

N1 Holdings Limited
ACN 609 268 279

n1 loans

PROSPECTUS



For the offer of up to 25,000,000 New Shares at an issue price of twenty cents (\$0.20) per New Share to raise a minimum of \$3.5 million and a maximum of \$5 million (**General Offer**).

This Prospectus also contains the following offers of:

- 50,000,000 Consideration Shares, 4,977,500 Consideration Options and 6,043,750 CN Shares in consideration for the acquisition of the entire issued capital of N1 Loans Pty Ltd (**Vendor Offer**);
- 1,000,000 Director Options to Mr Tarun Kanji (**Director Options Offer**); and
- 1,000,000 Lead Manager Options to the Lead Manager (**Lead Manager Options Offer**).

Corporate adviser



Legal adviser



Lead manager to the General Offer



Investigating accountant



PRIVATE Wealth

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you are in any doubt as to the course you should follow you should consult your stockbroker, solicitor, accountant or other professional adviser.

The Securities offered under this Prospectus should be considered a highly speculative investment.

Offers

The Offers contained in this Prospectus are an invitation to acquire Securities in N1 Holdings Limited ACN 609 268 279 (**N1 or the Company**).

These Offers include:

- the offer of up to 25,000,000 New Shares at an issue price of twenty cents (\$0.20) per New Share to general investors to raise a minimum of \$3.5 million and a maximum of \$5 million (**General Offer**);
- the offer of 50,000,000 Consideration Shares, 4,977,500 Consideration Options and 6,043,750 CN Shares to the N1 Vendors in consideration for the acquisition of the entire issued capital of N1 Loans Pty Ltd (**Vendor Offer**);
- the offer of 1,000,000 Director Options to Mr Tarun Kanji who will on Listing become a Non-Executive Director of the Company (**Director Options Offer**); and
- the offer of 1,000,000 Lead Manager Options to the Lead Manager (**Lead Manager Options Offer**).

Only the General Offer will be open to the public. The remaining offers will only be open to eligible participants as determined by the Company. This Prospectus is issued to assist the Company comply with ASX admission requirements under Chapters 1 and 2 of the Listing Rules. In addition, the Prospectus is issued to qualify the Consideration Shares and CN Shares to be issued to the N1 Vendors for second trading (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX), and to remove the need for an additional disclosure document to be used upon the sale or exercise of the Consideration Options, Director Options and the Lead Manager Options (including the Shares that may be issued on exercise of any of these Options) issued under this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).

Date and lodgement of Prospectus

This replacement Prospectus dated 13 January 2016 (**Prospectus**) was lodged with ASIC on that date, and replaces the prospectus lodged with ASIC on 5 January 2016 (**Original Prospectus**). Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The Company has issued both a printed and an electronic version of this Prospectus and the

electronic version may be accessed at www.n1holdings.com.au.

No person or entity is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus that is not contained in this Prospectus. Any information or representation in relation to the Offers not contained in this Prospectus may not be relied on as having been authorised by the Company or the Directors of the Company in connection with the Offers. The information on the official website of the Company www.n1holdings.com.au does not form part of this Prospectus.

Risk factors

This Prospectus should be read in its entirety. The Board considers an investment in the Securities offered under this Prospectus to be speculative and recommends that Potential Applicants seek professional advice from an accountant, stockbroker, solicitor or other professional adviser before deciding whether or not to subscribe for the Securities offered by this Prospectus. There is no guarantee that the Securities offered under this Prospectus will provide a return of capital, lead to payment of a dividend or that there will be any capital increase in the value of the Securities. Potential Applicants are referred to section 5 of this Prospectus for a summary of these risk factors.

No Securities will be issued on the basis of this Prospectus after its expiry date, being 13 months after the date of this Prospectus. Application will be made within 7 days after the date of issue of this Prospectus for permission for the Shares offered by this Prospectus to be listed for quotation on the ASX. The Securities issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

Foreign offer restriction

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify any Securities being issued in the Offers, or to otherwise permit a public offering of such Securities in any jurisdiction outside Australia.

Subject to restrictions set out in section 7 of this Prospectus, the Company and the Lead Manager reserve the right to offer Securities to Overseas Applicants in the jurisdictions below, where to do so would not be a breach of the securities law requirements of the relevant jurisdiction under the Offers.

For further information on all the restrictions for Overseas Applicants, please refer to section 7.14 of this Prospectus. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed outside Aus-

tralia, except as set out below and in section 7.14 of this Prospectus.

People's Republic of China

This Prospectus may only be distributed or released, in whole or in part, and the New Shares under the General Offer may only be offered or sold, directly or indirectly, to general investors (whom are based in the PRC) who are "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets.

Malaysia

Nothing in this Prospectus shall constitute in any manner whatsoever a proposal to make available, offer for subscription or purchase or to issue an invitation to purchase or subscribe for any New Shares in Malaysia or a proposal to implement any of the foregoing in Malaysia, other than to persons listed in both paragraph 10, Part 2 of Schedule 5 and Part 1 of Schedule 6 of the Capital Markets And Services Act 2007. Save for persons listed in both paragraph 10, Part 2 of Schedule 5 and Part 1 of Schedule 6 of the Capital Markets And Services Act 2007, no person receiving a copy of this prospectus may treat the same as constituting an invitation or offer to him in Malaysia and shall not distribute or make available this prospectus or any document or material in connection therewith in Malaysia. The Company shall not be liable in any manner whatsoever in the event this prospectus was distributed or made available in Malaysia other than to the persons listed in both paragraph 10, Part 2 of Schedule 5 and Part 1 of Schedule 6 of the Capital Markets And Services Act 2007. It is the sole responsibility of recipients wishing to take any action upon this prospectus to satisfy themselves as to the full observance of the laws of Malaysia and to obtain all relevant government regulatory approvals including but not limited to exchange control laws.

Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus. A copy of this Prospectus can be downloaded at the Company's website: www.n1holdings.com.au. Persons who receive the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. During the Offer Period, any person may obtain a hard copy of this Prospectus free of charge by contacting Yu Steven Shen on +61 02 9262 6262.

Applications under the Offers may only be made on paper copies of the Application Forms attached to or accompanying this Prospectus. The Application Forms included in this Prospectus may only be distributed if it is included in, or accompanied by, a complete and unaltered copy of this Prospectus. Each of the Application Forms contain a declaration that the

Applicant has personally received the complete and unaltered Prospectus prior to completing the relevant Application Form. The Corporations Act prohibits any person from passing an Application Form to any other person unless it is attached to, or accompanied by, a complete and unaltered hard or electronic copy of this Prospectus. The Company reserves the right not to accept an Application Form from any person if it has reason to believe that when that person was given the Application Form, that person was not provided with a complete and unaltered copy of this Prospectus and any relevant supplementary or Prospectus. If you have received an Application Form for Securities under any of the Offers without a complete and unaltered copy of this Prospectus, please contact the Company who will send you, free of charge, either a printed or an electronic version of this Prospectus.

Exposure period

In accordance with Chapter 6D of the Corporations Act, the Original Prospectus was subject to an Exposure Period of seven days from the date of lodgement of the Original Prospectus with ASIC. This period may be extended by ASIC for a further period of seven days. The purpose of this Exposure Period was to enable the Original Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in the Original Prospectus. If deficiencies are detected, Applications received under the Original Prospectus during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received under the Original Prospectus prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on Applications received under the Original Prospectus during the Exposure Period and all Applications received under the Original Prospects during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

Forecasts and forward-looking statements

This Prospectus includes, or may include, forward-looking statements including, without limitation, forward-looking statements regarding the Company's financial position, business strategy and plans and objectives for its projects and future operations (including development plans and objectives), that have been based on the Company's current expectations about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future events, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies, and the environment in which the Company will operate in the future. Matters not yet known to the Company, or not currently considered material to the Company, may impact on these forward-looking statements. Although the Company

believes that the expectations reflected in the forward looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements, and the Company does not assume responsibility for the accuracy and completeness of the statements. The statements reflect views held only as at the date of this Prospectus. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this Prospectus might not occur. Potential Applicants are therefore cautioned not to place undue reliance on these statements.

Privacy disclosure statement

By completing an Application Form to apply for Securities under the Offers, you are providing personal information to the Company.

The Company, and the Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Securityholder, provide facilities and services that you request and carry out appropriate administration. If you do not provide the information requested in the Application Form, the Company and the Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Registry for ongoing administration of the shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Company's shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Registry in order to access your personal information. Access requests must be made in writing or by telephone call to the Company's registered office or the Registry's office, details of which are disclosed in the Corporate Directory.

The Corporations Act requires the Company to include information about Securityholders (including name, address and details of securities held) in its public register. The information contained in the Company's public register must remain there, even if that person ceases to be a security holder. Information contained in the Company's public register is also used to facilitate distribution of payments and corporate communications (including financial results, annual reports and other information that the Company may elect to utilise to communicate with its security holders) and compliance by the Company for legal and regulatory requirements. For instance, in certain circumstances details of Securityholder's names and holdings must be disclosed by the Company in its annual reports.

Terms and Abbreviations

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used in this Prospectus are contained in the definitions in section 13 this Prospectus.

Currency

Unless otherwise noted in this Prospectus, all references to "\$" or "dollars" are to Australian dollars.

Diagrams

Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

Timetable

Notwithstanding any provision of this Prospectus, the Board may, from time to time and without giving any notice, abridge or further abridge, extend or further extend any period or vary or further vary any date referred to in this Prospectus for such period or to such later date as the Board thinks fit, whether or not the period to be extended has expired, or the date to be varied has passed.

Summary of amendments made to the Original Prospectus

This Prospectus incorporates the following key amendments made to the Original Prospectus:

- clarification of the operation of N1's lending activities as a holder of an Australian Credit Licence (ACL);
- clarification of the Pro Forma Adjustments of N1 Loans Pty Limited; and
- the inclusion of further information regarding Spectrum Wealth Advisers Pty Ltd (SWA), the entity with which N1 is an authorised representative under SWA's AFS Licence.



TABLE OF CONTENTS

KEY OFFER INFORMATION AND STATISTICS	003
CHAIRMAN'S LETTER	005
SECTION 1. INVESTMENT OVERVIEW	006
SECTION 2. INDUSTRY OVERVIEW	018
SECTION 3. COMPANY OVERVIEW	032
SECTION 4. FINANCIAL INFORMATION	044
SECTION 5. RISKS	052
SECTION 6. KEY INDIVIDUALS, INTERESTS AND BENEFITS	058
SECTION 7. DETAILS OF THE OFFERS	064
SECTION 8. INVESTIGATING ACCOUNTANT'S REPORT	072
SECTION 9. MATERIAL CONTRACTS	078
SECTION 10. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES	084
SECTION 11. ADDITIONAL INFORMATION	089
SECTION 12. CORPORATE GOVERNANCE STATEMENT	094
SECTION 13. DEFINITIONS	096
STATEMENT OF DIRECTORS	098
APPLICATION FORM	099
CORPORATE DIRECTORY	101

KEY OFFER INFORMATION AND STATISTICS

Indicative Timetable	Date
Lodgement of Prospectus with ASIC	13 January 2016
Opening Date of the General Offer	13 January 2016
Closing Date of the General Offer	26 February 2016
Expected date of allotment and issue of New Shares and date of dispatch of holding statements	11 March 2016
Expected commencement of trading on ASX on a normal basis	12 March 2016

The above key dates are indicative only. The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws. In particular, the Company reserves the right to extend the Closing Date or accept late Applications without notifying any recipients of this Prospectus or any Applicants. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Opening Date.

