



Smart Auto Australia Limited

ACN 644 257 465

PROSPECTUS

This Prospectus is being issued for a non-renounceable pro-rata offer to Eligible Shareholders on the basis of one (1) New Share for every one (1) existing Share held on the Record Date at an issue price of \$0.01 per New Share, together with two (2) free fully paid bonus Shares for every one (1) New Share subscribed for and issued (**Entitlement Offer**).

This Entitlement Offer is fully underwritten by Vikram Jitendra Rana (**Underwriter**). Refer to Section 1.6 for details regarding the terms of the underwriting.

The Entitlement Offer closes at 5.00pm (AEST) on 3 June 2024 (Closing Date)*.

*The Company reserves the right, subject to the Corporations Act and Listing Rules to extend or shorten the Closing Date.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE NEW SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

Important information

General

This Prospectus is issued by Smart Auto Australia Limited (ACN 644 257 465) (**Company**) for the purposes of Chapter 6D of the Corporations Act. This Prospectus is dated 30 April 2024 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor NSX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

Application will be made to the NSX within seven days after the Prospectus Date for quotation of the New Shares the subject of this Prospectus. The New Shares offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 12, 141 Walker Street, North Sydney NSW 2060, during normal business hours. The Prospectus will also be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Entitlement Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

The Company will also provide copies of other documents on request free of charge (see Section 5.5).

Applications for New Shares offered pursuant to this Prospectus can only be made by an original Application Form.

This Prospectus is a "transaction specific" prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not

contain the same level of disclosure as an initial public offering prospectus and is only required to contain, amongst other things, information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

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

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

This document is important and should be read in its entirety before deciding to participate in the Entitlement Offer.

Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay.

Disclosing entity

As a disclosing entity, the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer to acquire securities which are quoted

enhanced disclosure securities and the securities are in a class of securities that were quoted enhanced disclosure securities at all times in the three months before the issue of this Prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the NSX and does not include all the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision about whether to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of the NSX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by the NSX, throughout the three months before the issue of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Overseas Shareholders

The Entitlement Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and accompanying Application Form within Australia.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Subject to the provisions outlined in Section 1.16, the Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong or United Arab Emirates. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should observe any such restrictions.

Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Forward-looking statements

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

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

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://www.smartautoltd.com/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian, New Zealand, Hong Kong or United Arab Emirates resident and must only access this Prospectus from within Australia, New Zealand, Hong Kong or United Arab Emirates.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and

unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 2 8005 6155 during office hours or by emailing the Company at info@smartautoltd.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.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

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

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

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of New Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Definitions, time and currency

Definitions of certain terms used in this Prospectus are contained in Section 7.

All references to currency are to Australian dollars and all references to time are to the time in Sydney, New South Wales, unless otherwise indicated.

Expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Corporate directory

Directors and Management

Name

Michael Pixley
Alyce Wong
Mark Ng
Gregory Starr

Position

Non-Executive Chairman
Managing Director
Executive Director
Non-Executive Director

Company Secretary

Gregory Starr

Registered and Principal Office

Level 12
141 Walker Street
North Sydney NSW 2060
Australia

Phone: +61 2 8005 6155

Email: info@smartautold.com

Website: www.smartautold.com

NSX Code: SAL

Legal Adviser

Steinepreis Paganin
16 Milligan Street
Perth WA 6000
Australia

Auditor*

Moore Australia Audit (WA)
Level 15, Exchange Tower 2
The Esplanade
Perth WA 6000

Share Registry*

Automic Pty Ltd
Level 5, 126 Philip Street
Sydney NSW 2000
Australia

Phone: 1300 288 664 (within Australia)
+61 2 9698 5414 (international)

Email: hello@automicgroup.com.au

Website: www.automicgroup.com.au

Underwriter

Vikram Jitendra Rana
Office 204, Building 8
Bay Square, Business Bay, Dubai
United Arab Emirates

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Proposed timetable for the Entitlement Offer

Event	Date
Lodgement of Prospectus with ASIC Lodgement of Prospectus, announcement of Entitlement Offer and quotation of additional securities with NSX	Tuesday, 30 April 2024
Notice of Entitlement Offer sent to Shareholders	Wednesday, 1 May 2024
Shares quoted on an “Ex” date	Wednesday, 15 May 2024
Record Date for determining Entitlements under the Entitlement Offer	7:00pm (AEST), Thursday, 16 May 2024
Prospectus and Application Forms despatched to Eligible Shareholders and Company announces that this has occurred Opening Date of Entitlement Offer	Monday, 20 May 2024
Last day to extend Closing Date of Entitlement Offer	Thursday, 30 May 2024
Closing Date of Entitlement Offer as at 5:00pm	5:00pm (AEST) Monday, 3 June 2024
NSX and Underwriter notified of under subscriptions	Wednesday, 5 June 2024
Underwriter subscribes for Shortfall under terms of Underwriting Agreement	Wednesday, 5 June 2024
Results of Entitlement Offer announced Issue of New Shares under the Entitlement Offer	Tuesday, 11 June 2024

Note: The Directors may extend the Closing Date by giving at least 2 Business Days’ notice to NSX prior to the Closing Date. The above dates are indicative only and may change without notice. The Company reserves the right to vary any and all of the above dates without notice, subject to the Corporations Act, Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. The Company also reserves the right not to proceed with the Entitlement Offer at any time before the issue of New Shares.

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Letter from the Chairman

Dear Shareholder

On behalf of your Directors, I am pleased to invite you to participate in this non-renounceable pro-rata 1 for 1 entitlement offer at an issue price of \$0.01 per New Share to raise approximately \$2.19 million (before costs), together with two free fully paid bonus Shares for every 1 New Share subscribed for and issued under the Entitlement Offer.

Background to the Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire 1 New Share for every 1 existing Share in the Company held as at 7.00pm (AEST) on 16 May 2024.

New Shares issued under the Entitlement Offer will rank equally with the existing Shares on issue.

The Entitlement Offer is fully underwritten by Vikram Jitendra Rana (**Underwriter**).

The Entitlement Offer is non-renounceable. Accordingly, Eligible Shareholders can:

- take up their Entitlement in full or in part;
- take up all of their Entitlement and also apply for Shortfall Shares (defined in section 1.2 below); or
- do nothing, in which case your Entitlement will lapse and you will not receive any value for your Entitlement.

I encourage you to consider the Entitlement Offer under this Prospectus carefully.

Use of funds

Proceeds from the Entitlement Offer will be principally applied towards funding the general working capital, development of new business and the costs of the Entitlement Offer.

How to apply

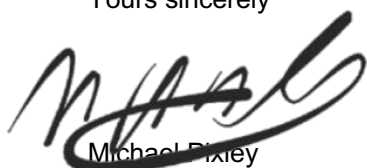
Refer to Section 2 for details of how to participate in the Entitlement Offer, which is **scheduled to close at 5:00pm (AEST) on 3 June 2024**.

If you decide to take this opportunity to increase your investment in the Company please ensure that, before the Closing Date, you have paid your Application Monies, via BPAY® or EFT pursuant to the instructions in the Application Form, or if you are based outside of Australia and unable to pay using BPAY®, your Application Monies are sent by EFT and received in cleared funds by the Closing Date.

Additional information

The Prospectus is an important document and should be read in its entirety. If you have any questions in relation to the Prospectus or the Entitlement Offer, you should consult your suitably qualified professional adviser without delay. On behalf of the Board, I look forward to your continued support and on updating you on the Company's progress.

Yours sincerely



Michael Dixey

**Non-Executive Chairman
Smart Auto Australia Limited**

Investment overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in New Shares.

Key information	Further information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for the Entitlement Offer and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	-
<p>What is the Offer being made under this Prospectus?</p> <p>This Prospectus is being issued for a non-renounceable pro-rata offer to Eligible Shareholders on the basis of 1 New Share for every 1 existing Share held on the Record Date at an issue price of \$0.01 per New Share, together with two free fully paid bonus Shares for every 1 New Share subscribed for and issued (Entitlement Offer).</p>	Section 1.1
<p>What is the purpose of this Prospectus</p> <p>The purpose of the Entitlement Offer is to:</p> <ul style="list-style-type: none"> (a) provide Eligible Shareholders with the opportunity to take up New Shares proportional to their shareholding and to mitigate the effect of dilution; and (b) provide the Company with additional funds to be attributed in accordance with the use of funds set out in Section 3.5 below. 	Section 1.2
<p>Who is an Eligible Shareholder?</p> <p>Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> (a) are registered as the holder of Shares in the Company as at 7:00pm (AEST) 16 May 2024; (b) have a registered address in Australia, New Zealand, Hong Kong or United Arab Emirates as noted on the Company's share register, or are a Shareholder that the Company has otherwise determined is eligible to participate in the Entitlement Offer; and (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer. 	Section 1.1
<p>What is the intended use of funds?</p> <p>The proceeds from the Entitlement Offer are intended to be applied towards:</p> <ul style="list-style-type: none"> (a) general working capital; (b) development of new business; and (c) the costs of the Entitlement Offer. 	Section 3.5

