam regards the Flexiroam Tracking System, its trademark and elements of its websites, databases and underlying technology as proprietary. Despite precautionary measures, third parties may copy or otherwise obtain and use Flexiroam's proprietary information without authorisation or may develop similar technology independently. In addition, competitors may be able to design around Flexiroam's technology or develop competing technologies substantially similar to those of Flexiroam without any infringement of Flexiroam's proprietary rights. Protections offered by the intellectual property laws of different jurisdictions and the enforcement of these protections may not be as effective as in some other countries. Any legal action that Flexiroam may bring to protect its proprietary information could be unsuccessful and expensive and would divert management's attention from its business operations. Flexiroam's failure to protect and enforce its intellectual property rights could have a material adverse impact on its reputation, business and results of operations.

(e) **Managing Rapid Growth**

Flexiroam aims to experience rapid growth in the scope of its operating activities, which may include operating in new jurisdictions. This growth is anticipated to result in an increased level of responsibility for both existing and new management personnel. If Flexiroam is unable to manage its expected growth successfully, including through recruitment, training, integration and management of the staff required to support this expected growth, it may not be able to take advantage of market opportunities, satisfy customer requirements, execute its business plan or respond to competitive pressure.

(f) **Concentration of Shareholding**

Following Completion of the Offer, Reapfield will control the Company. If the Minimum Subscription is met under the Offer, Reapfield will hold approximately 52.78% of the Shares. If the Maximum Subscription is met under the Offer, Reapfield will hold approximately 47.55% of the Shares. Accordingly, Reapfield will be in a position to control the outcome of matters relating to Flexiroam, including the election of Directors and the approval of transactions. The interests of Reapfield may be different from the interest of investors who purchase Shares in the Offer.

Shareholders may be adversely affected if Reapfield sells their holdings in a poorly managed sell-down (on cessation of the escrow restrictions that apply to their Shares) or if the interests of Reapfield differ from those of other shareholders.

(g) **Unforeseen Expenditure Risk**

Expenditure may need to be incurred in the development or commercialisation of the Flexiroam's technology that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(h) **Contractors and Contractual Disputes**

The operations of Flexiroam require the involvement of a number of third parties, including network providers, landlords, suppliers, contractors and customers. With respect to these third parties the Directors are unable to completely avoid the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Flexiroam may become a party;
- (ii) insolvency, default on performance or delivery, or any managerial failure by any of the landlords, operators and contractors used by Flexiroam in its activities; or
- (iii) insolvency, default on performance or delivery, or any managerial failure by any other third parties engaged by the Company for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on Flexiroam's operations and performance. Whilst due diligence is undertaken for all third parties engaged by Flexiroam, it is not possible for Flexiroam to predict or protect itself completely against all such risks. Flexiroam has no current reason to believe that any of the parties which they have contracted with will not meet and satisfy their obligations under their respective agreements.

(i) **Dependence on Third Party Network Providers**

As set out in this Prospectus, part of the business model of Flexiroam will be reliant upon third party network providers and the performance of those networks. Flexiroam has put support measures in place, however, if network providers upon which the technology of Flexiroam depends do not operate as expected then the services that Flexiroam operates may be adversely affected.

Flexiroam's products require the use of a smartphone or other similar devices and as such the business model of the Group will be dependent upon the existence and ownership of these devices. There can be no guarantee that these devices will continue to be as widely used as they currently are or that they will not be replaced by alternative devices upon which Flexiroam's technology will not function as described in this Prospectus.

(j) **Government Policy Changes and Legal Risk**

Government action or policy changes (in particular, by the government of Malaysia) in relation to aspects such as access to intellectual property protection, trade restrictions, and taxation may adversely affect Flexiroam's operations and financial performance.

Flexiroam's operations in Malaysia, and other countries in which it operates, will be governed by a series of laws and regulations in those countries. Breaches or non-compliance with these laws and regulations could result in penalties and other liabilities. These may have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price of the Company.

These laws and regulations may be amended from time to time, which may also have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price for the Company. The legal and political conditions of Malaysia and other countries (as may be or become relevant to Flexiroam) and any changes thereto are outside the control of the Company.

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Group's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and the value of its Shares. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

(k) **Foreign Currency Risk**

Flexiroam has costs, expenses and investments denominated in multiple currencies. The Company's Share price is denominated in Australian Dollars. Flexiroam will also report its financial results in Australian Dollars. Accordingly, Flexiroam's reported financial performance will be influenced by fluctuations in exchange rates between the Australian Dollar and other currencies in which it may earn income or accrue expenses, primarily the Malaysian Ringgit and the Singapore Dollar. Exchange rates are affected by numerous factors beyond the control of the Company, including interest rates, inflation and the general economic outlook.

(l) **Liquidity Risk**

As set forth in Section 1.7 of this Prospectus, a number of the Company's Shares are subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. Based on a post-Offer capital structure and assuming Minimum Subscription under the Offer and no further Shares are issued, these Shares will equate to approximately 69% of the post-Offer issued Share capital of the Company. Based on a post-Offer capital structure and assuming Maximum Subscription under the Offer and no further Shares are issued, these Shares will equate to approximately 63% of the post-Offer issued Share capital of the Company. This could be considered an increased liquidity risk as a large proportion of issued capital may not be able to be traded freely for a period of time.

## 6.2 GENERAL RISKS

(a) **Investment Risk**

The Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares, may be above or below the Offer Price paid for the Shares. While the Directors recommend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) **Share Market**

Sharemarket conditions may affect the value of the Company's quoted securities regardless of the Group's operating performance. Sharemarket conditions are

affected by many factors including but not limited to general economic outlook, interest rates and inflation rates, currency fluctuations, mineral price fluctuations, changes in investor sentiment toward particular market sectors, including the telecommunications sector, the demand for, and supply of, capital, terrorism or other hostilities, and other factors beyond the control of the Company. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(c) **Insurance risks**

The Group intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Group's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(d) **Commercialisation Risks**

The global marketplace for most telecommunication products is ever changing due to new technology, new products, changes in customer preferences and other factors influencing market acceptance. There is a risk that Flexiroam may not be able to commercialise its products and services due to this market volatility.

Even if Flexiroam does successfully commercialise its technology, there is a risk it will not achieve a commercial return. Flexiroam may not be able to sell the technology to customers at a rate which would cover its operating and capital costs, or new technology may overtake Flexiroam's technology.

(e) **Competition Risk**

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will 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, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

(f) **Economic and Government Risks**

The future viability of the Group is also dependent on a number of other factors affecting performance of all industries and not just the telecommunications industry, including, but not limited to, the following:

- (i) general economic conditions in Australia and Malaysia and their major trading partners;
- (ii) changes in government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the telecommunication sector;
- (iv) movement in, or outlook on, interest rates and inflation rates; and
- (v) natural disasters, social upheaval or war in Australia, Malaysia or overseas.



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# 7 SUMMARY OF MATERIAL CONTRACTS





## 7. SUMMARY OF MATERIAL CONTRACTS

Set out below is a summary of the material contracts to which Flexiroam and or the Company are party.