Key statistics of the Offer	Minimum subscription	Maximum subscription
Issue Price per New Share under the General Offer	\$0.20	\$0.20
Total number of New Shares to be issued under the General Offer	17,500,000	25,000,000
Cash proceeds to be received under the General Offer	\$3,500,000	\$5,000,000
Consideration Shares to be issued to Mr Wong	50,000,000	50,000,000
CN Shares to be issued to N1 Convertible Noteholders	6,043,750	6,043,750
Total number of Shares on issue at completion of the Offers	73,543,750	81,043,750
Consideration Options to be issued to N1 Employees	4,977,500 ^(a)	4,977,500 ^(a)
Director Options to be issued to Mr Tarun Kanji who will on Listing become a Non-Executive Director of the Company	1,000,000 ^(b)	1,000,000 ^(b)
Lead Manager Options to be issued to the Lead Manager	1,000,000 ^(c)	1,000,000 ^(c)
Total number of Options on issue at completion of the Offers	6,977,500	6,977,500
Indicative market capitalisation of the Company at Issue Price^(d)	\$14,708,750	\$16,208,750

Notes:

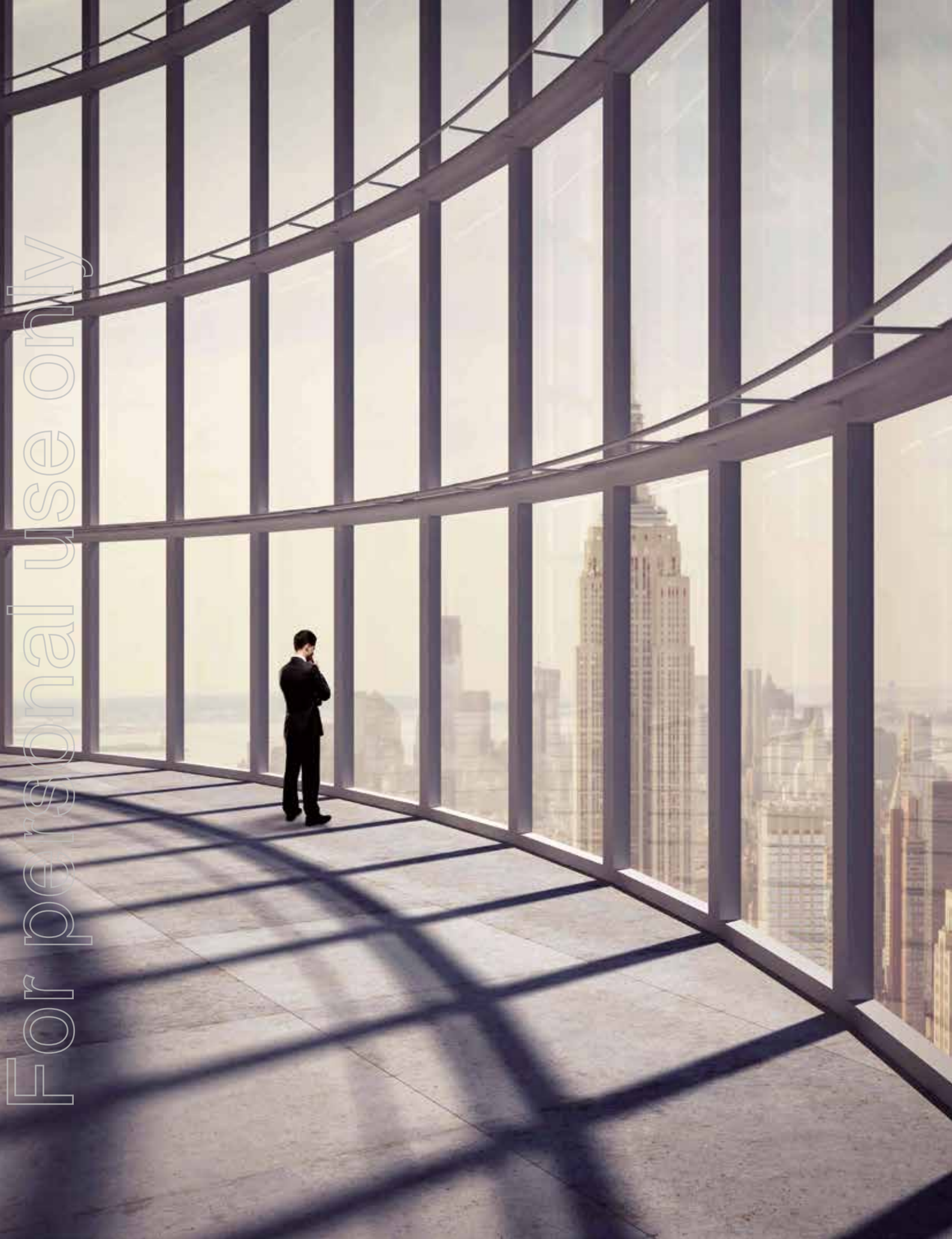
(a) Refer to Section 10.2 for details on the terms of the Consideration Options.

(b) Refer to Section 10.3 for details of the terms of the Director Options.

(c) Refer to Section 10.4 for details of the terms of the Lead Manager Options.

(d) Market capitalisation is usually determined by multiplying the number of Shares on issue by the price that the Shares trade on the ASX from time to time. For indicative purposes only, market capitalisation assumes the Issue Price as shown. Shares may not trade at the Issue Price after quotation on ASX. If Shares trade below the Issue Price, the market capitalisation will be lower than the amount shown.

For personal use only



CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Board, I am pleased to invite you to participate in the ownership and the potential future growth of N1.

N1 is an Australian based mortgage broking business that uses disruptive online comparison technology to provide access to mortgage and car loan products to its clients. N1's client base is comprised of both Australian and foreign borrowers (principally from Mainland China, Malaysia, Hong Kong, Singapore and Taiwan).

N1 was founded in 2011 and has experienced rapid growth. N1 currently holds "top broker" status with several key lenders, including some of the "big four" major banks. In 2015 N1 was ranked by Mortgage Professional Australia as a top 10 independent mortgage brokerage in Australia. From the commencement of FY13 to 30 September 2015, N1 has lodged over \$1.166 billion of loan applications and has settled over approximately \$880 million of loans. From FY13 to FY15, N1's settlement volume grew at a compounded annual growth rate of 113% with lodgement volume also increasing at a 73% compounded annual growth rate.

N1 has developed a strong referral platform among professional service providers, such as:

- real estate agents;
- accountants;
- lawyers; and
- immigration agents,

and existing clients. This provides N1 with the network to execute its technology focused sales and marketing strategy.

In March 2015, N1 developed one of the first Chinese-language mortgage and car loan comparison websites in Australia, www.chengdai.com.au, which by the end of October 2015 had experienced over 15,000 visits and has generated leads resulting in loan settlements of \$9.22m. In addition, N1 has developed an interactive platform utilising mortgage calculators on WeChat, one of the world's largest standalone messaging applications which is popular in China and across the global Chinese diaspora.

To date, N1 has operated as a private firm. As at 20 December 2015, N1 has 43 staff (including employees and consultants remunerated via commissions). A key element of N1's business model is that it does not take any capital risk in relation to the products it sells. Rather it has access to over 30 lenders and hundreds of mortgage and loan products removing any restrictions on tailoring the ideal product for each client. This is demonstrated by the diverse lender mix among N1's lodged applications.

N1's revenue growth demonstrates the success of its business model. Between FY13 and FY15, N1's revenue grew at a compound annual growth rate of 111%. N1 has had positive Pro forma EBITDA over the past 3 financial years (adjusted for various one-off, non-recurring costs). N1's statutory EBITDA has been suppressed over the same period as the business has been scaled to potentially capitalise on future market opportunities.

The market share of new housing finance commitments originated by mortgage brokers in comparison to commitments originated via the direct channels operated by lenders has grown significantly in

recent years with 51.3% of the total ~\$364 billion housing finance commitments in FY15 being originated by brokers (sources: MFAA and Core Logic).

The Board believes that N1's future opportunities lie in continuing to take advantage of the growth of the Australian housing sector and growing N1's proportion of loans originated by mortgage brokers in niche market segments.

N1 seeks a listing on ASX and raise up to \$5.0 million to:

- capitalise its balance sheet to expand operations and execute sales strategy;
- create a liquid public market for the Shares;
- provide access to equity capital markets for potential future growth opportunities (such as acquisitions); and
- increase transparency of its business to stakeholders.

The founding N1 security holders will not be realising any part of their investment as part of the listing and will be entering into either mandatory or voluntary escrow arrangements for a period of 12 months to 2 years following listing.

This Prospectus contains detailed information about the Offers and the operations and performance of N1. I encourage you to read it carefully before making an investment decision.

N1 is well positioned to take advantage of a growing industry. You now have an opportunity to participate in the future growth of the Company. On behalf of the Board, I look forward to welcoming you as a Shareholder.