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<p>Underwriting</p> <p>The Entitlement Offer is fully underwritten.</p>	Section 1.6																																													
<p>What is the effect of the Entitlement Offer?</p> <p><i>Capital structure</i></p> <p>The effect of the Entitlement Offer on the capital structure is set out below (assuming the Entitlement Offer is fully subscribed, and no other Shares are issued prior to the Record Date):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #8B4513; color: white;"></th> <th style="background-color: #8B4513; color: white; text-align: right;">Shares</th> </tr> </thead> <tbody> <tr> <td>Existing Shares on issue</td> <td style="text-align: right;">219,907,139</td> </tr> <tr> <td>New Shares to be issued under the Entitlement Offer</td> <td style="text-align: right;">659,721,417</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">879,628,556</td> </tr> </tbody> </table> <p><i>Control of the Company</i></p> <p>To the best of the Company's knowledge, it is not expected that the Substantial shareholders or any other Shareholder will increase their relevant interest above 20% as a result of participating in the Entitlement Offer.</p> <p><i>Dilution</i></p> <p>Shareholders should note that if they do not participate in the Entitlement Offer, their holdings will be diluted. Examples of how the dilution may impact Shareholders are set out in Section 1.8.</p> <p><i>Substantial Shareholders</i></p> <p>Based on available information as at the Prospectus Date and to the extent known by the Company, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="background-color: #8B4513; color: white;">Substantial Shareholder</th> <th rowspan="2" style="background-color: #8B4513; color: white;">Shares</th> <th rowspan="2" style="background-color: #8B4513; color: white;">Voting power¹</th> <th colspan="2" style="background-color: #8B4513; color: white;">Entitlement</th> </tr> <tr> <th style="background-color: #8B4513; color: white;">New Share</th> <th style="background-color: #8B4513; color: white;">Bonus Share</th> </tr> </thead> <tbody> <tr> <td>Mark Ng</td> <td style="text-align: right;">41,666,667</td> <td style="text-align: right;">18.9%</td> <td style="text-align: right;">41,666,667</td> <td style="text-align: right;">83,333,334</td> </tr> <tr> <td>Shu Yan Tse</td> <td style="text-align: right;">32,020,000</td> <td style="text-align: right;">14.6%</td> <td style="text-align: right;">32,020,000</td> <td style="text-align: right;">64,040,000</td> </tr> <tr> <td>Ringo Wing Kun Hui</td> <td style="text-align: right;">32,000,000</td> <td style="text-align: right;">14.6%</td> <td style="text-align: right;">32,000,000</td> <td style="text-align: right;">64,000,000</td> </tr> <tr> <td>Chun Yue David Yeung</td> <td style="text-align: right;">32,000,000</td> <td style="text-align: right;">14.6%</td> <td style="text-align: right;">32,000,000</td> <td style="text-align: right;">64,000,000</td> </tr> <tr> <td>Alyce Wong</td> <td style="text-align: right;">18,000,000</td> <td style="text-align: right;">8.2%</td> <td style="text-align: right;">18,000,000</td> <td style="text-align: right;">36,000,000</td> </tr> <tr> <td>Junjie Yang</td> <td style="text-align: right;">11,035,772</td> <td style="text-align: right;">5.0%</td> <td style="text-align: right;">11,035,772</td> <td style="text-align: right;">22,071,544</td> </tr> </tbody> </table>		Shares	Existing Shares on issue	219,907,139	New Shares to be issued under the Entitlement Offer	659,721,417	TOTAL	879,628,556	Substantial Shareholder	Shares	Voting power ¹	Entitlement		New Share	Bonus Share	Mark Ng	41,666,667	18.9%	41,666,667	83,333,334	Shu Yan Tse	32,020,000	14.6%	32,020,000	64,040,000	Ringo Wing Kun Hui	32,000,000	14.6%	32,000,000	64,000,000	Chun Yue David Yeung	32,000,000	14.6%	32,000,000	64,000,000	Alyce Wong	18,000,000	8.2%	18,000,000	36,000,000	Junjie Yang	11,035,772	5.0%	11,035,772	22,071,544	Section 3
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<p>The Board advises that the substantial shareholders do not intend to take up their Entitlements.</p> <p><i>Pro forma balance sheet</i></p> <p>The indicative pro-forma balance sheet showing the effect of the Entitlement Offer is in Section 3.4.</p>																												
<p>Directors' interests and Entitlements</p> <p>The relevant interest of each of the Directors as at the Prospectus Date, together with their respective Entitlements, is as follows:</p> <table border="1" data-bbox="202 629 1235 1043"> <thead> <tr> <th rowspan="2">Director</th> <th rowspan="2">Shares</th> <th rowspan="2">Voting Power</th> <th colspan="2">Entitlement⁽¹⁾</th> </tr> <tr> <th>New Shares</th> <th>Bonus Share</th> </tr> </thead> <tbody> <tr> <td>Michael Pixley</td> <td>Nil</td> <td>N/A</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Alyce Wong</td> <td>18,000,000</td> <td>8.2%</td> <td>18,000,000</td> <td>36,000,000</td> </tr> <tr> <td>Mark Ng</td> <td>41,666,667</td> <td>18.9%</td> <td>41,666,667</td> <td>83,333,334</td> </tr> <tr> <td>Gregory Starr</td> <td>Nil</td> <td>N/A</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table> <p>The Directors do not intend to take up their Entitlements under the Entitlement Offer.</p> <p>(1) Assumes 219,907,139 Shares on issue as at the date of this Prospectus and that no other Shares are issued prior to the Record Date.</p>	Director	Shares	Voting Power	Entitlement ⁽¹⁾		New Shares	Bonus Share	Michael Pixley	Nil	N/A	Nil	Nil	Alyce Wong	18,000,000	8.2%	18,000,000	36,000,000	Mark Ng	41,666,667	18.9%	41,666,667	83,333,334	Gregory Starr	Nil	N/A	Nil	Nil	Section 5.9
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<p>What are the risks of a further investment in the Company?</p> <p>Potential investors should be aware that subscribing for New Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <p>(a) Control risk: Assuming no other Shareholders accept their Entitlements, the Underwriter's voting power in the Company could be as high as 75.23%. The Underwriter's potentially significant interest in the capital of the Company means that it may be able to potentially influence the financial decisions of the Company and its interests may not align with those of all other Shareholders.</p> <p>Although the Company considers it unlikely to occur, upon completion of the Entitlement Offer, the Underwriter may hold a relevant interest in 75.23% of the Company (refer above to Section 1.7 for the potential voting power of the Underwriter in various scenarios) which means that it would have the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.</p> <p>(b) Potential for dilution: In addition to the potential control impacts set out in Section 1.7, Shareholders should not that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 75% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). It is not</p>	Section 4																											

Key information	Further information
<p>possible to predict what the value of the Company, a Share will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters. The last trading price of Shares on NSX prior to the Prospectus being lodged on \$0.012 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.</p> <p>(c) Commercial risks: The Company may explore various corporate opportunities, such as acquisitions, licensing, or partnerships. There is no guarantee that any such opportunities can be finalised on commercially acceptable terms. Even if terms for licensing and partnerships are agreed upon, unforeseen factors related to the environment, technology, or market conditions may impede the performance of partners, distributors and collaborators in delivering contracted outcomes. Moreover, the future success of the Company hinges on market acceptance and client retention. This involves convincing prospective clients and partners of the efficacy of the Company's products and services.</p> <p>(d) Service safety and efficacy: The reputation and commercial success of the Company hinges on the safety, and efficacy of its service. Serious or unforeseen health, safety, or efficacy concerns could result in reduced market acceptance, reputational damage, and potential liability claims. Any concerns regarding the health, safety, or efficacy of the Company's service are likely to diminish customer demand and adversely affect the Company's profitability.</p> <p>(e) Unforeseen expenses: The Company's cost estimates, and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.</p> <p>(f) Future acquisitions, strategic investments, partnerships and alliance: The Company may in the future seek to acquire or invest in, businesses, products or technologies that the Company believes could complement or expand its current client offerings, enhance its technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause the Company to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. The risks of the Company faces in connection with such acquisition include:</p> <ol style="list-style-type: none"> i. encountering difficulties or unforeseen expenditures, in integrating the business, technologies, products, personnel or operations of a company that the Company acquire; ii. an acquisition that disrupts the Company's ongoing business, diverts resources, increases expenses and distracts management; iii. vendor disputes concerning the terms of any acquisitions; iv. the Company's use of cash to pay for acquisitions, which would limit other potential uses for its cash; v. if the Company incurs debt to fund an acquisition, such debt may subject it to material restrictions on its ability to conduct its business; and vi. if the Company issues a significant amount of equity securities in connection with acquisitions, existing shareholders may be diluted and earnings per share may decrease. 	

