

ATECH HOLDINGS LIMITED

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Company Announcements Office
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ACQUISITION PROPOSAL – FATFISH INTERNET PTE LTD

Transaction Highlights

Atech Holdings Limited (**ATH** or **Company**) has entered into a conditional binding term sheet to acquire 100% of the fully paid ordinary shares in the capital of Singapore company, **Fatfish Internet Pte. Ltd. (Fatfish)** and its associate companies referred to as Fatfish Internet Group (**FIG**), from the co-founder, Mr Lau, Kin Wai and Navistar Capital Group Limited and their associates (the **Proposed Transaction**).

- The Proposed Transaction is subject to various conditions precedent, including ATH completing due diligence investigations in respect of Fatfish and Fatfish being satisfied with the outcome of those investigations.
- Fatfish Internet Group (FIG) is a Singapore-headquartered Internet investment ventures group that has been active since September 2010. Founded by a team of experienced entrepreneurs, industry executives and seasoned investors, FIG provides an unparalleled understanding of the Internet economy and industry psyche.
- If the Proposed Transaction proceeds, the Proposed Transaction will involve a change in the nature and scale of ATH's current activities and accordingly, ATH will be required to re-comply with chapters 1 and 2 of the ASX Listing Rules and to obtain approval from ATH shareholders.

Overview of Proposed Transaction

ATH has entered into a conditional binding term sheet to acquire 100% of the fully paid ordinary shares in the capital of shares in the capital of Singapore company, **Fatfish Internet Pte. Ltd. (Fatfish)** and its associate companies referred to as Fatfish Internet Group (**FIG**), (the **Fatfish Sale Shares**), from the co-founder, Mr Lau, Kin Wai and Navistar Capital Group Limited and their respective associates for a consideration of AUD\$18m.

As consideration for the sale of the Fatfish Sale Shares, ATH has agreed to issue Mr Lau, Kin Wai and Navistar Capital Group Limited and their nominee(s) 90 million fully paid

ordinary shares in the capital of ATH, at an issue price of A\$0.20 per share plus 90 million options exercisable at A\$0.25 which will expire on 31st December 2014.

ATH has been granted a right to exclusively deal with and conduct due diligence investigations in respect of Fattfish for a period of 30 days. This period may be extended for an additional 30 days at ATH's discretion.

If the Proposed Transaction proceeds, ATH, Fattfish and Mr Lau, Kin Wai and Navistar Capital Group Limited and their respective associates will enter into a formal share sale agreement and any other documents necessary to give effect to the Proposed Transaction, satisfactory to the parties in all respects.

Conditions of Proposed Transaction

Completion of the Proposed Transaction is conditional upon the satisfaction or waiver of the following conditions precedent:

- ATH completing due diligence investigations in respect of Fattfish and ATH being satisfied with the outcome of those investigations;
- ATH, and Mr Lau, Kin Wai and Navistar Capital Group Limited and their respective associates entering into a formal share sale agreement and any other documents necessary to give effect to the Proposed Transaction, satisfactory to the parties in all respects;
- ATH, and Mr Lau, Kin Wai and Navistar Capital Group Limited and their respective associates and Fattfish obtaining all shareholder approvals necessary in connection with the Proposed Transaction;
- ATH obtaining an opinion from an independent expert on the Proposed Transaction;
- ATH complying with the requirements of Chapter 1 and 2 of the ASX Listing Rules and obtaining written conditional approval from the ASX for the re-quotations of its fully paid ordinary shares; and
- ATH obtaining all regulatory approvals in respect of the Proposed Transaction on terms satisfactory to ATH.

Overview of Fattfish Internet Group

Fattfish Internet Group (FIG) is a Singapore-headquartered Internet investment ventures group that has been active since September 2010. Founded by a team of experienced entrepreneurs, industry executives and seasoned investors, FIG provides an unparalleled understanding of the Internet economy and industry psyche.

In terms of business sectors, FIG focuses on the following sector of the Internet industry:

- Smartphone technology and media
- Internet E-commerce

Geographically FIG currently has operations in three (3) major economies of Southeast Asia, namely:

- Singapore
- Malaysia
- Indonesia

Co-entrepreneurship

FIG takes an active role in complementing its investee-companies with in-house resources and network of expertise pooled across a wide area that includes technology, management, finance, design, development and marketing. FIG promotes and champions a new breed of co-entrepreneurship incubation model, and is committed to bring its full resource network to bear in the maximum capacity so that its companies and given all chances to succeed.