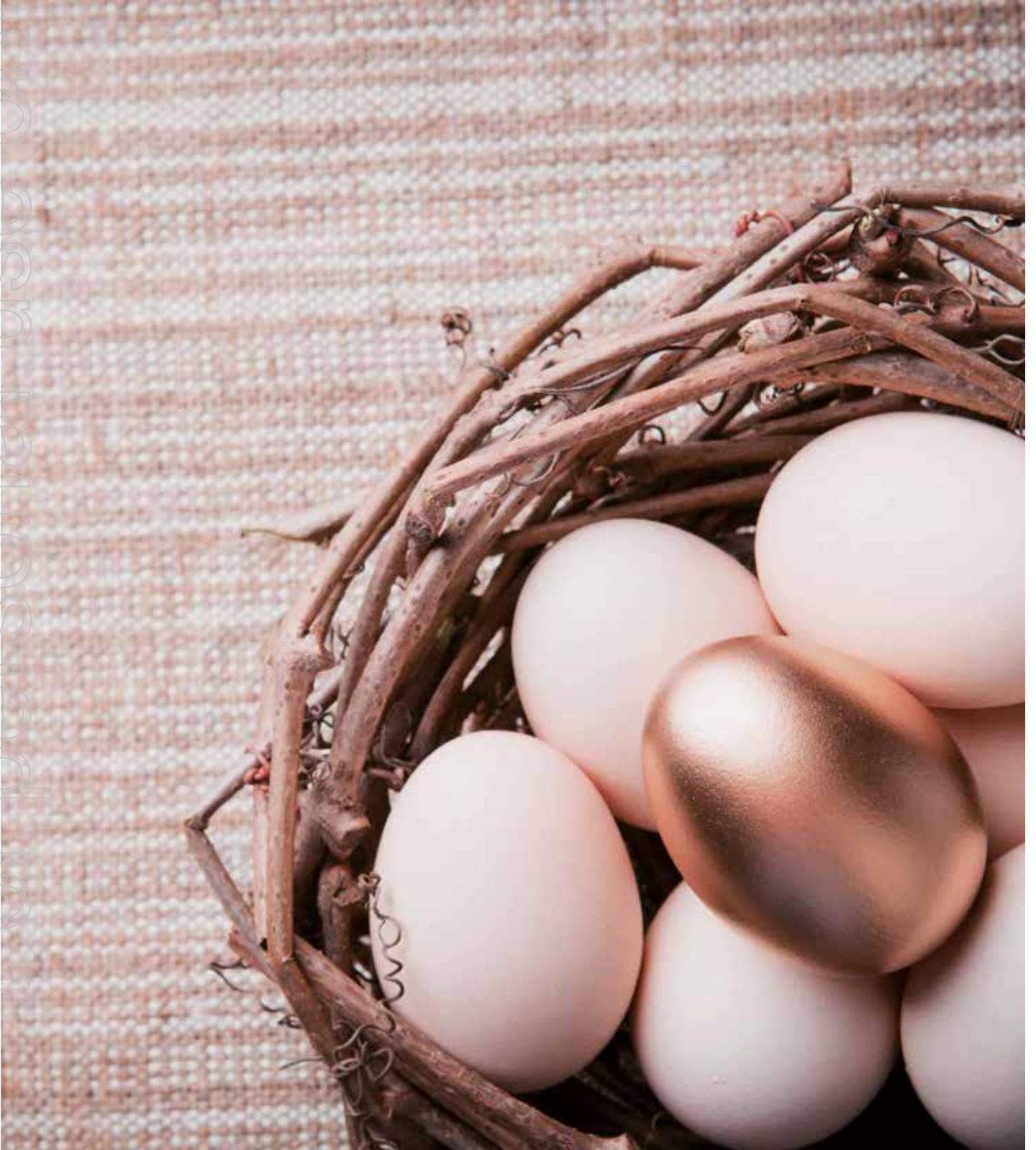
Yours sincerely,



Ren Hor Wong
Chairman and CEO



SECTION 1. INVESTMENT OVERVIEW



This section is a summary only and is not intended to provide full information for investors intending to apply for New Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

All defined terms have the meaning as set out in the definitions to this Prospectus.

1.1. INTRODUCTION AND OVERVIEW OF N1'S BUSINESS

Topic	Summary	Further information												
Who is the issuer of this Prospectus	<p>N1 Holdings Limited ACN 609 268 279 (N1 or Company).</p> <p>N1 has been incorporated for the purposes of listing on ASX, to acquire the entire issued capital of N1 Loans Pty Ltd ACN 142 259 854 from the N1 Vendors.</p>	Section 3.2												
Who is N1?	<p>N1 is an Australian based mortgage broking business that uses disruptive online comparison technology to provide access to mortgage and car loan products to its client. N1's clients comprise both Australian and foreign borrowers (principally from Mainland China, Malaysia, Hong Kong, Singapore and Taiwan).</p>	Section 3.1												
Who are the N1 Vendors?	<p>The N1 Vendors comprise:</p> <p>(a) Mr Ren Hor Wong, the founder and sole shareholder of N1 Loans;</p> <p>(b) N1 Convertible Noteholders who hold Convertible Notes issued by N1 Loans; and</p> <p>(c) N1 Employees who hold employee incentive options in N1 Loans.</p>	Section 7.1												
What are N1's key facts and statistics?	<p>From the commencement of FY13 to 30 September 2015, N1 has lodged over \$1.166 billion of loan applications and has settled over approximately \$880 million of loans. Between FY13 and FY15, N1's settlement volume grew at a compounded annual growth rate of 113% with lodgement volume also increasing at a 73% compounded annual growth rate.</p> <p>Between FY13 and FY15, N1's revenue grew at a compound annual growth rate of 111%. N1 has had positive Pro forma EBITDA over the past 3 financial years. N1's statutory EBITDA has been suppressed over the same period as the business has been scaled to potentially capitalise on future market opportunities.</p> <p>The following table includes the Company's statutory EBITDA and pro forma EBITDA which reflects the adjustments for material costs incurred in relation to the initial public offer for each of FY13, FY14 and FY15.</p> <table><tr><th></th><th>FY13(\$)</th><th>FY14(\$)</th><th>FY15(\$)</th></tr><tr><td>Statutory EBITDA</td><td>74,199</td><td>61,324</td><td>(37,587)</td></tr><tr><td>Pro forma EBITDA</td><td>74,199</td><td>61,324</td><td>8,463</td></tr></table>		FY13(\$)	FY14(\$)	FY15(\$)	Statutory EBITDA	74,199	61,324	(37,587)	Pro forma EBITDA	74,199	61,324	8,463	Section 3.1 and Section 4.5
	FY13(\$)	FY14(\$)	FY15(\$)											
Statutory EBITDA	74,199	61,324	(37,587)											
Pro forma EBITDA	74,199	61,324	8,463											

What is the market in which N1 currently operates?	N1 operates primarily in the residential mortgage broking industry.	Section 2 and Section 3.1
What type of products and services does N1 provide?	<p>N1 provides the following products and services:</p> <ul style="list-style-type: none"> ▪ broking services related to residential lending and home loan products; ▪ home and car loan comparison services through its website, www.chengdai.com.au; ▪ commercial and asset lending products; and ▪ financial planning services. 	Section 3.5 & Section 3.6
How does the Company generate its revenue?	<p>N1's primary revenue is derived from fees paid by lenders for the introduction of home loan products to consumers. The fee arrangements vary by lender but will generally comprise two key components:</p> <ul style="list-style-type: none"> ▪ upfront commission: received from lenders paid as a percentage of the loan amount settled; and ▪ trail commission: received from lenders over the life of the loan, paid as a percentage of the particular loan's outstanding balance. <p>In addition to the core business of providing introductions for home loan products, N1 also generates income upon origination of commercial and asset loans and through the sale of financial products such as insurance products.</p>	Section 3.5.2
Which geographical markets does N1 operate in?	Australia is N1's largest market, followed by Mainland China, Malaysia, Hong Kong, Singapore and Taiwan.	Section 3.1
What is N1's growth strategy?	<p>N1 is continuing to implement an expansion strategy with a focus on the following five areas to drive future growth of the business:</p> <ol style="list-style-type: none"> 1. O2O business model: continue the transformation of the business into an online to offline (O2O) business model to increase customer retention and extract cross sale synergies; 2. Marketing: increase online and offline marketing of the N1 brand locally and abroad to drive greater consumer awareness and sales lead volumes. N1 will continue to target the Chinese and South East Asian community where the Board believes it has a competitive advantage. The marketing strategy will include further investment in www.chengdai.com.au to drive greater local and overseas leads; 3. Grow sales team: Increase the headcount of mortgage brokers and sales consultants in N1; 4. Service lines: building out N1's consumer offering by further expanding synergistic service lines including commercial lending, asset lending and financial planning. The Board believes that N1 has an opportunity to cross-sell its products to existing and new clients; and 5. Strategic acquisitions: considering acquisitions of synergistic and income generating assets such as mortgage trail books. 	Section 3.8
How does N1 expect to fund its operations and growth?	Although N1 has experienced significant revenue growth since being established in 2011 and was statutory EBITDA positive in FY13 and FY14, N1 incurred a statutory net loss in FY15 of \$37,587. Potential investors should be aware that there is a risk that N1 may not achieve	Section 4.5 and Section 7.2

	<p>profitability in the future.</p> <p>N1 expects to fund its existing operations and growth strategies through funds raised under this Prospectus.</p> <p>N1 expects to have a minimum estimated net cash balance after all IPO related expenses of between \$3.35 million and \$4.76 million if the minimum and maximum amount, respectively, is raised under the General Offer.</p>	
What are N1's key strengths?	<p>N1 considers its key strengths to include:</p> <ul style="list-style-type: none"> ▪ No limitations on product distributions capacity: N1 acts solely as an originator for a wide lending panel including banks and non-bank institutions. As it does not manufacture or distribute its own products, N1 is not limited by its own product range or specific credit policies. ▪ Innovative and disruptive online technologies: N1 has developed one of Australia's first Chinese language residential mortgage and car loan comparison websites: www.chengdai.com.au. This site has been designed to both educate Chinese-speaking consumers on Australian products and to generate customer leads for N1. ▪ Growing international presence: N1 has opened an office in Shanghai to develop a stronger brand presence in this area. Although this office is not permanently staffed, Australian-based N1 employees regularly travel to this location to meeting existing and potential Chinese clients. ▪ Strong lender relationships: N1 has achieved a "top broker" status with several key lenders, and won several industry awards. 	Section 3.4

1.2. RISKS

Topic	Summary	Further information
What are N1's key risks?	<p>A list of the risks associated with an investment in the Company under this Prospectus is provided in Section 5. Key risks include:</p> <ul style="list-style-type: none"> ▪ History of operating losses: Although N1 has experienced significant revenue growth since being established in 2011 and was statutory EBITDA positive in FY13 and FY14, N1 incurred a net statutory loss in FY15 of \$37,587. There is a risk that N1 may not achieve profitability in the future. ▪ Reliance on lenders for third party products: N1's business depends on lenders originating loans through mortgage brokers rather than providing loans directly (for example, through a lender's own branches or other distribution platforms such as mobile lending services) and providing competitive products and service levels. N1's business would be impacted by any significant changes in the business practices of lenders such as increased reliance on direct distribution methods and the introduction of 	Section 5

new technologies.

- **Reliance on third party distribution channels:** N1 is reliant on lenders' willingness to employ third party distribution channels as a means of making their loan products. Depending on the relative cost of other distribution methods in the future, lenders may also decide to decrease their reliance on third party channels, develop competing distribution channels or reduce current upfront or trail commission terms, any of which would have an adverse effect on N1.

- **Ability to attract new mortgage brokers:** N1 currently has 8 brokers originating mortgage products under its business team. The success of N1's business and its ability to grow relies on N1's ability to retain the existing key N1 brokers, and its ability to continue to attract productive mortgage brokers.

- **Concentration of ownership by Mr Ren Hor Wong and his associate:** In the event that the Offers successfully close, Mr Ren Hor Wong, Chief Executive Officer and Chairman of the Company will hold approximately 58.22% (maximum of \$5 million raised under the General Offer, fully diluted) and 69.69% (minimum of \$3.5 million raised under the General Offer, undiluted) of the Company's issued capital. Therefore, there will be a concentration of ownership of the Company with Mr Wong. This will allow Mr Wong to exert significant control of the Company's affairs, including the election of Directors.