Key information	Further information
<p>The occurrence of any of these risks could have an adverse effect on the Company's business, result of operations, financial condition or prospects.</p> <p>(g) Foreign exchange: The Company will be operating in a variety of jurisdictions and as such, expects to generate revenue and incur costs and expenses in more than one currency. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's operations, results and cash flows. Any depreciation of currencies in foreign jurisdictions in which the Company operates (including Hong Kong) may result in lower than anticipated revenue, profit and earnings of the Company.</p> <p>(h) Government regulation risk: The Company is subject to government regulation which may require it to obtain additional licenses and could limit the ability to provide services to its customers. Failure to obtain the required licenses (where such licenses are required), meet registration standards or comply with other government regulations, may affect the Company's ability to generate revenues from the services provided, which could have a material adverse effect on the Company's business, financial condition, and results of operations. Compliance with government regulations may also subject the Company to additional fees and costs.</p> <p>(i) Underwriting risk: The Company has entered into the Underwriting Agreement under which the Underwriter has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement may have a material adverse impact on the proceeds raised under the Entitlement Offer. Termination of the Underwriting Agreement could materially adversely affect the Company's business, cash flow, financial condition, and results. See Section 5.2 for further details of the Underwriting Agreement.</p>	
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	-

1. Details of the Entitlement Offer

1.1 The Entitlement Offer

- (a) The Entitlement Offer is open to Eligible Shareholders only.
- (b) Under the Entitlement Offer, Eligible Shareholders will have the opportunity to subscribe for New Shares in the Company on the basis of one (1) New Share for every one (1) existing Share held on the Record Date at an issue price of \$0.01 per New Share, together with two (2) free fully paid bonus Shares for every one (1) New Share subscribed for and issued .
- (c) Fractional Entitlements will be rounded up to the nearest whole number.
- (d) Based on the capital structure of the Company as at the date of this Prospectus, approximately 659,721,417 New Shares may be issued under the Offer to raise up to \$2,199,071.
- (e) All of the New Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the New Shares.
- (f) Eligible Shareholders are Shareholders on the Record Date who:
 - (i) are registered as the holder of Shares in the Company as at 7:00pm (AEST);
 - (ii) have a registered address in Australia, New Zealand, Hong Kong or United Arab Emirates as noted on the Company's share register, or are a Shareholder that the Company has otherwise determined is eligible to participate in the Entitlement Offer; and
 - (iii) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
- (g) All Shareholders who do not satisfy the criteria to be Eligible Shareholders, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless the Company otherwise determines.
- (h) The restrictions upon eligibility to participate in the Entitlement Offer arise because the Company has determined, pursuant to section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the number of non-resident Shareholders in Australia, New Zealand, Hong Kong and United Arab Emirates on the Company's share register, the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.
- (i) The number of New Shares to which an Ineligible Shareholder would be entitled under the Entitlement Offer will not be issued to such Shareholder and, instead, will form the Underwritten Shares.
- (j) The Company, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. The Company, in its absolute discretion, reserves the

right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination.

1.2 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer (**Shortfall Shares**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Shortfall Share to be issued under the Shortfall Offer shall be \$0.01 being the price at which New Shares are being offered under the Entitlement Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for New Shares above their Entitlement are invited to apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Application Form or by making payment for such Shortfall Shares in accordance with Section 2.7.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 5.2. If the Entitlement Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Shares by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Shortfall Shares applied for under the Shortfall Offer.

The Underwriter notes that no Shortfall Shares will be issued via the Shortfall Offer to any related parties of the Company.

1.3 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to:

- (a) provide Eligible Shareholders with the opportunity to take up New Shares proportional to their shareholding and to mitigate the effect of dilution; and
- (b) provide the Company with additional funds to be attributed in accordance with the use of funds set out in Section 3.5 below.

1.4 Opening and Closing Dates

As set out in the Timetable, the Entitlement Offer will open on 20 May 2024 (**Opening Date**) and is anticipated to close at 5:00pm (AEST) on 3 June 2024 (**Closing Date**).

The Company will accept Application Forms from the Opening Date until 5.00pm (AEST) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules and the Corporations Act.

1.5 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

1.6 Underwriting

The Company has entered into an Underwriting Agreement with Vikram Jitendra Rana (**Underwriter**), pursuant to which the Underwriter has agreed to fully underwrite the Entitlement Offer up to a value of \$2,199,071 (**Underwritten Amount**), being 659,721,417 New Shares (**Underwritten Shares**).

Refer to Section 5.2 for details of the Underwriting Agreement.

1.7 Effect on control

The Underwriter is presently not a substantial Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Entitlement Offer or are ineligible to participate in the Entitlement Offer.

As at the date of this Prospectus, the Underwriter has a voting power of 0.91% (2,000,000 Shares of the 219,907,139 existing Shares on issue).

Assuming no other Shareholder takes up their Entitlement and the Underwriter underwrites all of the Underwritten Shares (being 659,721,417 New Shares), the Underwriter's potential shareholding upon completion of the Entitlement Offer will be 75.23%.

In the event that the voting power of the Underwriter increases above 20%, no breach of section 606 of the Corporations Act will occur as such subscription and issue of New Shares will fall within the exception to section 606 of the Corporations Act under Item 13 of section 611 of the Corporations Act.

The Underwriter's present relevant interest and voting power under several scenarios are set out in the table below and are based on the Underwriter's maximum underwriting allocation under each scenario:

Event	Shares to be issued pursuant to the Underwritten Amount	Voting power of Underwriter
100% subscribed	8,000,000	0.91%
75% subscribed	172,930,354	19.66%
50% subscribed	337,860,709	38.41%
25% subscribed	502,791,063	57.16%
0% subscribed	667,721,417	75.91%

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the Underwriter fully underwriting the Entitlement Offer.

1.8 Underwriter's intentions

Given the substantial interest the Underwriter may hold in the Company following completion of the Entitlement Offer, and position to potentially influence the decisions of the Company, the Company has requested that the Underwriter provide details of its current intentions for the Company.

The Underwriter has informed the Company that he:

- (a) has no present intention of making any significant changes to the business of the Company;
- (b) has no present intention of making changes regarding the future employment of the present employees of the Company;
- (c) does not intend to redeploy any fixed assets of the Company;
- (d) does not intend to transfer any property between the Company and himself (or any of his associates); and
- (e) has no intention to change the Company's existing policies in relation to financial matters or dividends.

However, the Underwriter intends to conduct a review of the operations, assets, structure and employees of the Company in light of that information to identify:

- (a) business opportunities and areas of revenue generation which may provide overall strategic operational benefit;
- (b) areas of cost saving which may provide overall strategic and operational benefit; and
- (c) any business or businesses which do not fit into the strategic plan for the Company and then evaluate the best and most appropriate way of organising such business or businesses.

Final decisions will only be reached after that review and in light of all material facts and circumstances. The status of the Company's existing employee and contracted service providers will be considered as part of the review outlined above.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Underwriter (and any of his associates) at the date of this Prospectus.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time. The Underwriter has informed the Company that on the facts and circumstances presently known to it, it is supportive of the Company's proposed use of funds raised under the Entitlement Offer. The implementation of these current intentions as set out above will be subject to the law (including the Corporations Act) and the Company's Constitution.

1.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.7, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the Prospectus Date). For illustrative purposes, the table below shows how dilution may impact Shareholders:

Holder	Holding as at Record Date	% at Record Date	Entitlement to New Shares	Holding if Entitlement taken up	% holding if Entitlement not taken up
Shareholder 1	10,000,000	4.55%	30,000,000	10,000,000	1.14%
Shareholder 2	5,000,000	2.27%	15,000,000	5,000,000	0.57%
Shareholder 3	1,500,000	0.68%	4,500,000	1,500,000	0.17%
Shareholder 4	400,000	0.18%	1,200,000	400,000	0.05%
Shareholder 5	50,000	0.02%	150,000	50,000	0.01%

The dilution effect shown in the table above is the maximum percentage on the assumption that those Entitlements not accepted are taken up by the Underwriter. In the event all Entitlements are not accepted, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

This is based on a share capital of 219,907,139 Shares as at the date of the Prospectus and assumes that no other Shares are issued prior to the Record Date.

1.10 No rights trading

The rights to New Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on NSX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, the offer to you will lapse and your Entitlement will form part of the Shortfall.

1.11 Application Monies held on trust

All Application Monies received under the Entitlement Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) if the Entitlement Offer does not proceed or the New Shares are not issued.

1.12 NSX quotation

Application for quotation of the New Shares will be made to NSX in accordance with the Timetable.

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

1.13 Issue of New Shares

New Shares issued pursuant to the Entitlement Offer will be issued in accordance with the NSX Listing Rules and timetable.

Holding statements for New Shares issued under the Entitlement Offer will be mailed as soon as practicable after the issue of New Shares.

1.14 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS, via the NSX. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Automatic Registry Services and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.15 Residents outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including those set forth below. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus, and any accompanying Application Form, does not, and is not intended to, constitute an offer of New Shares in any jurisdiction in which it would, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares under the Entitlement Offer. In particular, this Prospectus, and any accompanying Application Form, may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia, except to the extent permitted in Section 1.16.

1.16 Notice to eligible investors in New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

1.17 Notice to eligible investors in Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

1.18 Notice to eligible investors in United Arab Emirates (UAE)

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority or any other authority in the UAE.

This document may be distributed in the UAE only to existing shareholders of the Company and may not be provided to any person other than the original recipient. Information about the Entitlement Offer may be found in this document and on the Company's website. If a recipient of this document ceases to be a shareholder of the Company at the time of subscription, then such person should discard this document and may not participate in the Entitlement Offer.

No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market).