The whole of the provisions of the agreements are not repeated in this Prospectus and any intended applicant who wishes to gain a full knowledge of the content of these agreements should inspect the same at the registered office of the Company.

### 7.1 COMPANY AGREEMENTS

#### (a) Share Sale Agreement and Deed of Variation

On 23 February 2015 the Company and Reapfield executed a Share Sale Agreement and on 17 March 2015 the Company and Reapfield executed a Deed of Variation to the Share Sale Agreement (together the "Share Sale Agreement"), pursuant to which the Company was to acquire 100% of the issued share capital of Super Bonus Profit Sdn. Bhd., which owns 100% of the issued share capital of Flexiroam Sdn. Bhd.

The acquisition was completed on 18 March 2015 and the Company has now acquired 100% of the legal and beneficial ownership of the issued share capital of Super Bonus Profit Sdn. Bhd.

The Company issued 90,000,000 Shares in total to Reapfield (or its nominees) as consideration for the acquisition of 100% of the issued capital of Super Bonus Profit Sdn. Bhd. Further, pursuant to the Share Sale Agreement, inter-company loans owned by Reapfield have been converted to equity in the Company, and accordingly Reapfield have been issued 15,000,000 Shares.

The Share Sale Agreement contains representations, warranties, and indemnities given by the Company and Reapfield which are typical for agreements of this kind.

#### (b) Convertible Notes Agreement

On 1 August 2013, the Company entered into an unsecured Convertible Notes Agreement with Redcliffe Resources Limited (**Redcliffe**) in relation to the issue of convertible notes by Redcliffe to the Company (**Convertible Notes Agreement**). The convertible notes have a face value of \$150,000 and a coupon rate of 12.5% per annum, payable quarterly. The convertible notes can be converted into shares in Redcliffe or redeemed for cash. If the Company elects to convert the convertible notes, they convert to Redcliffe shares at a fixed conversion rate of 1.5 cents per share. The Company expects full repayment of the convertible notes on or before 1 May 2015.

#### (c) Patersons Mandate

On 25 March 2015 the Company entered into a mandate with Patersons Securities Limited (**Patersons**) pursuant to which the Company appointed Patersons to act as the sole lead manager to the Offer (**Patersons Mandate**).

In consideration for acting as lead manager to the Offer, Patersons will receive a capital raising fee of 5% of the gross amount raised by Patersons under the Offer, and also a management fee of 1% of the gross amount raised under the Offer from

all sources (plus GST). In addition, Patersons is entitled to be reimbursed for out-of-pocket expenses incurred by Patersons.

In accordance with the Patersons Mandate, the Company agrees to offer Patersons the opportunity to act as lead manager in respect of any further equity capital raisings the Company undertakes in Australia following completion of the Offer, for a period of 12 months and subject to competitive terms being negotiated between Patersons and the Company in relation to pricing, fees and timing relative to market practices at the time.

The Patersons Mandate contains additional provisions considered standard for agreements of this nature.

## 7.2 FLEXIROAM AGREEMENTS

### (a) Executive Service Agreements – Kenn Tat Ong

Flexiroam has entered into an executive services agreement with Kenn Tat Ong (**CEO Agreement**) effective from 16 December 2014. Under the CEO Agreement, Mr Ong will be employed by the Company to provide services to the Company in the capacity of Chief Executive Officer.

Mr Ong will be paid a salary of RM8,240 per month. Mr Ong will also be reimbursed for expenses incurred in carrying out his duties under the CEO Agreement. The CEO Agreement contains termination provisions under which each party must give three months' notice of termination. Flexiroam may also terminate the CEO Agreement without notice or payment in lieu of notice in the event of serious misconduct or material breach of the CEO Agreement by Mr Ong.

Mr Ong has also entered into an executive services agreement with the Company (**Employment Agreement**) effective from the date on which the Company is admitted to the Official List. The term of the Employment Agreement is for 3 years unless otherwise terminated in accordance with the Employment Agreement.

In accordance with the terms of the Employment Agreement, Mr Ong shall (amongst other things):

- be engaged as a full-time employee of the Company and must donate the whole of his time, attention and skill to the duties of his position and the business of the Company;
- perform his duties in a proper and reasonable manner, with the standard of diligence normally exercised by a person bearing comparable qualifications in the performance of comparable duties, and in accordance with generally accepted practices and standards appropriate to those duties and that industry; and
- obey all reasonable and lawful directions given to him by or under the authority of the Board, and use his best endeavours to promote interests of the Company.

Either party may terminate the Employment Agreement without cause by providing the other party no less than 6 months' notice in writing.

The Company may terminate the Employment Agreement by summary notice to Mr Ong with cause in circumstances considered standard for agreements of this nature.

Inventions, discoveries, designs and developments relating to or capable of being used by the Company which are made by Mr Ong during his employment by the Company will become the property of the Company and Mr Ong is obligated to promptly disclose full details of any such invention.

Mr Ong is also subject to restrictions in relation to the solicitation of employees and clients, the use of confidential information and being directly or indirectly involved in a competing business for a period of 1 year from termination of the agreement, on terms which are otherwise considered standard for agreements of this nature in Australia.

The Employment Agreement contains additional provisions considered standard in agreements of this nature.

(b) **Trident Capital Corporate Advisory Mandate**

On 25 November 2014, Flexiroam and Trident Capital entered into a Mandate pursuant to which Flexiroam engaged Trident Capital as Flexiroam's corporate advisor in relation to the proposed listing of Flexiroam on the ASX (**Trident Mandate**). The Trident Mandate is for a period of 6 months which may be extended by agreement between Flexiroam and Trident.

Under the Trident Mandate, Trident Capital is entitled to a corporate advisory fee of \$15,000 per month for 6 months, as well as a success fee of \$150,000 and 2,700,000 Shares, payable on receipt of conditional approval to list from ASX.

Under the Trident Mandate, Trident is entitled to a fee equal to 5% of the gross funds raised by Trident Capital in respect of the Offer. Trident Capital is also entitled to be reimbursed for out-of-pocket expenses incurred by Trident Capital.

(c) **AirAsia X Collaboration Agreement**

Flexiroam has entered into an agreement with AirAsia X Berhad (a company incorporated in Malaysia) (**AirAsia X**) dated 3 June 2014 (**AirAsia X Collaboration Agreement**) pursuant to which AirAsia X has agreed to promote the AirAsia X SIM card services through its sales and marketing channels including providing advertisement space on the booking confirmation page of airasia.com and the pdf itinerary tag-on, where available, to all international outbound travelers from Malaysia to Japan during the duration of the AirAsia X Collaboration Agreement. Flexiroam is the technology and service provider for the AirAsia X SIM card and its range of mobile roaming services and has appointed AirAsia X as a collaborative partner for promoting the AirAsia X SIM card and its related services within Malaysia.

Each AirAsia X SIM card is preloaded with 50 megabytes of data roaming credit with up to 10 days validity upon activation. The AirAsia X SIM cards have no expiry date and can be reused, so far as end-users have enough prepaid credit on the card. Upon exhausting or expiry of the initial 50 megabyte data roaming credit, end-users are required to purchase AirAsia X SIM top-up from Flexiroam's KLIA2 Business Centre or via Flexiroam's website.