- **IT systems risk:** N1's ability to service and pay its brokers is dependent on the continued availability of its information technology systems (including its customer relationship management software, currently provided by Finsure).

- **Loss of key management and personnel:** N1 relies on a management team with significant mortgage broking industry knowledge and experience. If N1 is not able to retain key members of its management team, or if there is any delay in their replacement, N1 may not be able to operate its business to the current standard or implement its business strategies. In particular, it is noted although N1 is a corporate authorised representative (AFS Authorised Representative Number: 436020) under the AFS Licence held by Spectrum Wealth Advisers Pty Ltd ACN 134 661 706 (AFS Licence number 334 400) (SWA), Ms Jia Penny He is also an authorised representative of SWA under its AFS Licence (Ms He's AFS Representative Number: 325737). If Ms He ceases to be employed by, or involved with, N1, N1's corporate authorised representative agreement with SWA may be terminated.

- **Reputation risk:** The success of N1 is reliant on the maintenance of its reputation and brand name.

- **Importance of licences for N1's core business activities:** N1 currently holds an Australian Credit Licence to engage in credit activities other than as a credit provider issued by ASIC, in order to conduct its business. This licence enables N1 to engage and facilitate their financial credit activities.

1.3. KEY INFORMATION ON THE OFFERS

Topic	Summary	Further information										
What are the Offers?	<p>Under this Prospectus, there are four offers being made in total, as follows:</p> <table><tr><th>Name of offer</th><th>Description</th></tr><tr><td>General Offer</td><td>The offer of up to 25,000,000 New Shares at an issue price of twenty cents (\$0.20) per New Share to raise a minimum of \$3.5 million and a maximum of \$5 million.</td></tr><tr><td>Vendor Offer</td><td>The offer of 50,000,000 Consideration Shares, 4,977,500 Consideration Options and 6,043,750 CN Shares to the N1 Vendors, as consideration for the acquisition of the entire issued capital of N1 Loans Pty Ltd by the Company pursuant to the acquisition of N1 Loans.</td></tr><tr><td>Director Options Offer</td><td>The offer of 1,000,000 Director Options to Mr Tarun Kanji who will on Listing become a Non-Executive Director of the Company.</td></tr><tr><td>Lead Manager Options</td><td>The offer of 1,000,000 Lead Manager Options to the Lead Manager, as part consideration for services rendered by the Lead Manager to the Company.</td></tr></table> <p>Only the General Offer will be open to the public. The remaining offers will only be open to eligible participants as determined by the Company.</p>	Name of offer	Description	General Offer	The offer of up to 25,000,000 New Shares at an issue price of twenty cents (\$0.20) per New Share to raise a minimum of \$3.5 million and a maximum of \$5 million.	Vendor Offer	The offer of 50,000,000 Consideration Shares, 4,977,500 Consideration Options and 6,043,750 CN Shares to the N1 Vendors, as consideration for the acquisition of the entire issued capital of N1 Loans Pty Ltd by the Company pursuant to the acquisition of N1 Loans.	Director Options Offer	The offer of 1,000,000 Director Options to Mr Tarun Kanji who will on Listing become a Non-Executive Director of the Company.	Lead Manager Options	The offer of 1,000,000 Lead Manager Options to the Lead Manager, as part consideration for services rendered by the Lead Manager to the Company.	Section 7.1
Name of offer	Description											
General Offer	The offer of up to 25,000,000 New Shares at an issue price of twenty cents (\$0.20) per New Share to raise a minimum of \$3.5 million and a maximum of \$5 million.											
Vendor Offer	The offer of 50,000,000 Consideration Shares, 4,977,500 Consideration Options and 6,043,750 CN Shares to the N1 Vendors, as consideration for the acquisition of the entire issued capital of N1 Loans Pty Ltd by the Company pursuant to the acquisition of N1 Loans.											
Director Options Offer	The offer of 1,000,000 Director Options to Mr Tarun Kanji who will on Listing become a Non-Executive Director of the Company.											
Lead Manager Options	The offer of 1,000,000 Lead Manager Options to the Lead Manager, as part consideration for services rendered by the Lead Manager to the Company.											
How will the Offers be structured?	<p>General Offer</p> <ul style="list-style-type: none">▪ Issue price: twenty cents (\$0.20) per New Share▪ Up to 25,000,000 New Shares to be issued (raising a minimum \$3.5 million and a maximum \$5 million)▪ Eligible applicants: general investors <p>Vendor Offer</p> <ul style="list-style-type: none">▪ No immediate funds raised▪ 50,000,000 Consideration Shares, 4,977,500 Consideration Options and 6,043,750 CN Shares to be issued as consideration for the acquisition of the entire issued capital of N1 Loans Pty Ltd pursuant to the acquisition of N1 Loans▪ Eligible applicants: N1 Vendors (which comprise Mr Wong, the N1 Convertible Noteholders and the N1 Employees) <p>Director Options Offer</p> <ul style="list-style-type: none">▪ No immediate funds raised▪ 1,000,000 Director Options to be issued to Mr Tarun Kanji as part of his appointment to the Board of the listed Company.▪ Eligible applicant: Mr Tarun Kanji <p>Lead Manager Options Offer</p> <ul style="list-style-type: none">▪ No immediate funds raised▪ 1,000,000 Lead Manager Options to be issued to the Lead Manager as part consideration for services rendered by the Lead	Section 7.1										

	<p>Manager to the Company.</p> <ul style="list-style-type: none"> ▪ Eligible Applicant: Sanlam Private Wealth, Lead Manager to the General Offer 																						
What are the conditions of the Offers?	<p>Completion of the Offers is conditional upon:</p> <ul style="list-style-type: none"> ▪ a minimum of \$3.5 million being raised under the General Offer; ▪ ASX approving the Company's compliance with Chapters 1 and 2 of the Listing Rules. 	Section 7.1																					
What is the proposed use of funds raised from the Offer?	<p>Depending on the level of subscription, a summary of how the proceeds from the General Offer will be used by the Company is as set out in the table below.^(a)</p> <table> <tr> <th>Description</th><th>\$3.5m minimum subscription under the General Offer (\$)</th><th>\$5m maximum subscription under the General Offer (\$)</th></tr> <tr> <td>Costs of the General Offer</td><td>584,820</td><td>676,320</td></tr> <tr> <td>Expansion of sales and mortgage brokering team</td><td>500,000</td><td>500,000</td></tr> <tr> <td>Marketing spend including branding, promotional campaigns, online marketing and public relations</td><td>1,500,000</td><td>2,500,000</td></tr> <tr> <td>Working capital to fund N1's ongoing growth</td><td>415,180</td><td>823,680</td></tr> <tr> <td>Potential future business acquisitions including purchasing trail books or acquisition of related business</td><td>500,000</td><td>500,000</td></tr> <tr> <td>Total</td><td>3,500,000</td><td>5,000,000</td></tr> </table> <p>Notes</p> <p>(a) The table is a statement of the current intentions of the Board as of the date of lodgement of this Prospectus with ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.</p> <p>(b) Expenses of the Offers are further broken down in section 11.8 of this Prospectus.</p>	Description	\$3.5m minimum subscription under the General Offer (\$)	\$5m maximum subscription under the General Offer (\$)	Costs of the General Offer	584,820	676,320	Expansion of sales and mortgage brokering team	500,000	500,000	Marketing spend including branding, promotional campaigns, online marketing and public relations	1,500,000	2,500,000	Working capital to fund N1's ongoing growth	415,180	823,680	Potential future business acquisitions including purchasing trail books or acquisition of related business	500,000	500,000	Total	3,500,000	5,000,000	Section 7.2
Description	\$3.5m minimum subscription under the General Offer (\$)	\$5m maximum subscription under the General Offer (\$)																					
Costs of the General Offer	584,820	676,320																					
Expansion of sales and mortgage brokering team	500,000	500,000																					
Marketing spend including branding, promotional campaigns, online marketing and public relations	1,500,000	2,500,000																					
Working capital to fund N1's ongoing growth	415,180	823,680																					
Potential future business acquisitions including purchasing trail books or acquisition of related business	500,000	500,000																					
Total	3,500,000	5,000,000																					
Will the Shares be listed?	<p>The Company will, within 7 days after the date of this Prospectus, apply for the Shares under this Prospectus to be quoted on the ASX.</p> <p>Amongst other conditions, completion of the Offers is conditional upon the ASX approving this application. If the application for quotation is not made within 7 days after the date of this Prospectus, or if the Shares offered under this Prospectus are not granted quotation within 3 months after the date of this Prospectus, the Company shall deal with Applications in accordance with the requirements of the Corporations Act.</p>	Section 7.11																					

How will the Offers affect the Company's capital structure?	<p>The Company's projected capital structure is as follows:</p> <table border="1"> <thead> <tr> <th>Description</th><th>\$3.5m minimum subscription under the General Offer (\$)</th><th>\$5m maximum subscription under the General Offer (\$)</th></tr> </thead> <tbody> <tr> <td>Total number of New Shares issued under the General Offer</td><td>17,500,000</td><td>25,000,000</td></tr> <tr> <td>Consideration Shares to be issued to Mr Wong</td><td>50,000,000</td><td>50,000,000</td></tr> <tr> <td>CN Shares to be issued to N1 Convertible Noteholders</td><td>6,043,750</td><td>6,043,750</td></tr> <tr> <td>Total number of Shares at completion of the Offers</td><td>73,543,750</td><td>81,043,750</td></tr> <tr> <td>Consideration Options to be issued to N1 Employees</td><td>4,977,500</td><td>4,977,500</td></tr> <tr> <td>Director Options to be issued to Mr Tarun Kanji</td><td>1,000,000</td><td>1,000,000</td></tr> <tr> <td>Lead Manager Options to be issued to the Lead Manager</td><td>1,000,000</td><td>1,000,000</td></tr> <tr> <td>Total number of Options on issue at completion of the Offers</td><td>6,977,500</td><td>6,977,500</td></tr> <tr> <td>On a fully diluted basis</td><td>88,021,250</td><td>88,021,250</td></tr> </tbody> </table>	Description	\$3.5m minimum subscription under the General Offer (\$)	\$5m maximum subscription under the General Offer (\$)	Total number of New Shares issued under the General Offer	17,500,000	25,000,000	Consideration Shares to be issued to Mr Wong	50,000,000	50,000,000	CN Shares to be issued to N1 Convertible Noteholders	6,043,750	6,043,750	Total number of Shares at completion of the Offers	73,543,750	81,043,750	Consideration Options to be issued to N1 Employees	4,977,500	4,977,500	Director Options to be issued to Mr Tarun Kanji	1,000,000	1,000,000	Lead Manager Options to be issued to the Lead Manager	1,000,000	1,000,000	Total number of Options on issue at completion of the Offers	6,977,500	6,977,500	On a fully diluted basis	88,021,250	88,021,250	Section 7.3
Description	\$3.5m minimum subscription under the General Offer (\$)	\$5m maximum subscription under the General Offer (\$)																														
Total number of New Shares issued under the General Offer	17,500,000	25,000,000																														
Consideration Shares to be issued to Mr Wong	50,000,000	50,000,000																														
CN Shares to be issued to N1 Convertible Noteholders	6,043,750	6,043,750																														
Total number of Shares at completion of the Offers	73,543,750	81,043,750																														
Consideration Options to be issued to N1 Employees	4,977,500	4,977,500																														
Director Options to be issued to Mr Tarun Kanji	1,000,000	1,000,000																														
Lead Manager Options to be issued to the Lead Manager	1,000,000	1,000,000																														
Total number of Options on issue at completion of the Offers	6,977,500	6,977,500																														
On a fully diluted basis	88,021,250	88,021,250																														
Why are the Offers being conducted?	<p>General Offer</p> <p>The purpose of the General Offer is to provide an opportunity for investors to subscribe for new equity in the Company, and generally, to assist the Company to meet the admission conditions under Chapters 1 and 2 of the Listing Rules (e.g. to achieve sufficient Shareholder spread up admission to the official list of ASX). Furthermore, funds raised under the General Offer will enable the Company to accelerate the continued growth of the N1 business and fund its key business objectives.</p> <p>Vendor Offer</p> <p>The purpose of the Vendor Offer is to qualify the Consideration Shares and CN Shares to be issued to the N1 Vendors for secondary trading (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX), and to also remove the need for an additional disclosure document to be used upon the sale or exercise of the Consideration Options (including Shares that may be issued on exercise of the Consideration Options) issued under this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).</p> <p>Director Options Offer</p> <p>The purpose of the Director Options is to remove the need for an additional disclosure document to be issued upon the sale or exercise (if applicable) of the Director Options (including Shares that may be issued on exercise and/or vesting of the Director Options) issued under</p>	Section 7.1																														