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

1.19 Notice to nominees and custodians

Nominees with registered addresses in the eligible jurisdictions may also be able to participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares.

Nominees and custodians should note in particular that the Entitlement Offer are not available to:

- (a) beneficiaries on whose behalf they hold Shares who would not satisfy the criteria to be eligible to participate in the Entitlement Offer (as applicable); or

- (b) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

In particular, persons acting as nominees or custodians for other persons may not take up any New Shares on behalf of, or send any documents relating to the Entitlement Offer to, any person in any jurisdiction outside Australia.

The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares.

The Company is not able to advise on foreign laws. For the avoidance of doubt, the Company reserves the right (in its absolute sole discretion) to reduce the number of Shares allocated to investors claiming to be Eligible Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia, New Zealand, Hong Kong and the United Arab Emirates (excluding Dubai International Financial Centre and the Abu Dhabi Global Market) except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

1.20 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for New Shares under this Prospectus.

1.21 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the financial year ended 31 March 2023, can be found in the Company's Annual Report announced on NSX on 22 June 2023 and, for the half-year ended 30 September 2023, the Half Year Accounts announced on NSX on 12 December 2023.

The Company's continuous disclosure notices (i.e. NSX announcements) since 22 June 2023 are listed in Section 5.5.

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Entitlement Offer.

1.22 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's shareholding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to NSX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

2. Action required by eligible investors

2.1 Actions in relation to the Entitlement Offer

The Entitlement Offer is open to Eligible Shareholders only.

Eligible Shareholders may either:

- (a) take up all of their Entitlement (refer to Section 2.2);
- (b) take up part of their Entitlement (refer to Section 2.3);
- (c) take up all of their Entitlement and also apply for Shortfall Shares (refer to Section 2.4); or
- (d) allow their Entitlement to lapse, if they do not wish to participate in the Entitlement Offer (refer to Section 2.5).

2.2 Eligible Shareholders wishing to accept Entitlement in full

If you wish to take up all of your Entitlement, you are required to make payment via BPAY® or EFT if you are an Australian resident, or EFT if you are an Eligible Shareholder resident in a jurisdiction other than Australia. Payment is due by no later than 5:00pm (AEST) on the Closing Date. Note that when paying by BPAY® or EFT you are not required to submit the Application Form but are taken to make the statements on that form and in this Prospectus.

2.3 Eligible Shareholders wishing to take up only part of their Entitlement

If you only wish to take up part of your Entitlement you are required to make payment via BPAY® or EFT if you are an Australian resident, or EFT if you are an Eligible Shareholder resident in a jurisdiction other than Australia. If you wish to take up only part of your Entitlement, payment must be made by following the instructions on the Application Form for the number of New Shares you wish to take up. If the Company receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares your Application Monies will pay for in full.

Payment is due by no later than 5:00pm (AEST) on the Closing Date. Note that when paying by BPAY® or EFT you are not required to submit the Application Form but are taken to make the statements on that form and in this Prospectus.

2.4 Eligible Shareholders wishing to take up their Entitlement in full and also apply for Shortfall Shares

If you wish to accept all of your Entitlement and apply for Shortfall Shares, then your application for your Entitlement and additional Shortfall Shares under this Prospectus must be made by following the instructions on your personalised Application Form which accompanies this Prospectus. Please read the instructions carefully.

If you apply for Shortfall Shares beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Shares is at the discretion of the Board in conjunction with the Underwriter as per the allocation policy. Accordingly, your application for additional Shortfall Shares may be scaled-back.

The Company's decision on the number of Shortfall Shares to be allocated to you will be final.

2.5 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

2.6 Consequences of not accepting all or part of your Entitlement

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled under the Entitlement Offer may be acquired by the Underwriter through the Shortfall.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any payment or value for all or that part of your Entitlement. Your interest in the Company will also be diluted.

2.7 How to pay (via BPAY® or EFT)

If you wish to participate in the Entitlement Offer and are resident in Australia, you must make your payment by BPAY® or EFT.

If you are an Eligible Shareholder and are resident in a jurisdiction other than Australia, your Application may be made through Electronic Funds Transfer (**EFT**) using the payment details in the Application Form.

Cash, cheques, bank drafts and money order payments will not be accepted. Receipts for payments will not be issued.

The Company will treat Applicants as applying for as many New Shares as their Application Monies will pay for in full. If an Eligible Shareholder's payment will pay for more than their full Entitlement, the Company will treat the Eligible Shareholder as applying for their full Entitlement and Shortfall Shares under the Shortfall Offer, to the extent of excess.

No interest will be paid on any Application Monies received or refunded. Application Monies received from Eligible Shareholders will be held on trust, in a separate bank account as required by the Corporations Act, until such time as the New Shares are issued or the Application Monies are refunded. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

To the fullest extent permitted by law, each Eligible Shareholder agrees that any Application Monies paid by them to the Company will not entitle them to any interest against the Company and that any interest earned in respect of Application Monies will belong to the Company. This will be the case, whether or not all or none (if the Entitlement Offer is withdrawn) of the New Shares applied for by a person are issued to that person.

For payment by BPAY® or EFT, please follow the instructions set out in this Section 2 and on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please make sure to use the specific Biller Code and unique Reference Number which can be obtained by providing your details when prompted.

If Eligible Shareholders have more than one holding, they must login separately for each holding and use the Reference Number specific to the relevant holding. Alternatively, if Eligible Shareholders have requested an Application Form and have more than one holding, they will

receive separate forms for each holding. **Do not use the same Reference Number for more than one of your Shareholdings.** If Eligible Shareholders do not use the correct Reference Number specific to that holding, or inadvertently use the same Reference Number for more than one of their holdings, their Application will be recorded against the holding associated with Reference Number they use.

You should be aware that your financial institution branch may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. It is your responsibility to ensure that your BPAY® or EFT payment is received by no later than the relevant date by which funds are required to have been received. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.

Your BPAY® or EFT application cannot be withdrawn once received, except for in the limited circumstances provided for under the Corporations Act. No cooling off period applies.

2.8 Warranties made on Acceptance

Making a payment via BPAY® or EFT creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company.

By making a payment via BPAY® or EFT, you will also be deemed to have:

- (a) represented and warranted that you have received a copy of the Prospectus with the Application Form;
- (b) represented and warranted that you are (or the person on whose account you are acting is) a Eligible Shareholder;
- (c) represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus;
- (d) agreed to be bound by the terms of the Entitlement Offer;
- (e) declared that all details and statements outlined in your Application Form are complete and accurate;
- (f) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under, the Application Form and as described in this Prospectus;
- (g) acknowledged that once the Company receives any payment of Application Monies via BPAY® or by EFT, you may not withdraw your Application or funds provided except as allowed by law;
- (h) agreed to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Monies via BPAY® or by EFT, at the Offer Price;
- (i) authorised the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including correcting as or to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (j) acknowledged that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;

- (k) acknowledged the statement of risks included in Section 4 of this Prospectus, and that an investment in the New Shares are subject to risk;
- (l) authorised the Company to correct any errors in your Application Form;
- (m) if applicable, acknowledged and agreed that determination of eligibility of investors for the purposes of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company, and the Company and its related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law; and
- (n) acknowledged that the New Shares offered under this Prospectus have not, and will not be, registered under the securities laws in any jurisdictions outside Australia.

2.9 Withdrawal of the Entitlement Offer

Subject to applicable law, the Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

2.10 Enquiries

Enquiries relating to this Prospectus should be directed to the Company by telephone on 0414 906 611 or email at info@smartautoltd.com.

3. Effect of the Entitlement Offer

3.1 Capital structure on completion of the Entitlement Offer

Assuming that no further Shares are issued prior to the Record Date, the effect of the Entitlement Offer on the Company's capital structure as at the Prospectus Date is as shown in the following table:

	Shares
Existing Shares on issue	219,907,139
New Shares to be issued under the Entitlement Offer	659,721,417
TOTAL^{1,2}	879,628,556

Notes:

1. These numbers may vary due to rounding of Entitlements and may increase as a result of the rounding up of Entitlements.
2. Assumes that the Entitlement Offer is fully subscribed, and no further Shares are issued prior to the Record Date.

3.2 Substantial Shareholders

Based on available information as at the Prospectus Date and to the extent known by the Company, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Shares	Voting power ¹	Entitlement	
			New Share	Bonus Share
Mark Ng	41,666,667	18.9%	41,666,667	83,333,334
Shu Yan Tse	32,020,000	14.6%	32,020,000	64,040,000
Ringo Wing Kun Hui	32,000,000	14.6%	32,000,000	64,000,000
Chun Yue David Yeung	32,000,000	14.6%	32,000,000	64,000,000
Alyce Wong	18,000,000	8.2%	18,000,000	36,000,000
Junjie Yang	11,035,772	5.0%	11,035,772	22,071,544

Note:

1. Assumes 219,907,139 Shares on issue at the Prospectus Date and that no other Shares are issued prior to the Record Date.