Pursuant to the AirAsia X Collaboration Agreement, Flexiroam:

- (i) is required to provide all necessary support services in relation to the AirAsia X SIM card;
- (ii) is entitled to sell and promote the AirAsia X SIM card only while the agreement is in effect;
- (iii) is required to provide AirAsia X on a monthly basis a summary report detailing (amongst other things) the number of transactions and value of each transaction pertaining to the AirAsia X SIM card and a summary of the number of promo redemptions;
- (iv) must make payment to AirAsia X in RM of a commission equivalent to 5% of the total sale from the AirAsia X SIM card purchases and top-ups every month throughout the duration of the agreement.

Either party may terminate the AirAsia X Collaboration Agreement without cause by giving 60 days' notice in writing. In addition, either party may terminate the agreement in the event of any material breach by either party under the agreement or giving not less than 60 days' written notice to the other party if there is any time in the material change the management, ownership or control of the party's business. The AirAsia X Collaboration Agreement is for a period of 1 year effective from 3 June 2014, or until terminated.

The AirAsia X Collaboration Agreement contains other terms that are considered standard for an agreement of this nature.

(d) **Success Resources Sales and Purchase Agreement**

Flexiroam has entered into an agreement with Success Resources Sdn. Bhd. (a company incorporated in Malaysia) (**Success Resources**) dated 6 June 2013 (**Success Resources Sales and Purchase Agreement**) pursuant to which Flexiroam has agreed to sell RM6,000,000 worth of Flexiroam credits to Success Resources over a 24 month period.

The Success Resources Sales and Purchase Agreement is for a period of 2 years effective from 6 June 2013, or until terminated. Either party shall have the right to terminate the Success Resources Sales and Purchase Agreement upon 30 days' notice of a breach of the terms of the agreement.

The Success Resources Sales and Purchase Agreement contains other terms that are considered standard for an agreement of this nature.

(e) **Northern Malaysia Distributor Agreement**

Flexiroam has entered into an agreement with Lim Kok Khoo dated 1 March 2014 (**Northern Malaysia Distributor Agreement**) pursuant to which the parties have agreed that Lim Kok Khoo will be appointed as the exclusive distributor of Flexiroam's products in the northern region of Malaysia, comprising of Kedah, Penang, Perak and Perlis. Lim Kok Khoo is to market and sell Flexiroam's products in the northern region of Malaysia for incentives, that includes a commission of 5% on the price of the Flexiroam products sold. Flexiroam has agreed to provide various support services including a call centre, customer service

support, product and sales training and provide complete access and setup of the online Flexiroam portal for Lim Kok Khoo.

The Northern Malaysia Distributor Agreement shall be effective for a period of 2 years and may be extended for a further period of 1 year upon 90 days' notice by either party.

Either party may terminate the Northern Malaysian Distributor Agreement without cause by giving 90 days' notice in writing. In addition, either party may terminate the agreement by giving not less than 30 days' written notice upon certain events including a material breach of the terms of the agreement, a change in the management, ownership or control of the distributor, or insolvency of either party's business.

The Northern Malaysian Distributor Agreement contains other terms that are considered standard for an agreement of this nature.

(f) **EU Holidays Advertising and Promotion Agreement**

Flexiroam has entered into an agreement with EU Holidays Pte. Ltd (a company incorporated in Singapore) (**EU Holidays**) dated 1 July 2014 (**EU Holidays Advertising and Promotion Agreement**) pursuant to which the parties have agreed that EU Holidays will advertise and promote Flexiroam's products at major travel related events, all marketing collaterals managed by EU Holidays and to potential new users via EU Holidays sales channels. Pursuant to the EU Holidays Advertising and Promotion Agreement, EU Holidays has agreed to purchase Flexiroam products to the value of S\$300,000 with scheduled payments to be made on a monthly basis to the total amount distributed over a 16 month period.

Either party may terminate the EU Holidays Advertising and Promotion Agreement by giving the other party 30 days' notice in writing upon a breach of any of the terms or conditions of the EU Holidays Advertising and Promotion Agreement.

The EU Holidays Advertising and Promotion Agreement contains other terms that are considered standard for an agreement of this nature.

(g) **EU Holidays Sales and Purchase Agreement**

Flexiroam has entered into an agreement with EU Holidays dated 1 July 2014 (**EU Holidays Sales and Purchase Agreement**) pursuant to which Flexiroam has agreed to sell its products and services to EU Holidays comprising of 10,000 units of BUZZ SIM cards to a total value of S\$300,000 over a 16 month period. Flexiroam will also provide EU Holidays with an online agent account through which EU Holidays can manage the activation and sale of BUZZ SIM cards to its subscribers. EU Holidays will also be responsible for the promotion and sale of the BUZZ SIM cards to its subscribers. Flexiroam is to offer after sales support to EU Holidays subscribers under the EU Holidays Sales and Purchase Agreement.

The EU Holidays Sales and Purchase Agreement is for a period of 16 months effective from 1 July 2014, or until terminated. Either party has a right to terminate the agreement by giving 30 days' written notice upon certain events akin to a breach of the agreement (which is not remedied within 30 days) or insolvency of the party's business.



The EU Holidays Sales and Purchase Agreement contains other terms that are considered standard for an agreement of this nature.

(h) **EU Holidays Appointment of Distributor Agreement**

Flexiroam has entered into an agreement with EU Holidays dated 1 July 2014 (**EU Holidays Appointment of Distributor Agreement**) pursuant to which Flexiroam has appointed EU Holidays as its non-exclusive distributor for the sale of Flexiroam's products and services in Singapore. In consideration of its grant of non-exclusive distributorship in Singapore, EU Holidays has agreed to pay Flexiroam a non-refundable deposit of S\$500,000 that is to be converted to Flexiroam credits and available for EU Holidays to sell to Europe BUZZ SIM card end-users within Singapore. EU Holidays shall be required to make a total sale of S\$500,000 throughout the duration of the EU Holidays Appointment and Distributor Agreement.

Flexiroam is to pay EU Holidays a commission of 30% on all Flexiroam's sales made by EU Holidays.

Pursuant to the EU Holidays Appointment and Distributor Agreement, Flexiroam has agreed to use its best endeavours to help EU Holidays market and sell Flexiroam's services to end-users in Singapore and provide technical support and training to EU Holidays.

The EU Holidays Appointment and Distributor Agreement is for a period of 15 months effective from 1 July 2014, or until terminated. Either party has the right to terminate the agreement by written notice, upon the other breaching the terms of the EU Holidays Appointment and Distributor Agreement if that breach is not remedied within 30 days after receipt of the notice. Either party may also terminate the agreement upon certain events akin to insolvency or cessation of the other party's business. Flexiroam shall be entitled to terminate the agreement by providing 30 days' written notice if there is a material change in the management, ownership or control of EU Holidays.

The EU Holidays Appointment and Distributor Agreement contains other terms that are considered standard for an agreement of this nature.