	<p>this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).</p> <p>Lead Manager Options Offer</p> <p>The purpose of the Lead Manager Options is to remove the need for an additional disclosure document to be issued upon the sale or exercise (if applicable) of the Lead Manager Options (including Shares that may be issued on exercise and/or vesting of the Lead Manager Options) issued under this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).</p>	
Is the General Offer underwritten?	The General Offer is not underwritten.	Section 7.4
What is the allocation policy?	<p>The Company has absolute discretion regarding the allocation of the New Shares and may reject an Application, or allocate fewer New Shares than applied for, in its absolute discretion.</p> <p>Applications under the Vendor Offer, Director Options Offer and Lead Manager Options Offer may only be made in response to invitations to participate made by the Board.</p>	Section 7.12
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on an acquisition of New Shares under the Offers.	Section 7.6
What are the tax implications of investing in the New Shares under this Prospectus?	The tax consequences of any investment in the Securities offered under this Prospectus will depend upon an Applicant's particular circumstances. Applicants should obtain their own independent tax or professional advice prior to deciding whether to participate under the Offers.	Section 7.15
When will I receive confirmation whether my Application has been successful?	It is anticipated that either a CHESS statement or an issuer sponsored holding statement (as applicable) will be despatched as soon as practicable after the Closing Date.	Section 7.12
What is the Company's dividend policy?	The Company does not expect to pay a dividend and funds raised under this Prospectus will be allocated to its business objectives. The Board cannot and does not give any assurances as to the extent, timing, level of franking or payment of dividends in the future. Any future dividend payment will be at the absolute discretion of the Board.	Section 4.4
How can I apply?	<p>General Offer</p> <p>Potential Applicants may apply for New Shares by completing a valid Application Form attached to or accompanying this Prospectus.</p> <p>Vendor Offer, Director Options Offer and Lead Manager Options Offer</p> <p>These offers are only open to certain eligible applicants. In the case of the Vendor Offer, the offer is only open to N1 Vendors pursuant to the acquisition of N1 Loans and will be deemed to have been made and accepted in accordance with the terms of the Acquisition Agreement. In the case of the Director Options Offer, the offer is only open to Mr Tarun Kanji who will be invited to subscribe for Director Options under a personalised application form. In the case of the Lead Manager Options Offer, the offer is only open to Sanlam Private Wealth, who will be invited to subscribe for Lead Manager Options under a personalised application form.</p>	Section 7.5, Section 7.5, Section 7.7, Section 7.8 and Section 7.9

Will any of the Securities be subject to escrow?	<p>New Shares issued pursuant to the General Offer will not be subject to any escrow requirement by the ASX.</p> <p>As at the date of this Prospectus, it is not known with absolute certainty whether the Securities issued to the N1 Vendors, Mr Tarun Kanji and the Lead Manager will be Restricted Securities and therefore subject to mandatory escrow restrictions.</p> <p>However, the Company anticipates that Securities issued under the Vendor Offer (not including Consideration Options to non-related parties), the Director Options Offer and the Lead Manager Options Offer will be Restricted Securities and subject to escrow restrictions.</p> <p>Certain N1 Vendors have agreed to a voluntary escrow with respect to the Securities that they will be issued in connection with the acquisition of N1 Loans. In addition, Mr Tarun Kanji, the only eligible applicant under the Director Options Offer, has agreed to voluntarily escrow the Director Options for a period of 12 months from the date of listing.</p> <p>In the event that the ASX imposes further mandatory escrow restrictions on any of the Securities under the Vendor Offer, the Director Options Offer and the Lead Manager Options Offer, the intended recipients under those offers have agreed to be bound by these restrictions.</p>	Section 6.3
--	---	-------------

1.4. KEY INFORMATION ON THE EXPERIENCE, BACKGROUND OF THE DIRECTORS AND MANAGEMENT AND SIGNIFICANT INTERESTS OF PEOPLE

Topic	Summary	Where to find more information
Who are N1's Directors?	<p>On completion of listing, N1's Directors will be:</p> <ul style="list-style-type: none">▪ Mr Ren Hor Wong, Chief Executive Officer and Chairman;▪ Ms Jia Penny He, Chief Financial Officer and Executive Director;and▪ Mr Tarun Kanji, Independent Non-Executive Director.	Section 6.1
Who are the key management personnel of N1 and what is their expertise?	<p>N1's executive team is led by its CEO and Chairman, Mr Ren Hor Wong. Mr Wong is supported by:</p> <ul style="list-style-type: none">▪ Ms Jia Penny He, Chief Financial Officer▪ Mr Xin (Michael) Jin, Operations and Compliance Manager▪ Mr Yu Steven Shen, Marketing Manager▪ Ms Nan (Wendy) Zhang, Digital Strategy Manager▪ Mr Yi (Stanley) Duan, Commercial Lending Manager	Section 6.2

Will any N1 Vendor hold more than 5% of the Shares on issue at completion of the Offers?

Yes, Mr Wong, the founding shareholder of N1 Loans will have a relevant interest in the Company of greater than 5%. Please refer to the table below and section 6.4 of this Prospectus for further details.

Section 6.4

What will the interests of the Board be following completion of the acquisition of N1 Loans and the Offers?

Current and proposed relevant interests are as follows:

6.4

Director	Securities	% of N1 ^(a)	% of N1 ^(b)	% of N1 ^(c)	% of N1 ^(d)
Ren Hor Wong	51,250,000 Shares	63.24%	58.22%	69.69%	63.65%
Jia Penny He	250,000 Shares 1,250,000 Options	0.31%	1.70%	0.34%	1.86%
Nan (Wendy) Zhang	750,000 Options	-	0.85%	-	0.93%
Tarun Kanji	1,000,000 Options	-	1.14%	-	1.24%
Total	54,500,000	63.55%	61.92%	70.03%	67.68%

Notes

(a) Following completion of the acquisition of N1 Loans, assuming that \$5 million is raised under the General Offer, following the issue of all Consideration Shares, Consideration Options, Director Options and Lead Manager Options and undiluted. These percentages are based on a total sum of 81,043,750 Shares.

(b) Following completion of the acquisition of N1 Loans, assuming that \$5 million is raised under the General Offer, following the issue of all Consideration Shares, Consideration Options, Director Options and Lead Manager Options and fully diluted. These percentages are based on a total sum of 88,021,250 Shares.

(c) Following completion of the acquisition of N1 Loans, assuming that \$3.5 million is raised under the General Offer, following the issue of all Consideration Shares, Consideration Options, Director Options and Lead Manager Options and undiluted. These percentages are based on a total sum of 73,543,750 Shares.

(d) Following completion of the acquisition of N1 Loans, assuming that \$3.5 million is raised under the General Offer, following the issue of all Consideration Shares, Consideration Options, Director Options and Lead Manager Options and fully diluted. These percentages are based on a total sum of 80,521,250 Shares.

What significant benefits are payable to the Board and other interested parties?	Significant benefits that will be payable by the Company at completion of the Offers are as follows:			Sections 6.4, 10.5 & 10.6
	Key People	Interest or benefit	For more information	
	Executive directors and management team	<ul style="list-style-type: none"> ▪ Remuneration ▪ Short term incentive arrangements 	Section 6.4	
	Non-Executive Directors	<ul style="list-style-type: none"> ▪ Directors' fees ▪ Grant of Options 	Section 6.4	
	Advisors and other service providers	<ul style="list-style-type: none"> ▪ Fees for service ▪ Grant of Options 	Sections 9.5 & 9.6 & 9.7	

1.5. KEY FINANCIAL INFORMATION

Topic	Summary	Where to find more information
What is the key financial information?	N1's key financial information includes its 2013, 2014 and 2015 audited statutory results as well as pro forma accounts. This information is set out in the Investigating Account's report, as set out in Section 8 of this Prospectus.	Section 4
What is N1's historical financial performance?	Although N1 has experienced significant revenue growth since being established in 2011 and was statutory EBITDA positive in FY13 and FY14, N1 incurred a statutory net loss in FY15 of \$37,587. There is a risk that N1 may not achieve profitability in the future.	Section 4.5

1.6. ADDITIONAL INFORMATION

Question	Answer	More
Where can I find more information?	<p>Additional information can be obtained through the following methods:</p> <ul style="list-style-type: none"> ▪ Speaking to your broker, solicitor, accountant or other independent professional adviser. ▪ By visiting N1's website at www.n1holdings.com.au. ▪ By contacting the Company Secretary on +61 2 8072 1400. 	Section 11

SECTION 2. **INDUSTRY OVERVIEW**



2.1. RESIDENTIAL MORTGAGE BROKING INDUSTRY

2.1.1. OVERVIEW

The mortgage broking industry was developed following the deregulation of the financial sector in the mid-1980s. Prior to this, a mortgage customer was serviced entirely by a major bank providing an end-to-end service within a mortgage application process.

Non-bank lenders began to emerge after deregulation and quickly secured a significant share of the home lending market by the second half of the 1990s due to the high interest rate products offered by the traditional lenders at the time. These new entrants increased competition in the mortgage market and caused the mortgage product range in the market to expand and become more diverse.