3.3 Effect of the Offer

The principal effect of the Entitlement Offer, assuming all Entitlements are accepted and no Shares are issued prior to the Record Date, will be to:

- (a) increase the cash reserves by \$2,146,071 (after deducting the estimated expenses of the Entitlement Offer) immediately after completion of the Entitlement Offer; and
- (b) increase the number of Shares on issue from 219,907,139 as at the date of this Prospectus to 879,628,556 (assuming the Entitlement Offer is fully subscribed).

3.4 Pro forma consolidated statement of financial position

To illustrate the effect of the Entitlement Offer on the financial position of the Company, set out below is the reviewed statement of financial position of the Company and the unaudited pro forma statement of financial position, both as at 31 March 2023 (**Balance Date**). Each has been prepared on the basis of the accounting policies normally adopted by the Company.

The unaudited pro forma statement of financial position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The unaudited pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between the Balance Date and the completion of the Entitlement Offer, movements in working capital resulting from transactions and expenditures incurred in the normal course of business including corporate costs.

Other than as specified above and in the ordinary course of business, there have been no other material transactions between 31 March 2023 and the Prospectus Date.

	Reviewed accounts as at 30 September 2023 (\$'000)	Effect of Entitlement Offer (\$'000)	Unaudited Pro Forma Balance Sheet Post Entitlement Offer (\$'000)
Current Assets			
Cash & cash equivalents	18	2,199	2,217
Other assets	6,112		6,112
Non-Current Assets			
Plant & equipment	2,071		2,071
Right of use asset	239		239
Other assets	4,268		4,268
TOTAL ASSETS	12,708		14,907
Current Liabilities			
Trade & other payables	4,853		4,853
Other liabilities	2,306		2,306
Lease liabilities	660		660
Non-Current Liabilities			

	Reviewed accounts as at 30 September 2023 (\$'000)	Effect of Entitlement Offer (\$'000)	Unaudited Pro Forma Balance Sheet Post Entitlement Offer (\$'000)
Other liabilities	1,741		1,741
Lease liabilities	673		673
TOTAL LIABILITIES	10,233		10,233
NET ASSETS	2,475		4,674
EQUITY			
Issued capital	6,860	2,199	9,059
Reserves	(1,820)		(1,820)
Accumulated Losses	(2,565)		(2,565)
TOTAL EQUITY	2,475		4,674

3.5 Use of Funds

The Company intends to apply the funds raised from the Entitlement Offer in accordance with the table below:

Use of funds	Allocation of funds	Percentage use of funds
Development of new business ¹	\$260,000	11.8%
Working capital ²	\$1,886,071	85.8%
Costs of the Entitlement Offer	\$53,000	2.4%
TOTAL	\$2,199,071	100.00%

Notes:

1. Business development in other industry.
2. Working capital includes the general costs associated with the i) corporate matters including listing costs, directors' remuneration, audit and other professional costs and ii) management and operation of the business including administration expenses, rent and other associated costs. Working capital also includes surplus funds. The Directors will allocate surplus funds at their discretion.

The above table assumes that the Entitlement Offer is fully subscribed. In the event that the Entitlement Offer is not fully subscribed, the amount allocated towards working capital will be reduced accordingly.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors disclosed in the Company's investor presentation included in section 4), and actual expenditure levels, may differ significantly from the above estimates.

The use of further equity or debt funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy. The Company will require further financing in the future.

4. Risk factors

Activities in the Company and its controlled entity, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entity have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Risks specific to the Company

(a) **Control risk**

Assuming no other Shareholders accept their Entitlements, the Underwriter's voting power in the Company could be as high as 75.23%.

The Underwriter's potentially significant interest in the capital of the Company means that it may be able to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.

Although the Company considers it unlikely to occur, upon completion of the Entitlement Offer, the Underwriter may hold a relevant interest in 75.23% of the Company (refer above to Section 1.7 for the potential voting power of the Underwriter in various scenarios) which means that it would have the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.

(b) **Potential for dilution**

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 75% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

It is not possible to predict what the value of the Company, a Share will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on NSX prior to the Prospectus being lodged of \$0.012 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.

(c) **Hong Kong**

The Company's financial condition and its operating results are substantially dependent on Hong Kong's economy and demand for the Company's services in Hong Kong. Additionally, the Company's subsidiary Grand Tour Bus Services Limited (**GTB**), is specifically subject to the laws of Hong Kong. Since GTB's incorporation in June 2010, revenues of the Company have been derived from operations in Hong Kong and the Board believe that the revenue generated from Hong Kong will continue to represent all (or a substantial portion) of the revenue of the Company in the near future.

Any economic downturn or recession in Hong Kong could lead to recession of the automotive industry and a decline in demand for the Company's services, leading to an adverse impact on the operating result of the business.

The Company's operations are subject to the risks associated with operating in a foreign country. These risks include economic, social or political instability, hyperinflation, currency non-convertibility, changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange controls, export duties, repatriation of income, and labour relations.

Although the political conditions under which GTB currently operates in Hong Kong are stable compared to many areas of the world, changes in local laws and regulations may have a significant effect on the group's operations, especially to automotive related laws and regulations or to political legal and fiscal systems which might affect the ownership and operation of GTB's interests in Hong Kong.

(d) **Additional capital requirements**

The Company will require further financing in the future, in addition to amounts raised pursuant to the Entitlement Offer. It is also possible further capital may be required at an earlier stage if any risks, including those described in this Section 4 materialise. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy.

Debt financing, if available, may involve restrictions on financing and operating activities or the registering of security interests over the Company's assets. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. The Company may undertake additional offerings of Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of the offering of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(e) **Commercial Risks**

The Company may explore various corporate opportunities, such as acquisitions, licensing, or partnerships. There is no guarantee that any such opportunities can be finalised on commercially acceptable terms. Even if terms for licensing and partnerships are agreed upon, unforeseen factors related to the environment, technology, or market conditions may impede the performance of partners, distributors and collaborators in delivering contracted outcomes. Moreover, the future success of the Company hinges on market acceptance and client retention. This involves convincing prospective clients and partners of the efficacy of the Company's products and services.

(f) **Competition**

Rival product offerings by existing and new competitors as well as technology developments by competitors may have an adverse impact on the Company's business operations, financial performance and prospects as well as on the value and market price of the Company's Shares. This risk may influence the Company's customer acquisition cost and customer lifetime value.

Furthermore, the industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake 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 operational and financial performance of the Company.

Many of the Company's competitors and potential competitors are larger and have greater brand name recognition, longer operating histories, larger marketing budgets and established customer relationships, access to larger customer bases and significantly greater resources for the development of their solutions. In addition, the Company may face potential competition from participants in adjacent markets that may enter its markets by leveraging related technologies and partnering with or acquiring other companies or providing alternative approaches to provide similar results.

(a) **Reliance on key personnel**

The Company depends on the expertise, experience and efforts of its executive officers and other key employees. A failure to attract and retain executive, business development, technical and other key personnel could reduce the Company's revenues and operational effectiveness.

There is continuing demand for relevant qualified personnel, and the Company believes that its future growth and success will depend up on its ability to attract, train and retain such personnel.

Competition for personnel in the Company's industry is intense, and there is a limited number of persons with knowledge of, and experience in, this industry. There can be no assurance that the Company will maintain sufficiently qualified personnel on a timely basis or that it will be able to retain its key management personnel.

An inability to attract or maintain a sufficient number of requisite personnel, particularly those with the requisite technical expertise, could have a material adverse effect on the Company's performance on or the Company's ability to capitalise on market opportunities or meet its stated objectives.

(b) **Intellectual Property**

A substantial part of the Company's commercial success will depend on its ability to maintain or as the case may be establish, and protect; its intellectual property, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

The Company may be forced to litigate to enforce or defend its intellectual property rights against infringement and unauthorised use by competitors, and to protect our trade secrets. In doing so, the Company's intellectual property may be put at risk of being invalidated, unenforceable, or limited or narrowed in scope. Further, an adverse result in any litigation or defence proceedings may place pending applications at risk of non-issuance. In addition, if any licensor fails to enforce or defend their intellectual property rights, this may adversely affect the Company's ability to develop and commercialise the Company's current and future products and prevent competitors from making, using, and

selling competing products. Any such litigation could be very costly and could distract management from focusing on operating the Company's business.

(c) **Service safety and efficacy**

The reputation and commercial success of the Company hinges on the safety, and efficacy of its service. Serious or unforeseen health, safety, or efficacy concerns could result in reduced market acceptance, reputational damage, and potential liability claims. Any concerns regarding the health, safety, or efficacy of the Company's service are likely to diminish customer demand and adversely affect the Company's profitability.

(d) **Third party risk**

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

(e) **Unforeseen expenses**

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

(f) **Future acquisitions, strategic investments, partnerships and alliances**

The Company may in the future seek to acquire or invest in, businesses, products or technologies that the Company believes could complement or expand its current client offerings, enhance its technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause the Company to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. The risks the Company faces in connection with such acquisition include:

- (i) encountering difficulties or unforeseen expenditures, in integrating the business, technologies, products, personnel or operations of a company that the Company acquires;
- (ii) an acquisition that disrupts the Company's ongoing business, diverts resources, increases expenses and distracts management;
- (iii) vendor disputes concerning the terms of any acquisition;
- (iv) the Company's use of cash to pay for acquisitions, which would limit other potential uses for its cash;
- (v) if the Company incurs debt to fund an acquisition, such debt may subject it to material restrictions on its ability to conduct its business; and
- (vi) if the Company issues a significant amount of equity securities in connection with acquisitions, existing shareholders may be diluted and earnings per share may decrease.