(i) **Beijing Network Sales and Purchase Agreement**

Flexiroam has entered into an agreement with Beijing Jing You Network Technology Co. Ltd (a company incorporated in the People's Republic of China) (**Beijing Network**) dated 15 July 2014 (**Beijing Network Sales and Purchase Agreement**) pursuant to which Flexiroam has agreed to sell 200 units of BUZZ SIM cards and 15,000 Flexiroam credits to Beijing Network for use in Europe, Malaysia, Singapore, Dubai, Australia, New Zealand, USA, Canada, Saudi Arabia, Hong Kong and Japan. In consideration for Flexiroam's products and services, Beijing Network will pay Flexiroam a total of US\$15,000. The Beijing Network Sales and Purchase Agreement is valid for a period of 12 months effective from 15 July 2014, or until terminated. Either party has the right to terminate the agreement if there is a breach by the other party of any term or condition of the agreement with 30 days' prior notice in writing and that breach is not subsequently remedied within 30 days after receipt of the written notice. Also, either party may terminate the Beijing Network Sales and Purchase Agreement upon events occurring akin to insolvency or cessation of its business.

The Beijing Network Sales and Purchase Agreement contains other terms that are considered standard for an agreement of this nature.

(j) **Summit Capital Training Sales and Purchase Agreement**

Flexiroam has entered into an agreement with Summit Capital Training Sdn. Bhd. (a company incorporated in Malaysia) (**Summit Capital Training**) dated 15 December 2014 (**Summit Capital Training Sales and Purchase Agreement**) pursuant to which Flexiroam has agreed to sell Summit Capital Training a total of 23,250 units of Flexiroam credits worth RM 100 per unit to a total value of RM 2,325,000 to be used within Malaysia, Singapore and Vietnam. In consideration for the Flexiroam credits, Summit Capital Training is to pay Flexiroam a total of RM 2,325,000 in cash or in kind of equivalent value.

The Summit Capital Training Sales and Purchase Agreement is for a period of 12 months' effective from 15 December 2014 or until terminated. Either party has a right to terminate the Summit Capital Training Sales and Purchase Agreement upon the other breaching any term or conditions of the agreement and providing 30 days' written notice to the other. Any breach not remedied within 30 days will allow the other party to terminate the agreement. Either party may terminate the agreement upon certain events akin to insolvency or cessation of a party's business.

The Summit Capital Training Sales and Purchase Agreement contains other terms that are considered standard for an agreement of this nature.

(k) **Summit Capital Training Advertising and Promotion Agreement**

Flexiroam has entered into a non-exclusive agreement with Summit Capital Training dated 12 December 2014 (**Summit Capital Training Advertising and Promotion Agreement**) pursuant to which Flexiroam has agreed to purchase advertising and promotion services from Summit Capital Training in order to market Flexiroam's products.

Summit Capital Training is a Malaysian based conference and training group in South-East Asia. Pursuant to the Summit Capital Training Advertising and Promotion Agreement, Summit Capital Training must (amongst other things):

- (i) recognise Flexiroam as the "official partner" for all of its events in Malaysia;
- (ii) provide prominent featuring and acknowledgement of Flexiroam's logo on all official advertising and promotional channels, including advertisements, banners, being media releases, official websites, event workbook, backdrop and entry tickets in respect of the events;
- (iii) give recognition to Flexiroam throughout the events;
- (iv) promote Flexiroam during the event break times each day of the events;
- (v) provide one full page coloured advertisement in the event workbook in respect to Flexiroam;
- (vi) provide Flexiroam with one highly visible booth at each of the events; and
- (vii) allocate up to 50 reserve seats for Flexiroam at each event.

Pursuant to the Summit Capital Training Advertising and Promotion Agreement, Flexiroam must pay Summit Capital Training RM 2,325,000 in cash or in kind of equivalent value.

The Summit Capital Training Advertising and Promotion Agreement is for a period of 12 months effective from 12 December 2014, or until terminated. Either party is entitled to terminate the agreement upon the other breaching the agreement and providing 30 days' written notice. In addition, either party may terminate the agreement upon certain events akin to insolvency, or cessation of its business.

The Summit Capital Training Advertising and Promotion Agreement contains other terms that are considered standard for an agreement of this nature.

(I) **TRON Collaboration Agreement**

Flexiroam has entered into an agreement with Talk Focus Sdn. Bhd. (a company incorporated in Malaysia) (**Talk Focus**) dated 1 May 2012 (**TRON Collaboration Agreement**) pursuant to which the parties have agreed to collaborate and use their expertise in telecommunications for the purpose of engineering, producing and operating a joint branding product providing International Roaming Services, which will be known as the Tron Beon Roaming Pack. The TRON Collaboration Agreement will be valid until 1 May 2015.

Either party may terminate the agreement, where there is a breach on the part of the other party. At the expiry of this agreement, unless otherwise terminated sooner, either party may extend this agreement for a further term of one year provided that there shall not be an existing breach or non-observance of any of the terms on the part of the other party.

Key feature of the agreement are as follows:

- (i) The revenue sharing for inbound travellers from Taiwan, Indonesia, China, Hong Kong, Thailand, Singapore, Australia, United Kingdom, Canada and the United States of America shall be distributed on a ratio of 50:50 between Flexiroam and Talk Focus, on all subsequent reload of Flexiroam credit after utilising the free one day pre-loaded Flexiroam credit.
- (ii) Talk Focus is to start with a consignment of 1,000 packs (minimum commitment) of the product. The minimum consignment shall be increased by another 10% in the next consignment order upon Talk Focus reaching a threshold of 70% with regards to the minimum commitment.
- (iii) Talk Focus shall allocate 10% of its advertising and promotion costs which will be equivalent to approximately RM800,000 to Flexiroam for the joint branding exercise by both parties under TRON's overall advertising and promotion campaign.
- (iv) The parties agree that the hotline for the International Roaming Services shall be handled by Flexiroam at its own cost and expense exclusively from 9am-5pm.

The TRON Collaboration Agreement contains other terms that are considered standard for an agreement of this nature.

(m) **Mayflower Agreement**

On or about 14 April 2014 Flexiroam entered into an agreement with Mayflower Acme Tours Sdn. Bhd. (**Mayflower**) (a company incorporated in Malaysia) pursuant to which Flexiroam has agreed to provide incentives to Mayflower in consideration for Mayflower promoting the sale of Flexiroam products and services via Mayflower's sale channels (**Mayflower Agreement**). The Mayflower Agreement shall be effective for a period of one year.

Pursuant to the Mayflower Agreement, Mayflower is required to use its best endeavours to promote the sale of Flexiroam's products and services via its sales channels to its clients, comply with all legal requirements from time to time, provide the company with copies of material evidence for promoting the sale of Flexiroam's products and services, use only approved advertising, promotional and selling strategies, maintain suitably trained staff to promote the sale of Flexiroam's products and services, and ensure that all payments collected on behalf of Flexiroam from Mayflower's clients will be forwarded to Flexiroam immediately upon collection.