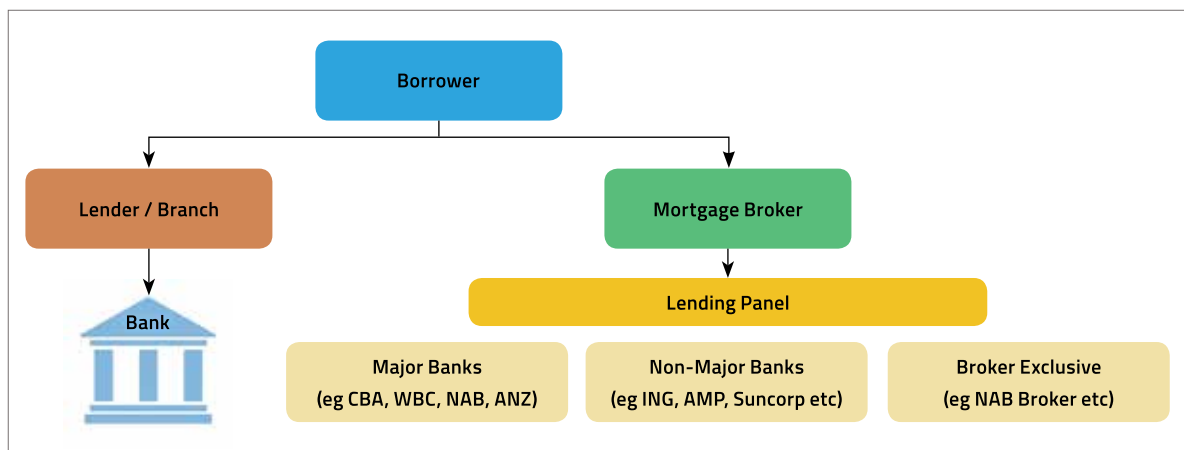
The significant increase in the number of mortgage products available and the sophistication and complexity of those products led to the development of the mortgage broking industry. Unlike the direct lenders in the market, mortgage brokers usually represent a panel of lenders and are typically able to offer borrowers a comprehensive offering through a myriad of mortgage products across their panel.

2.1.2. ROLE OF A MORTGAGE BROKER

Mortgage brokers assist borrowers compare and understand the different loan options available from a host of different lenders and recommend one or more products which are most suitable to the borrower's individual financial circumstances and personal requirements. Unlike a traditional major bank or non-bank lender, a mortgage broker is not limited to products from a single lender and will often have access to the mortgage products of a range of bank and non-bank lenders. These products may be exclusively on offer via the mortgage broker's broking channel and not accessible to a borrower directly. The choice for mortgage products from a variety of lenders allows the mortgage broker to service all types of borrowers.

A broker will administer all paperwork and negotiation of rates from application through to settlement on behalf of the borrower.

Figure 2.1: Loan origination – lenders or mortgage brokers

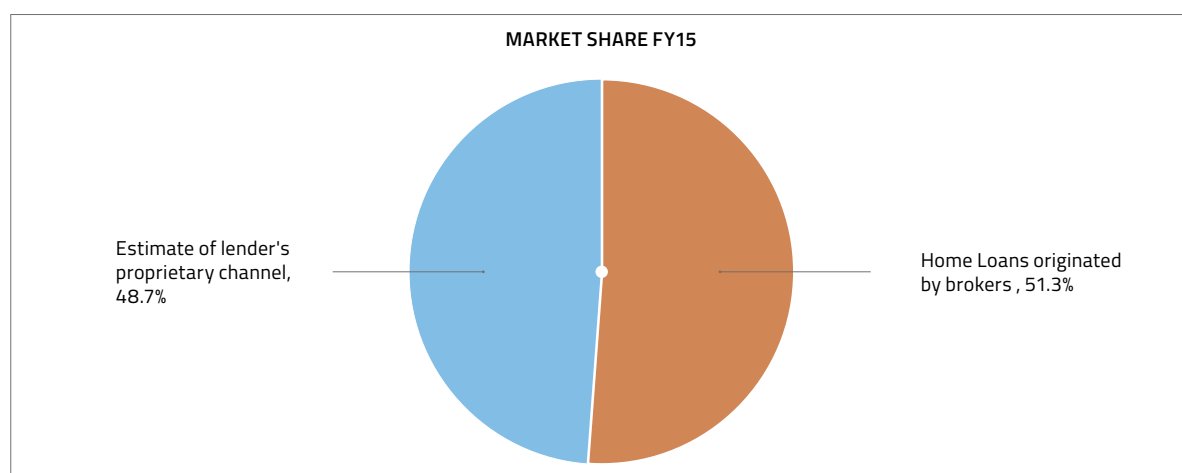


Typically in the case of borrowing for the purpose of residential housing, mortgage brokers' services are obligation and cost-free to the borrower. Brokers are remunerated post settlement by way of an upfront and/or ongoing trail commission from the subject lender.

2.2. INDUSTRY SNAPSHOT

2.2.1. MARKET SHARE

Mortgage brokers' market share of new lending commitments has grown since commencement of the industry in the 1990s and now accounts for half of the market. As at the end of the June 2015 quarter, mortgage brokers accounted for 51.5% of all loan originations which is an increase of 1.8% from the same period in 2014. For the full financial year 2015, mortgage brokers were estimated to account for 51.3% of the total \$364 billion in housing finance commitments in Australia.

Figure 2.2: Loan originations – market share

Source: MFAA quarterly market survey & ABS Data for Housing Finance commitments, 5609

Several factors may contribute towards the demand of the mortgage broker services, including the following:

- Lenders recognise mortgage brokers as a cost-effective sales channel to access borrowers in the market. By using mortgage brokers, lenders are able to establish a distribution network without the need to invest in branches and other physical infrastructure.
- The diverse range of lenders and home loan products in the market provides myriad choice to borrowers but also results in confusion. Mortgage brokers assist borrowers in identifying the most suitable lender and home loan product to meet their particular circumstances.
- Increasing consumer awareness of the services that mortgage brokers provide.
- The perception that mortgage brokers are independent of lenders and are therefore more likely to represent the interests of borrowers, rather than lenders.
- The time and costs saved in engaging a mortgage broker to identify suitable home loan products coupled with the convenience of being able to meet the broker at flexible times and places, such as after work or at home.
- Mortgage brokers have significant experience and established relationships with lenders allowing them to better navigate and negotiate pricing and terms for borrowers.

2.2.2. INDUSTRY KEY DRIVERS

1. Interest rates

Changes in home loan rates impact the demand for mortgage products. When home loan rates fall, the demand for new mortgages typically increases due to the reduction in the cost of borrowing. It is noted that when home loan rates increase, the demand for new mortgages tends to decrease due to increased costs of borrowing. In the current climate of low interest rates in Australia, it is anticipated that the residential mortgage industry will continue to grow.

2. Residential housing prices

Rising house prices often imply an increasing demand for housing or, at least, an increasing demand for residential investment. Increasing demand for housing, or residential investment, directly correlates with increased demand for home loan products.

3. Population growth

A rising population applies an upward demand for new housing and as a consequence drives the demand for home loan products. This, in turn, is expected to lead to an increased volume of loan applications made or processed by mortgage brokers. This is expected to result in a higher volume of home loans settled and, accordingly, an increase in the value of commissions received by mortgage brokers.

4. Economic confidence

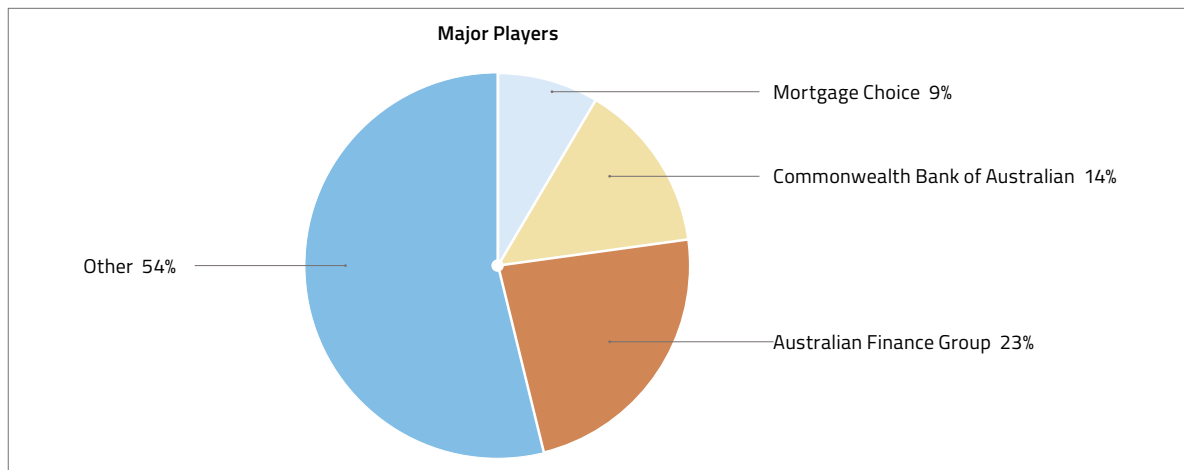
Positive economic indicators such as growing GDP and low unemployment rates encourage buyer confidence with respect to the residential property market. Security of employment and rising wages generally increase housing affordability. This, in turn, is expected to drive the demand for home loan products.

5. Foreign investment demand

Strong investment demand and favourable fiscal policies encourage foreign investment into the Australian housing market. Such increases in demand for housing are expected to place upward pressure on housing prices. This, in turn, is expected to increase the volume and value of loan applications made or processed by mortgage brokers. This is expected to result in a higher volume of home loans settled and, accordingly, an increase in the value of commissions received by mortgage brokers.

2.3. COMPETITORS

Figure 2.3: Mortgage broking industry



Source: IbisWorld Industry Report K6411b. Mortgage Brokers in Australia November 2015

Although there are a number of large corporate participants in the mortgage broking industry, the majority of the market is highly fragmented and comprises a large number of small businesses and sole proprietors. Consolidations within the industry are frequent. Consolidation is an attempt by industry participants to gain market share, increase brand awareness, realise cost savings and diversify income streams. Broker groups are expected to continue to undergo considerable consolidation in the coming years with the “big four” major banks (CBA, Westpac, ANZ and NAB) expected to be active players in this strategy. Past examples of industry consolidations by the “big four” include:

- CBA's acquisition of Aussie Home Loans in 2013; and
- NAB's acquisition of mortgage aggregation businesses PLAN, Choice and FAST in 2009.

Borrowers' awareness of the role of mortgage brokers in arranging home loans has increased as the industry has grown in size and has gained prominence. With their increasing market share of residential lending, mortgage brokers have become a critical channel for the distribution of mortgage products for many lenders. Lenders perceive mortgage brokers as a cost effective channel to increase a lender's brand recognition in the areas where they do not have presence or are able to reach.

Mortgage brokers are only paid a commission on successful settlement of a loan therefore providing the lenders with a risk free sales channel. Some smaller lenders find brokers particularly effective in distributing their product offering as they lack the size and marketing budget to compete with the larger lending institutions.

2.4. TYPES OF MORTGAGE BROKER & COMPETITION

There are three main operating models for mortgage brokers in the industry as shown below.