The occurrence of any of these risks could have an adverse effect on the Company's business, result of operations, financial condition or prospects.

(g) **Brand maintenance**

The Company believes that maintaining its brand in the consumer discretionary industry is important to maintain and growing its proposed use base.

This will depend largely on the Company's ability to provide useful and innovative products. The actions of external industry participants may affect the brand if users do not have a positive experience with the Company's offerings, operating, and management systems.

If the Company fails to maintain its brand, its business and operating results could be adversely affected.

(h) **Foreign exchange**

The Company will be operating in a variety of jurisdictions and as such, expects to generate revenue and incur costs and expenses in more than one currency. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's operations, results and cash flows. Any depreciation of currencies in foreign jurisdictions in which the Company operates (including Hong Kong) may result in lower than anticipated revenue, profit and earnings of the Company.

4.2 Industry risks

(a) **Business Approvals, Permits and Licences**

The Company requires certain licences and approvals to conduct its business within the bus rental, management and trading industry (including Vehicle Licenses and PSL). These licences are granted at the discretion of the relevant governmental and regulatory authorities, and the criteria for eligibility may change (although the Company considers this unlikely). The business activities of the Company are subject to the supervision of these authorities which have the power to revoke previously granted licences or approvals or reject applications for new or extended licences or approvals.

If any activity of the Company fails to meet the requirements of applicable rules or regulations, the Company may incur legal liabilities. In particular, if any entity in the Company fails to obtain the grant or renewal of any required licences or approval, the business activities of the affected entity and the Company as a whole may be interrupted, or, if the affected entity continues to operate without the necessary licences and approvals, it may be liable to penalties. Any interruption to the Company's business activities or potential penalties may have a material and adverse effect on the Company and its subsidiaries' business, net assets, financial condition and operational results.

As at the date of this Prospectus, the Company holds all necessary registration and licences under the laws of Hong Kong to operate its business, however there can be no assurance that the Company retains all such licences and registrations.

(b) **Insurance**

Where reasonably able to do so, the Company intends to insure its officers, management and operations in accordance with industry practice and all legal requirements (including the obtaining of appropriate vehicle insurance). Management agreements with vehicle owners require that the Company take out appropriate insurance, and vice-versa.

Additionally, section 4(1) of the Motor Vehicles Insurance (Third Party Risks) Ordinance (Chapter 272 of the Laws of Hong Kong), makes it unlawful for any person to use, or to cause or permit any other person to use, a motor vehicle on a road unless there is an in force in relation to the user of the vehicle such a policy of insurance in respect of third-party risks.

In certain circumstances, the Company'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.

(c) **Government regulation risk**

The Company is subject to government regulation which may require it to obtain additional licenses and could limit the ability to provide services to its customers. Failure to obtain the required licenses (where such licenses are required), meet registration standards or comply with other government regulations, may affect the Company's ability to generate revenues from the services provided, which could have a material adverse effect on the Company's business, financial condition and results of operations. Compliance with government regulations may also subject the Company to additional fees and costs.

(d) **Customer experience risk**

The Company's business model is primarily based on recurring service revenue arising from customers. Notwithstanding efforts placed on the customer experience, a poor experience may occur and may affect the repeat and growth of customer numbers.

(e) **Unforeseen expenditure risk**

Expenditure may need to be incurred, 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.

(f) **Management of growth and strategies**

There is a risk that management of the Company will not be able to implement the Company's strategies, particularly relating to growth, after completion of the Entitlement Offer. The capacity of the Company's management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

4.3 Risks relevant to the Entitlement Offer

(a) **Underwriting risk**

The Company has entered into the Underwriting Agreement under which the Underwriter has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement may have a material adverse impact on the proceeds raised under the Entitlement Offer. Termination of the Underwriting Agreement could materially adversely affect the Company's business, cash flow, financial condition and results. See Section 5.2 for further details of the Underwriting Agreement.

4.4 General risks

(a) **Economic risks**

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

(b) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics or epidemics or quarantine restrictions.

(c) **Market conditions**

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

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

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

(d) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Taxation**

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

(f) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

(g) **Contractual Disputes and General Litigation**

The Company is not currently involved in any litigation. However, the Company continues to be exposed to possible litigation risks including contractual disputes, intellectual property disputes, product liability claims, employee claims and potential disputes with major customers, contractors, former employees and business partners arising in the ordinary course of business or otherwise. In addition, the Company may be sued by third parties for alleged infringement or misappropriation of their proprietary rights or the Company may be involved in disputes with other parties in the future which may result in litigation. The outcome of litigation or a dispute cannot be predicted with certainty. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

4.5 Investment speculative

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

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

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

5. Additional information

5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) **General meeting and notices**

Each member 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 sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) **Voting rights**

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

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

(c) **Issues of further Shares**

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued Shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the Shares in any special class of those Shares.

(d) **Variation of rights**

At present, the Company has on issue one class of Shares only, namely ordinary Shares. Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

(e) **Transfer of Shares**

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

(f) **Dividends**

Subject to the Corporations Act, the Listing Rules and the rights attaching to Shares issued on special conditions (at present there are none), the Directors may from time to time declare that a dividend is payable to the holders of ordinary Shares in proportion to the number of Shares held by them respectively and are paid proportionately to the amounts paid or credited as paid on Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit.

(g) **Winding up**

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set the value the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between members or different classes of members.

(h) **Directors**

The Constitution states that the minimum number of Directors is 3.

(i) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have power to manage the business of the Company and may exercise all powers of the Company as are not required by the Corporations Act, Listing Rules or Constitution, required to be exercised by the Company at general meeting.

(j) **Unmarketable parcels**

The Constitution permits the Company to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules.

If a Shareholder does not want its Shares sold, that Shareholder may notify the Company accordingly.

(k) **Preference Shares**

The Company may issue preference Shares including preference Shares that are liable to be redeemed. The rights attaching to preference Shares include, without limitation, those in the Constitution.

5.2 Underwriting Agreement

The Company has entered into an underwriting agreement with the Underwriter (**Underwriting Agreement**). The material terms and conditions of the Underwriting Agreement are summarised below:

Conditions Precedent	<p>(a) The underwriting is conditions upon:</p> <ul style="list-style-type: none">(i) the Underwriter being satisfied (in its sole and absolute discretion, acting reasonably) with the form of the Prospectus by 7.00am (Sydney time) on the announcement date specified in the Timetable, or such other date as the Company and the Underwriter agree in writing; and(ii) the Company dispatching to Shareholders the Prospectus prior to 5.00pm (Sydney time) on the date for despatch of the Prospectus specified in the Timetable, or such other date as agreed in writing by the Underwriter, <p>(together, the Conditions Precedent).</p> <p>(b) If any of the Conditions Precedents are not satisfied by their due dates, the Underwriter may terminate the Underwriting Agreement by notice in writing to the Company.</p>
Fees	<p>The Underwriter will not receive any fees in consideration for underwriting the Entitlement Offer.</p>
Termination	<p>The Underwriter, in its sole discretion, may terminate its obligations under the Underwriting Agreement by notice in writing to the Company given on or at any time before the issue of all the Underwritten Shares if:</p> <ul style="list-style-type: none">(c) (Offer Withdrawn): the Entitlement Offer is withdrawn by the Company; or(d) (Corrective Disclosure):<ul style="list-style-type: none">(i) the Underwriter, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in clause (j)(iv) forms the view on reasonable grounds that a corrective document should be lodged to comply with the Corporations Act and the Company fails to lodge a corrective document in such form and content and within such time as the Underwriter may reasonably require; or(ii) the Company lodges a corrective document without the prior written agreement of the Underwriter (which agreement the Underwriter may not unreasonably withhold); or(e) (Misleading Documents): it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus or if any statement in

the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive (having regard to the provisions of section 708AA of the Corporations Act and any other applicable requirements);

- (f) **(Restriction on allotment)**: the Company is prevented from allotting the Underwritten Shares within the time required by the Underwriting Agreement, the Corporations Act, any statute, regulation or order of a court of competent jurisdiction by ASIC or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (g) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Entitlement Offer, provided that the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- (h) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and is not withdrawn or disposed of by the shortfall notice deadline date, either of which in the Underwriter's reasonable opinion has a material adverse effect;
- (i) **(Indictable offence)**: a director or senior manager of the Company is charged with an indictable offence; or
- (j) **(Termination Events)**: any of the following events occurs:
 - (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking and the default or breach is either incapable of remedy or is not remedied within 5 Business Days after the Underwriter notifies the Company of the default or breach occurs or by the shortfall notice deadline date, whichever is earlier;
 - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
 - (iii) **(Contravention of constitution or Act)**: a material contravention by the Company of any provision of its Constitution, the Corporations Act or any other applicable legislation or any policy or requirement of ASIC;
 - (iv) **(Adverse change)**: an event occurs (or is reasonably likely to occur) which gives rise to (or is reasonably likely to give rise to) a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, losses, prospects, business or operations of the Company;
 - (v) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlement Offer or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive;