In consideration for Mayflower agreeing to promote and sell Flexiroam's products, Flexiroam has agreed to pay various incentives to Mayflower including a 5% cash commission on the sale of selected Flexiroam services by Mayflower, a one-off cash incentive of RM100 for every new corporate customer registration, RM100,000 to be used to further promote the sale of Flexiroam products and services, and the provision of training and technical support to Mayflower.

Flexiroam may terminate the Mayflower Agreement without cause upon giving Mayflower 7 days' written notice. Flexiroam may also terminate the agreement if there is an unacceptable change in control of Mayflower or Mayflower ceases to function as a going concern or unable to satisfy the performance targets prescribed in the Mayflower Agreement, and any such breach is not cured by Mayflower within 30 days.

Either party may terminate the Mayflower Agreement if a party commits a material breach of the Mayflower Agreement, and that breach has not been remedied within 90 days after receiving written notice from the other party requiring it to do so.

(n) **KLIA2 Tenancy Agreement**

Flexiroam has entered into a tenancy agreement with Segi Astana Sdn Bhd (a company incorporated in Malaysia) (**Segi Astana**) dated 15 May 2014 (**KLIA2 Tenancy Agreement**) in respect of Lot No. L2-142 at KLIA-2 Integrated Complex, a designated site within the Kuala Lumpur International Airport, which is to comprise of:

- (i) a transportation exchange for the Express Rail Link, buses, taxis, car rental services and private transport in the KLIA-2 Integrated Complex;
- (ii) a multi-storey car park; and
- (iii) a retail mall provisionally known as "Gateway @ KLIA-2".

The KLIA2 Tenancy Agreement is valid for a period of 3 years effective from 15 May 2014.

Pursuant to the KLIA2 Tenancy Agreement, the monthly rent payable is the higher of either RM 14,487 or 10% of the monthly gross sales.

The KLIA2 Tenancy Agreement contains other terms that are considered standard for an agreement of this nature.

(o) **KLIA Tenancy Agreement**

Flexiroam has entered into a tenancy agreement with Malaysian Airports (Sepang) Sdn. Bhd. (a company incorporated in Malaysia) (**Malaysian Airports (Sepang)**) dated 27 February 2015 (**KLIA Tenancy Agreement**) in respect of a retail booth located at KLIA. The KLIA Tenancy agreement is valid from 15 March 2015 to 14 April 2015. The rent is RM8,533 per month. Flexiroam is required to pay a security deposit of RM5,000, a processing fee of RM200 and an electricity fee of RM30 per day pursuant to the KLIA Tenancy Agreement.

There is no right to renew the KLIA Tenancy Agreement and in the event Flexiroam defaults on its obligations under the KLIA Tenancy Agreement, Sepang may terminate the agreement upon 48 hours' notice.

(p) **Kota Kinabalu Airport Tenancy Agreement**

Flexiroam has entered into a tenancy agreement with Malaysian Airports Sdn. Bhd. (a company incorporated in Malaysia) (**Malaysian Airports**) dated 1 February (**Kota Kinabalu Airport Tenancy Agreement**) in respect of a retail booth located at Kota Kinabalu Airport, Malaysia. The Kota Kinabalu Airport Tenancy Agreement is valid until further notice. The monthly rent payable is RM3,150 per month. There is no right to renew the Kota Kinabalu Airport Tenancy Agreement.

(q) **Excel Event Network Tenancy Agreement**

Flexiroam has entered into a tenancy agreement with Excel Event Networks Sdn. Bhd. (a company incorporated in Malaysia) (**Excel**) dated 1 October 2013 (**Excel Event Network Tenancy Agreement**) in respect of a retail booth located at Sultan Abdul Aziz Shah Airport, otherwise known as the Skypark, in Malaysia. This agreement is a sub tenancy where the landlord, Excel Event Network is the tenant of the Lot and Flexiroam is the sub tenant.

The Excel Event Network Tenancy Agreement is valid until 30 September 2015. Pursuant to the Excel Event Network Tenancy Agreement, the monthly rent payable is RM5,000.

If Flexiroam terminates the Excel Event Network Tenancy Agreement after one full year of the tenancy, they must either forfeit their three month security deposit and one month utility deposit or secure a replacement sub-tenant acceptable to Excel. Upon expiration of the Excel Event Network Tenancy Agreement there is also an option to renew for a further term, upon Flexiroam giving written notice of two months' before the expiry date.

The Excel Event Network Tenancy Agreement contains other terms that are considered standard for an agreement of this nature.



(r) **CIP 500 Funding Agreement**

Flexiroam has entered into an agreement with Cradle Fund Sdn. Bhd. dated 20 February 2013 (**Cradle Fund**) pursuant to which Cradle Fund has agreed to provide Flexiroam with total funding of not more than RM496,760 for a period of 12 months (**Grant**). The funding is to be disbursed in accordance with specific milestones.

If Flexiroam breaches specific terms of the agreement, Flexiroam will be required to pay back the full amount received inclusive of a 4% administrative charge per annum.

If various events occurs, including a change in the shareholding of Flexiroam at any time before the expiry of 36 months from the date of agreement (**Success Trigger**), then the CIP 500 funding will be converted into a partial grant, whereby Flexiroam will be obligated to repay Cradle Fund either 50% of the actual amount of funding or such small sum as Cradle Fund in its absolute discretion may determine inclusive of a 4% administrative charge per annum, together with the Administration Fee of RM 10,000.

The CIP 500 Funding Agreement contains other terms that are considered standard for an agreement of this nature.

On 4 March 2015, Cradle Fund agreed to waive its rights in relation to the partial repayment of the Grant in respect of the change in control of Flexiroam pursuant to its acquisition by the Company. For this waiver, Flexiroam has agreed to enter into discussions with Cradle Fund with respect to a joint marketing program with Cradle Fund within the next 24 months up to the value RM258,380.

(s) **Cloud9 Network Agreement**

Flexiroam has entered into an agreement with Cloud 9 Mobile (SIMS) Limited (**Cloud9**) (a company incorporated in the United Kingdom) dated 10 November 2014 (Cloud9 Network Agreement) pursuant to which Cloud9 has agreed to sell to Flexiroam SIM cards and airtime services which will allow Flexiroam to access over 580 network providers allowing for the provision of mobile services to Flexiroam customers in over 200 countries and territories worldwide.

Flexiroam must pay Cloud9's prescribed rates and fees, including call rates, call forwarding rates, SMS rates, mobile termination charges associated with Cloud9's services and fees.

Pursuant to the Agreement, Cloud9 may, without affecting its rights under the Agreement, immediately and without notice suspend or disconnect Flexiroam's services with no liability to Flexiroam or its subscribers if Flexiroam fails to pay any invoice within 24 hours of the due date for payment, if Flexiroam commits a material breach of the Agreement and fails to remedy that breach within 48 hours of being asked to do so, if there is any suspicion by Cloud9 of fraudulent activity or artificial inflation of activity, if Flexiroam becomes insolvent or suspension is required for maintenance, upgrading or modifying the Cloud9 network.

Cloud9 may terminate the Agreement at any time on 1 month's notice without cause.