Figure 2.4: Mortgage broking models

Model	Description	Examplesw
Franchisor	The franchisor assigns franchisees the right to market and distribute franchisor's branded service and the use of the franchisor's business name.	Aussie Home Loans Mortgage Choice
Licensee	Mortgage brokers who are employed or licensed by a single branded employer. The brokers are typically remunerated by a mix of salary and commissions.	Yellow Brick Road
Proprietary	Mortgage brokers who run their own mortgage broking business under their own name. These brokers receive lender accreditation, commissions and access to products via a mortgage aggregator.	AFG, PLAN, Connective, Vow Financial, Finsure Finance & Insurance

N1 has been operating since inception under the proprietary business model: refer to section 3.5.1 for further information.

A recent development in the industry has been the acquisition and integration by large broker aggregators of high performing independent mortgage broking firms into their existing broker network.

Mortgage brokers and other industry players including lenders primarily compete with each other on quality of service, trust, convenience and expertise. High achieving mortgage brokers are typically distinguished from other brokers based on the following factors:

- a strong relationship with lenders which assists in improved service levels and better terms for the borrowers when negotiations on structure and pricing;
- a trusted brand and strong reputation which are built based on high quality service to borrowers and receiving referrals from existing customers and related industry and professional partners such as real estate agents, accountants and conveyancers;
- an experienced broking team that are knowledgeable and able to effectively communicate when comparing the various loan options and ultimately finding the most suitable loan product for their client; and
- economies of scale through prudent management and strong leadership in achieving sales growth while managing cost base.

2.4.1. RELATIONSHIP WITH MORTGAGE AGGREGATOR

In order to offer home loan products to their borrowers, mortgage brokers must be accredited with any lender whose products they offer. Many lenders, in particular the "big four" major banks enforce strict accreditation criteria and require ongoing high lending volumes targets to be met to continue to remain accredited. It is impractical for many small mortgage brokers to meet these requirements. Consequently, most mortgage brokers join a mortgage aggregator to obtain accreditation with the aggregator's lending panel and access to their mortgage products.

Mortgage aggregators act as a wholesaler between the lenders and mortgage brokers. This role often includes:

- managing the relationship with lenders;
- satisfying lender accreditation requirements;
- ensuring compliance with the law, regulations and lender requirements;
- facilitating training of mortgage brokers; and
- arranging or facilitating the payment of commissions for the benefit of their mortgage brokers.

Although aggregators may at times have an internal mortgage broking team, their core business is to provide support and access to lenders for their proprietary mortgage brokers rather than selling loan products directly to borrowers. As such, mortgage aggregators are in the business of recruiting mortgage brokers and not considered direct competition for proprietary mortgage brokers, such as N1. Rather, successful mortgage brokers are often targeted for recruitment by other mortgage aggregators seeking those brokers to join

that aggregator's network. N1 is a customer of an aggregator, Finsure: refer to section 9.2 for further information on N1's agreement with its aggregator. The Board believes that if the aggregator relationship with Finsure were to end, a number of other aggregators would be eager to provide aggregation services to N1 given the volume of loans N1 currently originates.

In addition to offering brokers with access to their lending panel, aggregators often offer ancillary support services to their brokers. Such support services will vary between aggregators but could include:

- the provision of software (such as loan comparison, loan lodgement and customer relationship management tools);
- broker training (covering topics such as sales techniques and managing compliance);
- management support;
- client lead generation;
- branding; and
- back office support.

The aggregator may also provide its brokers with appropriate licensing by appointing them as credit representatives under their Australian Credit Licence (ACL).

The aggregator will charge a fee for offering these services which would be either in the form of a percentage of the commissions received from the lenders, a fee per loan settlement transaction, a flat monthly or annual fee, or a combination of these fees. In addition, some aggregators also charge a joining administration fee or franchise fees.

2.5. LICENSING

In Australia, the mortgage broking industry is primarily regulated by ASIC and under the National Consumer Credit Protection Act 2009 (NCCP Act). In early 2010, the NCCP Act was enacted to protect borrowers and ensure ethical and professional standards in the finance industry.

A key protection for consumers under the NCCP Act is the responsible lending obligations on mortgage brokers. The objective of these obligations is to ensure that the credit contract or lease is 'not unsuitable' for the consumer.

The responsible lending obligations require a mortgage broker to:

- make reasonable inquiries of the consumer about their financial situation, their requirements and objectives in relation to the credit contract;
- based upon these inquiries, assess whether the credit product is unsuitable for the consumer and only proceed if the credit product is not unsuitable; and
- give the consumer a copy of the assessment if requested.

Under the NCCP the Act, a mortgage broker is only permitted to practice if he/she has obtained:

- an ACL, or
- become a credit representative of an ACL holder.

N1 holds its own ACL (N1 Loans Pty Ltd – ACL 473016) .

2.6. AUSTRALIAN RESIDENTIAL MORTGAGE MARKET OUTLOOK

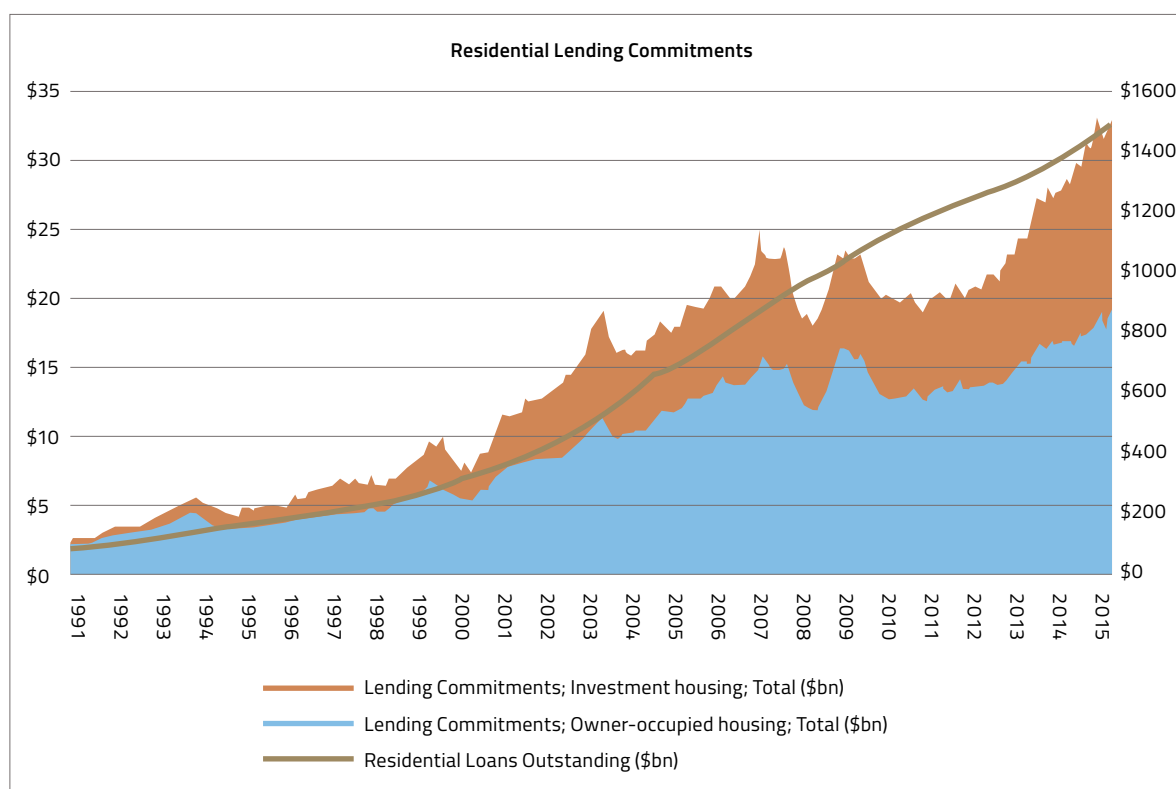
2.6.1. OVERVIEW

The Australian housing finance market is generally analysed and measured based on the number and value of lending commitments being housing finance approvals. On this basis, the Australian lending market has historically exhibited strong and steady growth with a compound annual growth rate of 12.4% since 1991 based on total value of loans outstanding. The residential lending market has rebounded well from the global financial crisis and the Board believes the market remains robust and will maintain a positive future outlook.

As at July 2015, total residential loans outstanding were \$1.5 trillion, up 7.4% from the previous 12 months and overall 6.8% since the beginning of the GFC (July 2007). The growth in the housing financing market in recent years have been supported by positive macro-economic indicators, including:

- falling interest rates;
- sustained population growth; and
- increased interest from investors locally and abroad.

Figure 2.5: Growth in residential lending commitments



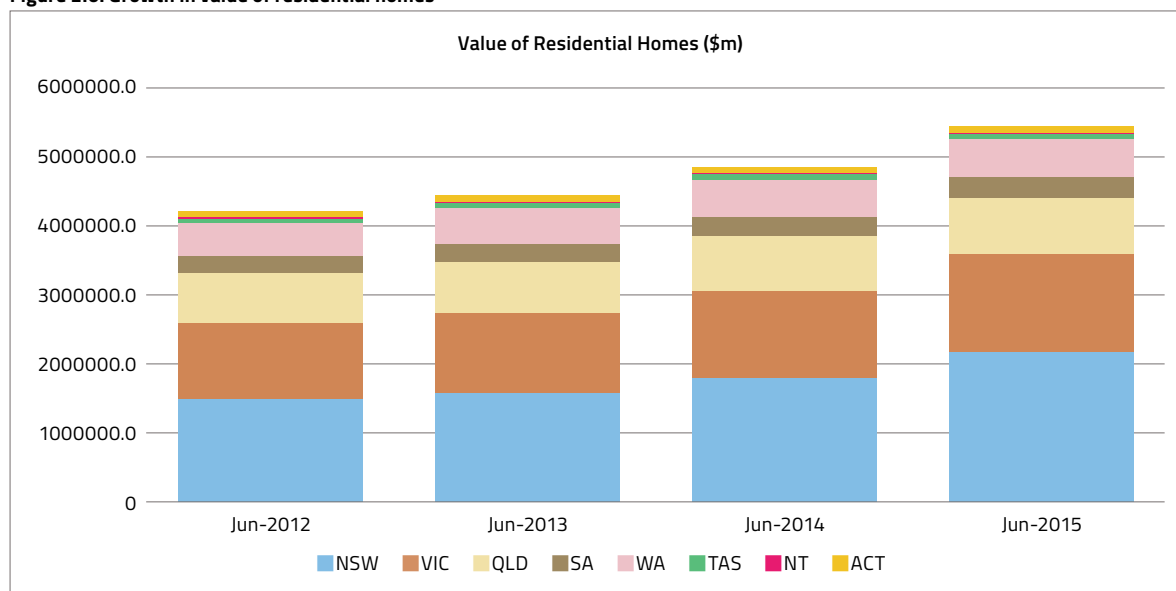
2.7. KEY DRIVERS OF THE AUSTRALIAN RESIDENTIAL MORTGAGE MARKET

2.7.1. PROPERTY MARKET

The Australian residential real estate market has experienced positive growth across the country with a compounded average growth rate of 9% in the last 3 years to June 2015.