- (vi) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (vii) **(Prescribed Occurrence)**: a prescribed occurrence occurs;
- (viii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (ix) **(Event of Insolvency)**: an event of insolvency occurs in respect of the Company;
- (x) **(Judgment against the Company)**: a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within seven days;
- (xi) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company;
- (xii) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the issue of the Underwritten Shares without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (xiii) **(Change in shareholdings)**: a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (xiv) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 3 Business Days, without the prior written consent of the Underwriter (such consent not to be unreasonably delayed or withheld);
- (xv) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of seven days occurs;
- (xvi) **(Certain resolutions passed)**: the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its Constitution without the prior written consent of the Underwriter;
- (xvii) **(Capital Structure)**: the Company alters its capital structure in any manner not contemplated by the Prospectus or permitted by the Underwriting Agreement;
- (xviii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;
or
- (xix) **(Hostilities)**: hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not)

	<p>involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom any member state of the European Union, Indonesia, Japan, Russia or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic or political establishment of any of those countries elsewhere in the world, or a national emergency is declared by any of those countries, other than hostilities or national emergencies involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon, Gaza or Israel; or</p> <p>(xx) (Adverse Change in Financial Markets) there occurs any material adverse change or material adverse disruption to the political or economic conditions of financial markets in Australia, the United Kingdom, the United States of America or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions.</p>
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The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

5.3 Company is a disclosing entity

The Company is a disclosing entity for the purposes of section 713 of the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify NSX of information about specific events and matters as they arise for the purpose of NSX making the information available to the securities market conducted by NSX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify NSX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below). Copies of all documents announced to the NSX can be found at <https://www.nsx.com.au/marketdata/company-directory/SAL/>.

5.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5.5 Copies of documents

Copies of documents lodged by the Company with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Entitlement Offer a copy of:

- (a) the Annual Report for the period ending 31 March 2023 lodged with NSX on 22 June 2023 (**Annual Financial Report**);

- (b) the Half Yearly Report for the period ending 30 September 2023 lodged with NSX on 12 December 2023; and
- (c) the continuous disclosure notices given by the Company to notify NSX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report lodged with NSX, until the Prospectus Date:

Date lodged	Subject of Announcement
22 June 2023	40510 NSX Annual Report – Annual Report for Year Ended 31 March 2023
6 July 2023	40810 NSX Director Appointment/Resignation – Director Resignation
6 July 2023	40140 NSX Section 205G Notice Initial/Final Director's Interests – Mr Chi Fat Man
18 July 2023	40910 NSX Notice of Annual General Meeting – 2023 Annual General Meeting
18 July 2023	40940 NSX Proxy Form – Correction to NSX Announcement
3 August 2023	40599 NSX Periodic Disclosure Other – Annual Nominated adviser Statement for 2023 – 2024
14 August 2023	40399 NSX Issued Capital Other – Release of Shares from Escrow
21 August 2023	40930 NSX Results of Meeting – Results of 2023 Annual General Meeting
26 September 2023	40110 NSX Becoming a Substantial Shareholder – Substantial Shareholder Notice (Chun Yue David Yeung)
26 September 2023	40110 NSX Becoming a Substantial Shareholder – Substantial Shareholder Notice (Ringo Wing Kun Hui)
26 September 2023	40110 NSX Becoming a Substantial Shareholder – Substantial Shareholder Notice (Shu Yan Tse)
26 September 2023	40120 NSX Change in Substantial Shareholder – Change of Substantial Shareholder Notice
26 September 2023	40150 NSX Section 205G Notice Change in Director's Interests – Change in Director's Interests – Nga Lai Wong
24 November 2023	40080 NSX Query – Price Query – 24 November 2023
24 November 2023	40081 NSX Response to Query – Response to Price Query – 24 November 2023
11 December 2023	40399 NSX Issued Capital Other – Release of Shares from Escrow

Date lodged	Subject of Announcement
12 December 2023	40550 NSX Half Yearly Report Audit Review – Half Yearly Report
27 February 2024	40750 NSX Details of Share Registry – Change of Share registry – Effective from Monday, 4 th of March, 2024
26 March 2024	40920 NSX Notice of Extraordinary Meeting – 2024 Extraordinary General Meeting
26 April 2024	40930 NSX Results of Meeting – Results of 2024 Extraordinary General Meeting
26 April 2024	40399 NSX Issued Capital Other – Additional Securities
26 April 2024	40399 NSX Issued Capital Other – Additional Securities (Amended)

The following documents are available for inspection throughout the period of the Entitlement Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.13 and the consents provided by the Directors to the issue of this Prospectus.

NSX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at NSX during normal office hours.

The announcements are also available through the Company's website: <https://microbio.com.au/>.

5.6 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

5.7 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

5.8 Market price of Shares

The highest and lowest closing market sale prices of the Shares on NSX during the 3 months immediately preceding the date of the Entitlement Offer, and the respective dates of those sales were:

Lowest: \$0.012 on 2 January 2024

Highest: \$0.012 on 30 April 2024

The latest available market sale price of the Shares on NSX prior to the date of lodgement of this Prospectus with ASIC was \$0.012 per Share on 30 April 2024.

5.9 Interests of Directors

(a) Information disclosed in this Prospectus

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

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

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

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

(b) Security holdings

The relevant interests of each of the Directors in securities of the Company as at the date of this Prospectus is set out below.

Director	Shares	Voting Power	Entitlement ⁽¹⁾	
			New Shares	Bonus Share
Michael Pixley	Nil	N/A	Nil	Nil
Alyce Wong	18,000,000	8.2%	18,000,000	36,000,000
Mark Ng	41,666,667	18.9%	41,666,667	83,333,334
Gregory Starr	Nil	N/A	Nil	Nil

Notes:

1. Assumes 219,907,139 Shares on issue as at the date of this Prospectus and that no other Shares are issued prior to the Record Date.

Each of the Directors have informed the Company that they do not intend to take up their full Entitlements under the Entitlement Offer.

(c) **Remuneration**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution, or consist of a commission on or percentage of profits or operating revenue. The aggregate amount of compensation for non-executive directors is currently set at \$300,000. This aggregate amount is to be allocated among the non-executive directors equally, having regard to the proportion of the relevant year for which each director held office, or as otherwise decided by the Board. The remuneration of executive directors is to be fixed by the Board.

The Constitution also provides that:

- (i) if a director, at the request of the Board and for the purposes of the Company, performs extra services or makes special exertions (including being a member on a committee of Directors or the chairperson of Directors or deputy chairperson of Directors), the Company may pay additional remuneration or provide benefits to that Director as the Directors resolve; and
- (ii) the Company must pay a director (in addition to any remuneration) all reasonable expenses (including travelling and accommodation expenses) incurred by the director in attending meetings of the Company, the Board, or a committee of the Board, on the business of the Company, or in carrying out duties as a director.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (**FY**), inclusive of directors fees, consultancy fees, share-based payments, termination payments and superannuation contributions.

Director	FY ended 31 March 2024 (\$)	FY ended 31 March 2025 (\$)
Michael Pixley	36,000	36,000
Alyce Wong	120,000	120,000
Mark Ng	60,000	60,000
Gregory Starr	25,000	25,000

Notes:

1. Further information relating to the remuneration of Directors can be found in the Company's annual financial report for the financial year ended 31 March 2023, which was released to the NSX on 22 June 2023.

5.10 Related party transactions

Except as disclosed in this Prospectus, there are no related party transactions involved in the Entitlement Offer.

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

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

5.11 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two (2) years prior to the date of this Prospectus in the formation or promotion of the Company, the New Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the New Shares offered under this Prospectus; and
- (b) has been paid or given or will be paid or given any amount or benefit for services provided in connection with the formation or promotion of the Company or the New Shares offered under this Prospectus.

Steinepreis Paganin will be paid approximately \$10,000 (plus GST) in fees for legal services in connection with the Entitlement Offer.

The Underwriter will not be paid any fees.

5.12 Estimated expenses

The estimated expenses of the Entitlement Offer (assuming the Entitlement Offer is fully subscribed) are as follows:

Estimated expense	\$
ASIC lodgement fees	3,206
NSX quotation fees	16,823.02
Legal and preparation expenses	18,750
Printing, mailing and other expenses	7,772.40
TOTAL	46,551.42

5.13 Consents

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

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Vikram Jitendra Rana has given his written consent to being named as the Underwriter to the Company in this Prospectus. Vikram Jitendra Rana has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Steinepreis Paganin has given its written consent to being named as the Legal Adviser to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgment of this Prospectus with the ASIC.