Cloud9 can terminate the Agreement with immediate effect by giving Flexiroam written notice if three or more incidents of fraud (including artificial inflation of traffic) have been detected in respect of SIM cards purchased from Cloud9 by Flexiroam, Flexiroam fails to pay any charges within 30 days of their due date, Flexiroam becomes insolvent, or Flexiroam commits a material breach, or any licence, permission or authorisation necessary for the provision of Cloud9's services are revoked.

# 8

## ADDITIONAL INFORMATION



## **8. ADDITIONAL INFORMATION**

### **8.1 COMPANY INFORMATION**

*Flexiroam Limited ACN 143 777 397*

The Company was incorporated on 21 May 2010. The Company is the parent company of Super Bonus Profit Sdn. Bhd., a company incorporated in Malaysia. In turn, Super Bonus Profit Sdn. Bhd., is the parent company of Flexiroam Sdn. Bhd., a company incorporated in Malaysia.

### **8.2 RIGHTS AND LIABILITIES ATTACHING TO SHARES**

The following is a general description of the more significant rights and liabilities attaching to the Shares and the Advisor Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

**(a) Ranking of Shares**

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with Existing Shares.

**(b) Voting Rights**

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

**(c) Dividend Rights**

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

**(d) Variation of Rights**

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

**(e) Transfer of Shares**

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.

**(f) General Meetings**

Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents

required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

(g) **Rights on Winding Up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- (i) divide among the shareholders the whole or any part of the Company's property; and
- (ii) decide how the division is to be carried out between the shareholders.

### **8.3 RIGHTS AND LIABILITIES ATTACHING TO OPTIONS**

The Company intends to grant 1 million Options to Trident Capital or its nominees and 2 million Options to Seamist or its nominees, subject to any necessary approvals which may be required under the Corporations Act, upon the following terms. Each Option entitles the holder to subscribe for one Share at a price of \$0.20 per Share upon exercise of the Option.

The amount payable upon issue of each Option will be \$0.001. Each Option will expire at 5.00pm WST on the date that is three years from the date of issue (**Expiry Date**).

The Options can only be exercised by the holder prior to the Expiry Date provided that no later than the Expiry Date, the price at which the Shares have traded on ASX is greater than \$0.20 for a minimum 15 day VWAP (**Exercise Period**).

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### **8.4 PERFORMANCE RIGHTS PLAN**

The Company has established a Performance Rights Plan. Pursuant to the Performance Rights Plan eligible participants will be granted rights to receive Shares provided that certain performance conditions are satisfied.

The purpose of the Performance Rights Plan is to attract high calibre employees, reward eligible persons for their performance and provide long term incentives for participation in the Company's future growth. The maximum total number of Shares which can be offered under the Performance Rights Plan is 5% of the total number of issued Shares at the time of such offer.

The performance conditions are to be determined by the Board and as of the date of this Prospectus no performance rights have been issued pursuant to the Performance Rights Plan. However, it is proposed that subject to approval at a meeting of the Company, Kenn Tat Ong is to be issued 5.4 million Performance Rights of which 50% will convert into Shares on 31 March 2016 subject to the achievement of a revenue target for Flexiroam of \$6,000,000 by that date, and the remaining 50% of the Performance Rights will convert to Shares on 31 March 2017 subject to the achievement of a revenue target for Flexiroam of \$12,000,000 by that date. Further, it is proposed that subject to approval at a meeting of the



Company, 6.1 million Performance Rights will be issued to other employees of Flexiroam, to be converted to Shares upon the achievement of the same revenue targets.

The key terms of the Performance Rights are as follows:

- (a) Each Performance Right entitles the holder of the Performance Right to be issued one fully paid ordinary share in the Company on the terms of issue including any performance conditions.
- (b) The Performance Rights are granted for no cash consideration.
- (c) Performance Rights granted will only vest after a certain time period (set by the Board at the time the Performance Rights are granted) has elapsed and will vest and be converted into Shares on a one for one basis.
- (d) If a performance condition is not satisfied by the relevant expiry date, then the relevant class of Performance Rights will automatically lapse.
- (e) If the holder elects to resign as an employee of the Company, then all Performance Rights automatically lapse on the date of resignation, unless the Company determines otherwise in its absolute discretion.
- (f) The Performance Rights are not transferable without the consent of the Board.
- (g) The holder is not entitled to assign any right, interest or benefit in the Performance Rights (or any part of them), or grant an interest over or in the Performance Rights.
- (h) The Performance Rights do not confer upon the holder the right to dividends or to vote as a shareholder of the Company until the Performance Rights have vested and the Shares have been allocated to the holder.
- (i) The Board may not grant a Performance Right if the Board has reasonable grounds to believe that to do so would cause the aggregate of the number of Shares that may be issued should the Performance Rights the subject of the proposed grant be exercised to exceed 5% of the total number of Shares on issue.

## **8.5 DISCLOSURE OF INTERESTS AND REMUNERATION**

Other than as set out below or elsewhere in this Prospectus no Director has or has had, within two years before lodgement of this Prospectus with ASIC:

- any interest in the formation or promotion of the Company;
- any interest in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer;
- any interest in 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 Director, either to induce him to become, or to qualify him as a Director, or otherwise, for services rendered by him in connection with the formation or promotion of the Company or the Offer.

(a) **Shareholding qualifications**

The Directors are not required to hold any Shares under the constitution of the Company.

(b) **Directors' security holdings**

Set out in the table below are details of the Directors' relevant interests in the Shares of the Company as at the date of this Prospectus.

Interests of the Directors and their related parties	Existing Shares held in Company	% of Existing Shares	Relevant interest after Offer – Minimum Subscription <sup>4</sup>	Relevant interest after Offer – Maximum Subscription <sup>5</sup>
Kenn Tat Ong <sup>1</sup>	96,000,000	68.97%	52.78%	47.55%
Adam Sierakowski <sup>2</sup>	5,567,000	4.00%	3.06%	2.75%
Stephen Hewitt-Dutton <sup>3</sup>	200,000	0.14%	0.11%	0.10%
<b>TOTAL</b>	<b>101,767,000</b>	<b>73.11%</b>	<b>55.95%</b>	<b>50.40%</b>

1 Comprising 96,000,000 shares held by Reapfield Technology Sdn Bhd (a company of which Mr Ong is a director and 51% shareholder).

2 Comprising 2,667,000 shares held by Trident Capital Pty Ltd (a company of which Mr Sierakowski is a director and shareholder), 50,000 shares held by IML Holdings Pty Ltd (a company of which Mr Sierakowski is a director), 50,000 shares held by Adam Sierakowski <Warsaw Superannuation Fund> (a trust of which Mr Sierakowski is a registered holder and beneficiary), 50,000 shares held by Emily Sierakowski (Mr Sierakowski's wife) and 50,000 shares held by Adam Sierakowski, 2,700,000 Advisor Shares to be issued to Trident Capital Pty Ltd (a company of which Mr Sierakowski is a director and shareholder) in accordance with the Trident Capital Corporate Advisory Mandate summarised in Section 7.2(b).