FIG execute its business via two models:

- (1) Direct Investment Model - FIG invests into businesses for substantial or majority stake.
- (2) Incubator Model – FIG's incubator unit Fattfish Medialab Pte Ltd co-manage an investment scheme of the **Singapore Government** to identify and invest in early stage startups via a minority stake.

The current member-companies in the FIG and their business activities are described as follows:

Fattfish Medialab Pte Ltd (FMPL)

Fattfish Medialab Pte Ltd ("FMPL") is a Singapore based digital incubator that focuses in investing and incubating startups in the **mobile and social media apps** space.

FMPL has been selected by the **Media Development (MDA) of Singapore** as an **i.jam Reload** incubator. As an appointed incubator, FMPL administrates the i.jam Reload Funding program under the co-investment scheme of MDA. This gives a tremendous advantage to FMPL in its investment strategy, instantly allowing to lower its risks in the early stage investment sector.

FMPL's strategy focuses on the discovery and identification of the following vital "streams":

- (1) Ideas – Identify startups with unique idea that has potential to go regional or Global;
- (2) Skills – Identify startups with good design and software development capability;
- (3) IPs– Identify viable intellectual properties developed by Singapore government-funded research institutions that are yet to be commercialized; and
- (4) Publishers – identify and establish strategic partnership with publishers that are leaders in their respective field. FMPL will negotiate publishing deals on behalf of its startups.

To date, FMPL has invested into five (5) exciting startups via the i.Jam Reload scheme:

- **PeepLePass** - www.peeplepass.com
- **VDancer Pte Ltd** - www.vdancer.net
- **Kensington Ventures Pte. Ltd** - www.blazable.com
- **Novatap Pte. Ltd.** - www.dockPhp.com
- **AutoDirect Corporation** – www.rajapremi.com

AutoDirect Corporation operates RajaPremi.com, the first vehicle insurance Internet portal of Indonesia via its partnership with an established insurance broker, RajaPremi.com currently offers pricing comparison of vehicle insurance from nine (9) major insurance providers in the Republic of Indonesia. RajaPremi.com also allows its users to purchase an insurance policy online via an electronic fulfilment process.

- **Dressabelle Pte Ltd** - www.dressabelle.com.sg

Dressabelle Pte Ltd is Singapore based online fashion retailer that operates the online fashion portal Dressabelle (www.dressabelle.com.sg). It has been operating in the Singapore market and has matured as one of Singapore's most active e-commerce players in the Singapore market.

Change to Nature and Scale – Chapter 11 of the ASX Listing Rules

As part of satisfying its requirements to re-comply with Chapters 1 and 2 of the ASX Listing Rules, the Proposed Transaction must be approved by ATH shareholders. ATH shareholders will receive a notice of meeting setting out the resolutions that will be sought to be approved at a general meeting of ATH shareholders in due course. Additionally, ATH will also issue a prospectus setting out all material information regarding ATH and the Proposed Transaction.

ATH propose to undertake a capital raising of AUD \$2m in connection with the Proposed Transaction, in order to any ASX requirement for the 'shareholder spread' and capital requirements under Chapter 1 of the ASX Listing Rules.

Upon Completion, it is proposed that ATH will have a name change to be approved by ATH shareholders and the appoint of two (2) new directors to the Board of ATH, being the co-founders of Fatfish, Messrs Lau, Kin Wai as Executive Chairman and Pang, Hao Chen as Director.

Lau, Kin Wai

A serial tech-entrepreneur, Kin Wai founded his first tech company when he was 23. Since then, Kin Wai has earned an intriguing track-record of creating multiple successes (and failures) across three disparate verticals, i.e. telecom software, online media and biotech.

At the start of his career, Kin Wai was the co-founder and Managing Director of Viztel Solutions (Viztel), a telecom and mobile internet software start-up that grew into a major regional player that saw an immensely successful IPO on the ACE Market of Bursa Malaysia in year 2004. Viztel's IPO was 178 oversubscribed – among the highest on the record to date in Malaysia. Kin Wai's "60 seconds" of fame was to be quoted by media then as one of the youngest ever Managing Directors of a publicly traded company in Malaysia when he took up the position at the age of 28. Kin Wai eventually exited from Viztel.

He later led a group of investors to a successful take-over of the Oriented Media Group Berhad (Omedia), a publicly traded digital media company. Kin Wai was later appointed the Executive Chairman of Omedia and was responsible for its expansion into Internet advertising and online game publishing.

Pang Hao Chen,

Pang was the co-founder and Chief Operating Officer of Viztel Solutions Berhad, a company listed on the ACE Market of the Bursa Malaysia where he was responsible for corporate finance and compliance activities of the public-listed group. He successfully raised more than RM 20 million of the private and public funding to fund the expansion and the R&D activities of Viztel Solutions Berhad.