5.14 Electronic Prospectus

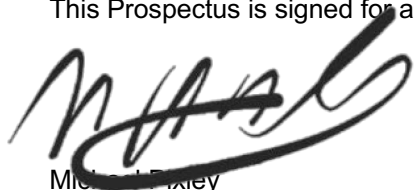
Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of New Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

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

6. Directors' statement and consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Michael Finley
Non-Executive Chairperson
Smart Auto Australia Limited

Dated: 30 April 2024

7. Glossary of terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$	means Australian dollars.
Acceptance	means a valid acceptance of New Shares made pursuant to this Prospectus.
AEST	means Australian Eastern Standard Time, being the time in Sydney, Australia.
Applicant	means a person who submits an Application Form.
Application	means a valid application for New Shares made on an Application Form.
Application Form	means the entitlement and acceptance form either attached to or accompanying this Prospectus.
Application Monies	means the amount of money submitted or made available by an Applicant in connection with an Application.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 and where the context permits the Australian Shares Exchange operated by ASX Limited.
Board	means the Directors meeting as a board.
Business Day	means Monday to Friday inclusive, other than a day that ASX declares is not a business day.
CHESS	means ASX Clearing House Electronic Subregistry System.
Closing Date	means the date specified as the closing date in the Timetable.
Company	means Smart Auto Australia Limited (ACN 644 257 465) and its Subsidiaries.
Constitution	means the constitution of the Company as at the date of this Prospectus.
Corporations Act	means <i>Corporations Act 2001</i> (Cth), as amended.
Directors	mean the directors of the Company as at the date of this Prospectus.
Eligible Shareholder	means a person who: <ul style="list-style-type: none">(a) is registered as the holder of Shares on the Record Date;(b) has a registered address in Australia, New Zealand, Hong or United Arab Emirates or are a Shareholder that the Company has otherwise determined is eligible to participate in the Entitlement Offer; and

	(c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
Entitlement	means the number of New Shares which an Eligible Shareholder is entitled to subscribe for under the Entitlement Offer, being one (1) New Share for every one (1) existing Share held on the Record Date together with two (2) free fully paid bonus Shares for every one (1) New Share subscribed for and issued.
Entitlement Offer	means the offer under this Prospectus of up to 659,721,417 New Shares to Eligible Shareholders in accordance with their Entitlements.
GTB	means the Company's subsidiary, Grand Tour Bus Services Limited (incorporated in Hong Kong).
Ineligible Shareholder	means a Shareholder who does not satisfy the criteria of an Eligible Shareholder.
Issuer Sponsored	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
Listing Rules	means the listing rules of NSX.
New Shares	means the new Shares to be issued pursuant to the Entitlement Offer.
NSX	means National Stock Exchange of Australia Limited (ACN 000 902 063) or, where the context requires, the securities exchange operated by it on which Shares are quoted.
Offer Price	means \$0.01 per New Share.
Prospectus	means this prospectus dated 30 April 2024.
Prospectus Date	means 30 April 2024.
Record Date	means the date specified as the record date in the Timetable.
Section	means a section of this Prospectus.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of Shares.
Shortfall	means those New Shares made available for subscription under the Entitlement Offer and for which Applications have not been received or accepted by the Closing Date.
Shortfall Offer	means the offer of the Shortfall Shares on the terms and conditions set out in Section 1.2.
Shortfall Shares	means those New Shares not applied for under the Entitlement Offer (if any) and offered pursuant to the Shortfall Offer.

Subsidiary	means each company which is as at the date of this Prospectus, a subsidiary of the Company within the meaning of the Corporations Act, and Subsidiaries shall be construed accordingly.
Timetable	means the indicative timetable on page vi of this Prospectus.
Underwriter	means Vikram Jitendra Rana of Office 204, Building 8, Bay Square, Business Bay, Dubai, United Arab Emirates.
Underwriting Agreement	has the meaning given in Section 5.2.



Smart Auto Australia Limited ACN 644 257 465

All Registry Communication to:

AUTOMIC
GPO Box 5193, Sydney NSW 2001
1300 288 664 (within Australia)
+61 2 9698 5414 (international)
corporate.actions@automicgroup.com.au
www.automicgroup.com.au

Holder Number:

Shares held as at the Record Date at 7.00pm (AEST) on 16 May 2024

APPLICATION FORM

OFFER CLOSES 5.00PM (AEST) 3 JUNE 2024 (WHICH MAY CHANGE WITHOUT NOTICE)

On 30 April 2024, Smart Auto Australia Limited (the **Company**) announced its intention to raise approximately \$2.19 million by way of a non-renounceable pro-rata entitlement offer of new fully paid ordinary shares (**New Shares**). Under the Entitlement Offer, eligible shareholders are entitled to subscribe for one (1) New Share for every one (1) existing Share held at 7:00pm (AEST) on 16 May 2024 (**Record Date**), at the Offer Price of \$0.01 per New Share, together with two (2) fully paid bonus Shares for every one (1) New Share subscribed for and issued (**Entitlement Offer**). This Entitlement Offer is fully underwritten by Vikram Jitendra Rana (**Underwriter**).

The Prospectus dated 30 April 2024 contains information about the Entitlement Offer and you should carefully read the Prospectus before applying for Shares. This Application Form should be read in conjunction with the Prospectus. If you do not understand the information provided in the Prospectus or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Application Form, capitalised terms have the same meaning as defined in the Prospectus.

1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

	Payment Amount A\$ (\$0.01 per Share)	Number of Shares Applied
Full Entitlement		
Partial Entitlement	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

2 APPLICATION FOR SHORTFALL SHARES


As an Eligible Shareholder, you are invited to apply for Shortfall Shares, providing you have taken up your full Entitlement.

	Payment Amount A\$ (\$0.01 per Shortfall Share)	Number of Shortfall Shares Applied
Shortfall Application	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

3 PAYMENT - YOU CAN PAY BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

Payments must be made by BPAY® or by EFT and may not be made by cheque or money order. You do not need to return this form.

Total Payment A\$, , ,

Option A – BPAY®	Option B – Electronic Funds Transfer (EFT)
 <p>Bill Code:</p> <p>Ref No:</p> <p>Contact your financial institution to make your payment from your cheque or savings account.</p> <p>Note: You do not need to return this form if you have made payment via BPAY® or EFT. Your BPAY® reference number or unique reference number will process your payment for your application for New Shares electronically.</p>	<p>The unique reference number which has been assigned to your Application is:</p> <p>Funds are to be deposited in AUD currency directly to following bank account:</p> <p>Account name: Automic Pty Ltd Account BSB: Account number: Swift Code: WPACAU2S</p> <p>IMPORTANT: You must quote your unique reference number as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and Shares subsequently not issued.</p>

4 ELECT TO BE AN E-SHAREHOLDER

If you have received this form by post, you have NOT provided your email address or elected to receive all communications electronically.

As part of the Company's commitment to improving shareholder value, we encourage you to elect to receive all shareholder communications electronically.

By choosing this option you will:

- Support the company that you hold an ownership in by helping us to reduce the thousands of dollars spent on printing and postage costs each year;
- Receive your investor communications faster and in a more secure way; and
- Help the environment through the need for less paper.

SIMPLY SCAN THE QR CODE TO VISIT
[HTTPS://INVESTOR.AUTOMIC.COM.AU](https://investor.automic.com.au)
AND UPDATE YOUR COMMUNICATION PREFERENCE .



INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the Entitlement Offer is optional and is offered exclusively to all Shareholders who are registered as holders of fully paid ordinary Shares in the capital of the Company on the Record Date with a registered address in Australia, New Zealand, Hong Kong or United Arab Emirates (Eligible Shareholders).

ACCEPTANCE OF OFFER

By making a BPAY® or EFT payment:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations contained therein and in this Application Form; and
- you provide authorisation to be registered as the holder of Shares acquired by you and agree to be bound by the Constitution of the Company.

1 Acceptance of Full or Partial Entitlement for Shares

If you wish to accept your full entitlement:

- make payment by BPAY® or EFT for your full entitlement by following the instructions on this Application Form.

If you only wish to accept part of your entitlement:

- calculate the payment amount for the portion of your entitlement that you wish to take up in accordance with the partial entitlement section of this Application Form; and
- make payment by BPAY® or EFT for that portion of your entitlement by following the instructions on this Application Form.

2 Applying for Shortfall Shares

If you accept your full entitlement and wish to apply for Shortfall Shares in excess of your entitlement:

- make payment by BPAY® or EFT of the total payment amount for your full entitlement AND your participation in the Shortfall Offer by following the instructions on this Application Form.

Your application for Shortfall Shares may not be successful (wholly or partially). The decision in relation to the number of Shortfall Shares in excess of your entitlement to be allocated to you will be final. No interest will be paid on any application monies received and returned.

3 Payment

By making a payment via BPAY® or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by the Share Registry by the closing date and time. Payment must be received by the Share Registry by 5:00pm (AEST) on 3 June 2024.

By making payment of application monies, you certify that you wish to apply for Shares under the Entitlement Offer as indicated on this Application Form and acknowledge that your acceptance is irrevocable and unconditional.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 3. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be unable to allocate or refund your payment. If you need assistance, please contact Automic.

Payment by BPAY®: You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Form. Multiple acceptances must be paid separately.

Payment by EFT: You can make a payment via Electronic Funds Transfer (EFT). Multiple acceptances must be paid separately. Please use your unique reference on this Form. This will ensure your payment is processed correctly to your application electronically.

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5:00pm (AEST) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Form if you have made payment via BPAY® or EFT. Your reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid.

4 Elect to be an e-shareholder - receive communications by email

As a valued shareholder, the Company encourages shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

If you require further information about the Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 8:30am and 7:00pm (Sydney time).