3 Comprising 200,000 shares held by SHD Nominees Pty Ltd <Hewitt-Dutton Super Fund A/C>.

4 Assumes the Minimum Subscription is reached and there is a total of 179,200,001 shares on issue at completion of the Offer.

5 Assumes the Maximum Subscription is reached and there is a total of 199,200,001 shares on issue at completion of the Offer.

Set out in the table below are details of the Directors' relevant interests in the other types of security of the Company as at the date of this Prospectus.

Interests of the Directors and their related parties	Type of security	Number of securities
Kenn Tat Ong*	Performance Rights	5.4 million
Adam Sierakowski**	Options	1 million

\*Subject to necessary approvals required pursuant to the Corporations Act and the achievement of revenue targets. See Section 8.4 for details.

\*\*Comprising 1,000,000 Options held by Trident Capital Pty Ltd (a company of which Mr Sierakowski is a director and shareholder) and subject to any necessary approval required pursuant to the Corporations Act. See Section 8.3 for details.

(c) **Directors Remuneration**

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate remuneration for all non-executive directors has been set at an amount of \$250,000 per annum at a general meeting in 2011. The Directors have resolved that non-executive director's fees will be \$48,000 per annum for the Chairman and \$36,000 per annum for each of the non-executive directors, exclusive of statutory superannuation contributions. The director fee of the Executive Director, Kenn Tat Ong, has been set by the Board at the amount of \$120,000. Separately, Kenn Tat Ong has an Executive Service Agreement with Flexiroam pursuant to which he is paid RM8,240 per month, details of which are provided in Section 7 of this Prospectus.

## 8.6 CONTINUOUS DISCLOSURE AND DOCUMENTS AVAILABLE FOR INSPECTION

The Company is a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

## 8.7 INTERESTS OF EXPERTS AND ADVISERS

(a) **No interest except as disclosed**

Other than as set out below or elsewhere in the Prospectus, no expert promoter, underwriter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with has or has, within two years before lodgement of the Prospectus with ASIC:

- (i) had any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection

with its formation or promotion or in connection with the Offer or in the Offer;  
and

- (ii) not recorded any amounts or benefits or has not agreed to be paid benefits for services rendered by such persons in connection with the formation or promotion of the Company or the Offer.

(b) **Corporate Advisors**

Trident Capital has acted as corporate advisers to the Company. Fees payable to Trident Capital are estimated to be approximately \$150,000 plus GST as well as 5% of the funds raised by Trident Capital under the Offer. Trident is also entitled to a corporate advisory fee of \$15,000 per month for a period of 6 months payable in arrears on the last day of each month. Fees payable to Trident Capital have been charged in accordance with their normal rates.

Trident Capital is also entitled to receive 2,700,000 in Shares of the fully diluted equity in the Company at the time of ASX quotation. See section 7.2(b) for more details.

The Company also intends to grant 1,000,000 Options to Trident Capital or its nominees. See Section 8.3 for more details.

(c) **Legal Advisors**

Price Sierakowski Corporate has acted as the Company's legal advisor to Australian Law in relation to the Offer. Fees paid or payable to Price Sierakowski Corporate in respect of these services at the date of lodgement of this Prospectus are estimated to be approximately \$140,000 plus GST. Additional legal fees in relation to the Prospectus or listing of the Company may be incurred by the Company subsequent to the lodgement of this Prospectus and will be charged at Price Sierakowski Corporate's normal hourly rates.

(d) **Investigating Accountants**

HLB Mann Judd has acted as the Group's auditor and has prepared the Investigating Accountant's Report which is included at Section 5. Total fees payable to HLB Mann Judd for work done in relation to this Prospectus are approximately \$15,000 plus GST.

(e) **Share Registry**

Advanced Share Registry is the Company's Share Registry and will be paid for these services on normal commercial rates.

(f) **Lead Manager**

Patersons has acted as lead manager to the Offer. Fees and commissions are payable to Patersons for these services in accordance with the terms set out in Section 7.1(c).

## 8.8 CONSENTS

The following written consents have been given in accordance with the Corporations Act with respect to the issue of this Prospectus in both paper and electronic form:

(a) **Price Sierakowski**

Price Sierakowski has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Solicitors to the Issue in the form and context in which it is included, together with all references to that report in this Prospectus. Price Sierakowski has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

(b) **Peter Ling & Van Geyzel**

Peter Ling & Van Geyzel has given, and has not before lodgement of this Prospectus withdrawn its written consent to be named in the Prospectus as advisers to Malaysian Law in the form and context in which it is included, together with all references to that report in this Prospectus. Peter Ling & Van Geyzel has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

(c) **HLB Mann Judd**

HLB Mann Judd has given, and have not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Auditor and Investigating Accountant and to the inclusion of the Investigating Accountant's Report in Section 5 in the form and context in which it is included, together with all references to it and to that report in this Prospectus. HLB Mann Judd has not authorised nor caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than its report and any references to it or its report.

(d) **Trident Capital**

Trident Capital has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Corporate Advisor in the form and context in which it is included, together with all references to it in this Prospectus. Trident Capital has not authorised nor caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

(e) **Advanced Share Registry**

Advanced Share Registry has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named, together with all references to it in this Prospectus. Advanced Share Registry has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry. Advanced Share Registry has not authorised nor caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.



(f) **Patersons**

Patersons has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Lead Manager in the form and context in which it is included, together with all references to it in this Prospectus. Patersons has not authorised nor caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

(g) **Others**

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

## 8.9 EXPENSES OF THE OFFER

The expenses of the Offer are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company.

Items of expenditure	Minimum Subscription	Full Subscription
Brokerage fees and commission	\$480,000	\$720,000
Corporate advisory fees	\$150,000	\$150,000
Legal fees	\$140,000	\$140,000
Investigating Accountant's fees	\$15,000	\$15,000
Audit, accounting, company secretarial and tax	\$15,000	\$19,000
ASX and ASIC fees	\$63,000	\$69,000
Printing, design and miscellaneous	\$7,000	\$7,000
Total Estimated Expenses	\$870,000	\$1,120,000

## 8.10 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/044 the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

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 at +618 6211 5099 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at [www.investor.flexiroam.com](http://www.investor.flexiroam.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.

#### **8.11 FORECASTS**

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. See Section 1.19 for more details. The Directors do not believe that they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

#### **8.12 LITIGATION**

To the Directors knowledge there is no litigation against the Company or initiated by the Company as at the date of this Prospectus.

#### **8.13 TAXATION**

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

#### **8.14 FOREIGN SELLING RESTRICTIONS**

No action has been taken to register or qualify Shares that are subject to the Offer or otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

##### ***Malaysia***

The distribution of this Prospectus in Malaysia is restricted by law and, accordingly, persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions will constitute a violation of the securities laws of Malaysia. This document does not constitute or form part of any offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, Shares in Malaysia in which such an offer or solicitation is unlawful. In particular, the Shares have not been and will not be registered under the Capital Market and Services Act 2007 (as amended). Accordingly, subject to certain exceptions, the Shares may not, directly or indirectly, be offered or sold within Malaysia and this document will not be registered with the Securities Commission of Malaysia.