He is currently the Executive Director and co-founder of CellSafe Biotech Group, a regional biotechnology business group that focuses on marketing and R&D activities in the non-controversial technologies for harvesting and cryogenic preservation of stem cells.

Pang holds a Bachelor of Mechatronics Engineering with Honours from the University of Leeds, England and a Master of Science degree in Operations Management from Manchester Business School, England.

Pro Forma Balance Sheet

Appendix "A" – outlines the pro forma balance sheet (which includes a proposed capital raising of A\$2m in connection with the Proposed Transaction, in order to any ASX requirement for the 'shareholder spread' requirement under Chapter 1 of the ASX Listing Rules.)

Pro Forma Capital Structure

Appendix "B" – outlines the pro forma capital structure (which includes a proposed capital raising of A\$2m in connection with the Proposed Transaction, in order to any ASX requirement for the 'shareholder spread' requirement under Chapter 1 of the ASX Listing Rules.)

Indicative Timetable

Event	Date
Due diligence	Complete by 22 July 2013
Execution of the Transaction Documents	22 July 2013
Announcement of execution of the Transaction Documents	22 July 2013
Notice of meeting dispatched to shareholders of ATH	5 August 2013
General meeting of ATH shareholders	5 September 2013
Lodgement of prospectus with ASIC	6 September 2013
Offer opens under prospectus	13 September 2013
Offer closes under prospectus	12 October 2013
Completion of Proposed Transaction	15 October 2013
Re-quotations of ATH securities on ASX	22 October 2013

The above timetable is indicative only and subject to change. ATH reserves the right to amend the timetable at any time.

Atech – Transaction PT Apuah Kutai Langgong (“the proposed Acquisition”)

As a consequence of legal advice and given the difficulty in completing its due diligence and as a result of the new legislation in Indonesia concerning the issuance of new Exploration IUPs, the Company and its Board have resolved not to proceed with the proposed acquisition of PT Apuah Kutai Langgong.

By the Order of the Board

George Karafotias, Director, 0421 086 550

James Podaridis, Joint Company Secretary, 0413 195 178

Attachments:

Appendix "A"

Pro Forma Balance Sheet

Appendix "B"

Pro Forma Capital Structure

Appendix A- ATECH HOLDINGS LIMITED Pro forma balance sheet

Post Transaction

	ATH	1+2 Capital Raising	3 Purchase of Assets	Proforma
	A\$	A\$	A\$	A\$
ASSETS				
Current Assets				
Cash	250,000	2,000,000		2,250,000
Trade & other receivable	20,000			20,000
Inventory				-
Financial Assets				0
Total Current Assets	270,000	2,000,000	0	2,270,000
Non-Current Assets				
Fixed Assets	0			
Intangible Assets				0
Investments				
Investment in Fatfish Internet Pte Ltd			18,000,000	18,000,000
Total Non Current Assets	0	0	18,000,000	18,000,000
Total Assets	270,000	2,000,000	18,000,000	20,270,000
LIABILITIES				
Current Liabilities				
Trade and Other Payable	35,000	125,000		160,000
Total Current Liabilities	35,000	125,000	0	160,000
Total Liabilities	35,000	125,000	0	160,000
Net Assets	235,000	1,875,000	18,000,000	20,110,000
EQUITY				
Contributed Equity	4,487,232	2,000,000	18,000,000	24,487,232
Retained Earnings	-4,252,232	-125,000		-4,377,232
Total Equity	235,000	1,875,000	18,000,000	20,110,000

Notes

1. Capital raising under prospectus to raise a minimum of \$2 million.
2. Cost of the transaction to acquire Fatfish Asset estimated at \$125,000
3. Purchase of the Fatfish shares

Appendix "B"

Proforma Capital Structure *(no. of shares)*

Atech Holdings Ltd – current shareholders	22,436,160
Issue of new shares to Vendors of Fatfish Internet Group	<u>90,000,000</u>
Expanded Capital Post Transaction	<u>112,436,160</u>

Ownership Structure Post Transaction

Initial Shareholders	19.95%
Fatfish Internet Group (FIG)	80.05%

Total	<u>100.00%</u>
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Prospectus	<u>Fund Raising \$2m@20cents</u>	<u>10,000,000</u>
	Expanded Capital Post Raising	<u>122,436,160</u>

Ownership Structure at Re quotation

Prospectus subscribers	8.17%
Initial Shareholders	18.32%
FIG Vendors	73.51%

Total	<u>100.00%</u>
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