## 8.15 SUBSTANTIAL HOLDERS

Those Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus (and their post offer shareholdings) are set out in the table below.

On completion of the Offer and assuming that no existing substantial Shareholders subscribe and receive additional Shares pursuant to the Offer:

Shareholder	Shares	Minimum Subscription %	Full Subscription
Reapfield Technology Sdn Bhd	96,000,000	52.8%	47.5%
Prime Advisory Global Limited	9,500,000	5.2%	4.7%

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



# 9

## DIRECTOR'S AUTHORISATION

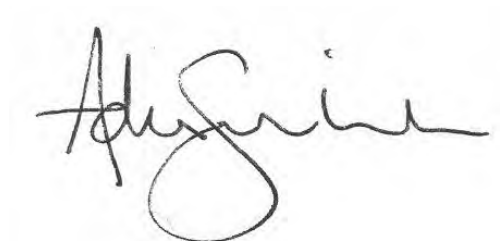


## 9. DIRECTORS' AUTHORISATION

The 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 ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company.

A handwritten signature in black ink, appearing to read 'Adam Sierakowski', is written over a faint, light blue circular stamp.

**Adam Sierakowski**  
**Chairman**  
**15 April 2015**



# 10 DEFINITIONS

## 10. DEFINITIONS

**Advisor Shares** means the 2,700,000 Shares to be issued to Trident Capital or its nominees in accordance with the Trident Corporate Advisory Mandate summarised in Section 7.2(b).

**Application** means an application for Shares.

**Application Monies** means the amount of money in dollars and cents payable for Shares at \$0.20 cents per Share pursuant to this Prospectus.

**Application Form** means the Application Form, which is attached to, and forms part of this Prospectus – see Section 11.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires.

**Board** means the Board of Directors of the Company.

**CHESS** means ASX Clearing House Electronic Sub-register System.

**Closing Date** means the closing date for the receipt of Application Forms under this Prospectus, being 5.00pm on 19 May 2015 (unless the Offer is extended or closed early). The Company reserves the right to extend the closing date or close the Offers early without notice.

**Company** means Flexiroam Limited (ACN 143 777 397).

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

**Corporate Advisor** means Trident Capital.

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

**Cradle Fund** means Cradle Fund Sdn. Bhd., a not-for-profit corporation under the auspices of the Malaysian Ministry of Finance.

**Director** means a director of the Company.

**Existing Shares** means the 139,200,001 Shares in the Company on issue at the date of this Prospectus.

**Flexiroam** means Flexiroam Sdn. Bhd. (Company No. 670869-A).

**Flexiroam Business Centres** means the retail outlets operated by Flexiroam at the airports specified in Section 4.3(b).

**Flexiroam Tracking System or FTS** means the purpose-built, cloud-based tracking system as described in Section 4.3(e).

**Flexiroam Website** means [www.investor.flexiroam.com](http://www.investor.flexiroam.com).

**Full Subscription** means the raising of \$12,000,000 by the issue of 60,000,000 Shares at \$0.20 each pursuant to the Offer under this Prospectus.

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

**Investigating Accountant** means HLB Mann Judd.

**Issue** means the issue of Shares in accordance with the Offer.

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

**Minimum Subscription** means the raising of \$8,000,000 by the issue of 40,000,000 Shares at \$0.20 each pursuant to the Offer under this Prospectus.

**Offer** means the offer of 60,000,000 Shares at \$0.20 per Share subject to the Minimum Subscription pursuant to this Prospectus.

**Offer Price** means \$0.20 per share.

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

**Official Quotation** means the quotation of the Company's Shares on the Official List.

**Opening Date** means the first date for receipt of completed Application Forms which is 9:00am WST on 15 April 2015 or other such date and time as the Directors in conjunction with the Sponsoring Broker determine.

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

**Patent** means patent applications PI2014001904.

**Patersons** means Patersons Securities Limited (ACN 008 896 311)

**Patersons Mandate** has the meaning given in Section 7.1(c).

**Prospectus** means this replacement prospectus dated 15 April 2015.

**Reapfield** means Reapfield Technology Sdn. Bhd. (Company No.680917-P).

**Restricted Securities** means Shares classified by ASX as being subject to the restriction provision of the Listing Rules of ASX.

**Seamist** means Seamist Enterprises Pty Ltd (ACN 133 740 655).

**Share** means an ordinary share in the capital of the Company.

**Shareholder** means the Company's existing shareholders at the date of this Prospectus.

**Share Registry** means Advanced Share Registry Limited (ABN 14 127 175 946) trading as Advanced Share Registry Services.

**Trident Capital** means Trident Capital Pty Ltd (ACN 26 100 561 733)

**WST** means Western Standard Time, Perth, Western Australian.

**VWAP** means volume weighted average price.



For personal use only

11

## APPLICATION FORM



## 11. APPLICATION FORM

### Flexiroam Limited (ACN 143 777 397) APPLICATION FORM

Please read all instructions on the reverse of this form

**A Number of Shares applied for**

(Minimum of 10,000 Shares then multiples of 1000 Shares)

at \$0.20 per Share

You may be allocated all of the Shares above or a lesser number

**B Total amount Payable by cheque(s) for Shares**

A\$

**C Full name details, title, given name(s) (no initials) and surname or Company name**

Name of Applicant 1

Name of applicant 2 or <Account Designation>

Name of applicant 3 or <Account Designation>

**E Write Your Full Postal Address Here**

Number/Street

Suburb/Town

**G Chess HIN (if applicable)**

**H Cheque payment details**

Please fill out your cheque details and make your cheque payable to "Flexiroam Limited".

Drawer	Cheque Number	BSB Number	Account Number	Total amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>

**I** You should read the Replacement Prospectus dated 15 April 2015 (**Prospectus**) carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

I/We declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the constitution of Flexiroam Limited; and
- (b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. Please note that the Company will not accept electronic lodgement of Application Forms or electronic funds transfer.

**A signature is not required.**

Share Registrars Use Only

Broker reference – Stamp only

Broker Code

Adviser Code

**D Tax File Number(s)  
Or exemption category**

**F Contact Details**

Contact Name

Contact daytime telephone Number

State/postcode



## Guide to the Application Form

This Application Form relates to the offer of Shares in Flexiroam Limited pursuant to the Prospectus dated 15 April 2015. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Flexiroam Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete the all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of resistible titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 1000 Shares.
- B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by \$0.20 cents.
- C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G Flexiroam Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities allotted.
- If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.
- H Please complete cheque details as requested.
- Make your cheque payable to "Flexiroam Limited" in Australian currency and cross it "Not Negotiable" Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.
- Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for shares in Flexiroam Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

**Lodgement of Applications:** Return your completed Application Form with cheque(s) attached to:

### By post or in Person to:

Flexiroam Limited  
Level 24, 44 St Georges Terrace  
PERTH WA 6000

Application Forms must be received no later than the 19 May 2015 which may be changed immediately after the Opening Date at any time at the discretion of the Company

### Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares and Options. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Flexiroam Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor ( a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

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