As at June 2015, the value of the Australian residential real estate market is approximately \$5.5 trillion.¹ The average price of a residential dwelling across Australia is valued approx. at \$605,000, buoyed predominately by strong growth in capital cities, in particular the Eastern States of Australia.²

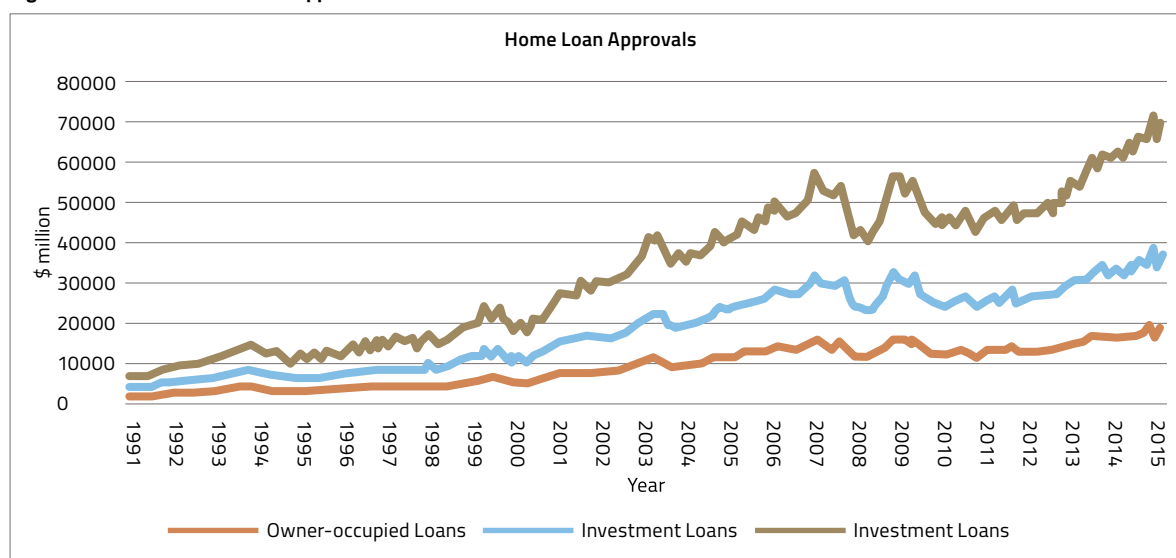
Figure 2.6: Growth in value of residential homes



Source: Australian Bureau of Statistics – Residential Price Index – Table 6 Value of Residential Dwellings, All Series June 2015

Naturally, the real estate market in Australia is positively correlated to the lending market growth.

Figure 2.7: Growth in home loan approvals



Source: Reserve Bank of Australia – Lending Commitments – All Lenders D6, September 2015

This historic growth in the residential property market had been underpinned by strong confidence from both home-owners and investors. Since July 1991, the Australian lending market has shown that on average owner-occupied housing loans are at 71% and investor housing loans make up the balance at 29% for the last 24 years.³

¹ Australian Bureau of Statistics – Residential Price Index – Table 6 Value of Residential Dwellings, All Series June 2015.

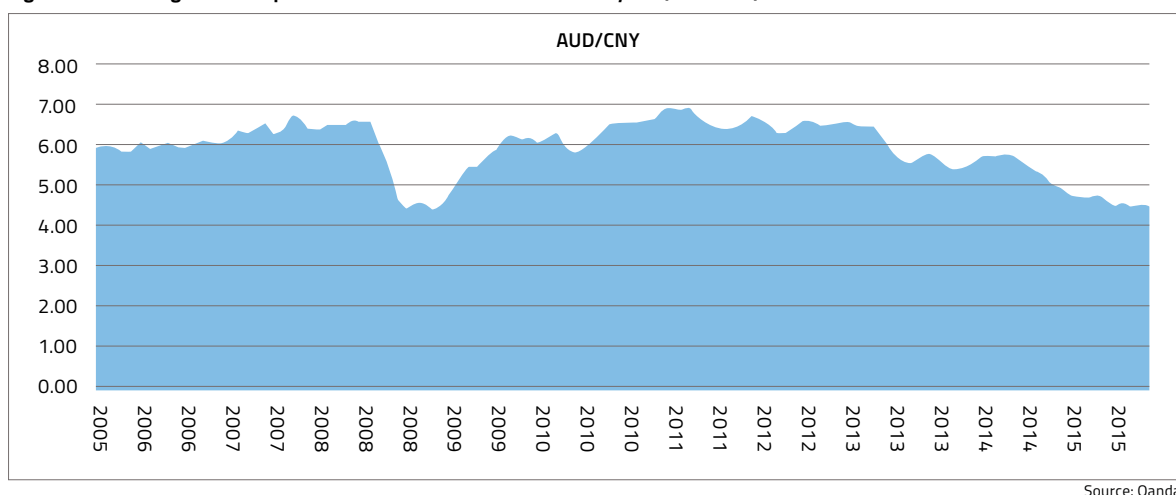
² Australian Bureau of Statistics – Residential Price Index – Table 6 Value of Residential Dwellings, All Series June 2015.

³ Reserve Bank of Australia – Lending Commitments – All Lenders D6, September 2015.

2.7.2. FOREIGN INVESTMENT AND FALLING AUSTRALIAN DOLLAR

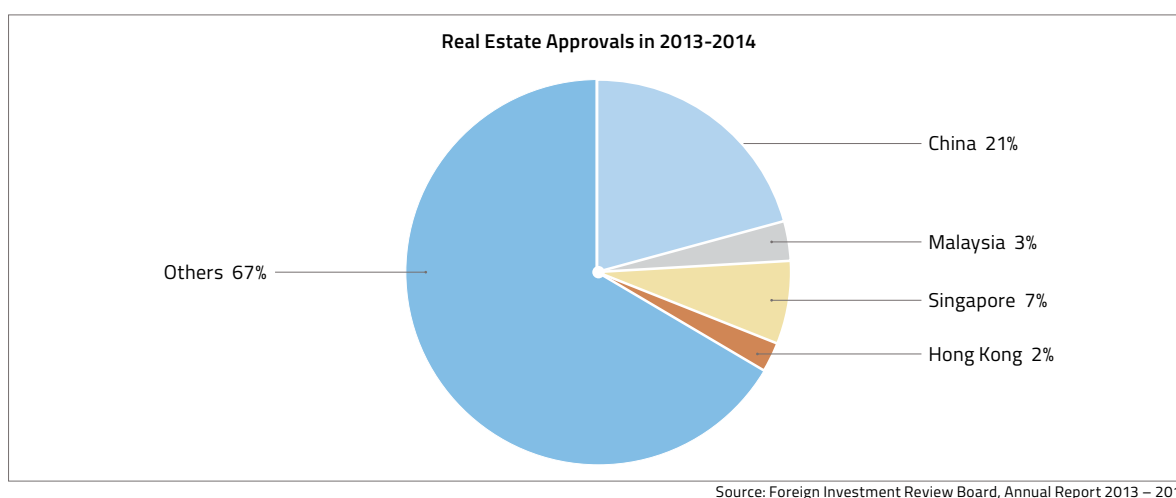
Recent depreciation of the Australian dollar against the US dollar and other major currencies has made the Australian residential property an attractive investment for certain foreign investor groups. In particular, the Australian dollar has fallen over 36% against the Chinese yuan over the last decade to April 2015 which has subsequently made Australia housing more affordable for Chinese investors.

Figure 2.8: Exchange rate comparison – Australian dollar VS Chinese yuan (Renminbi)



For the first time, China was the largest source of proposed foreign investment in Australia, mainly driven by a large increase in residential real estate approvals. In FY14, 33.34% of all real estate investment approvals provided by FIRB related to purchasers from China, Singapore, Malaysia and Hong Kong⁵.

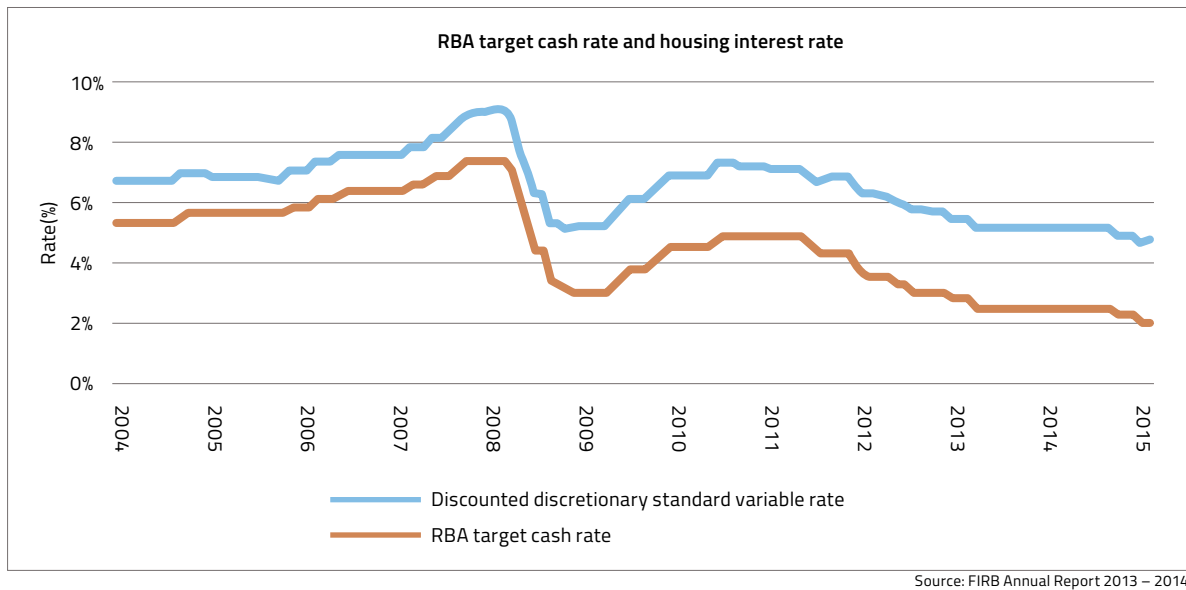
Figure 2.9: FIRB real estate approvals



⁴ <http://www.oanda.com/currency/historical-rates/>

⁵ Foreign Investment Review Board, Annual Report 2013 – 2014

Figure 2.10: Australian interest rates have been trending downwards over the past 10 years



Interest rates on mortgages are a key driver of the housing finance market as they impact a borrower's ability to service their home loan and their maximum borrowing capacity.

Lenders typically price their home loan rates above the cash rate and the fluctuations around the cash rate have a direct impact on borrower's cost of borrowing and consequently demand for credit lending. Australia's cash rate is currently at a record low of 2% as at 1 September 2015 and home loan rates are at historic lows.

2.7.3. GROWING GDP AND REDUCING UNEMPLOYMENT

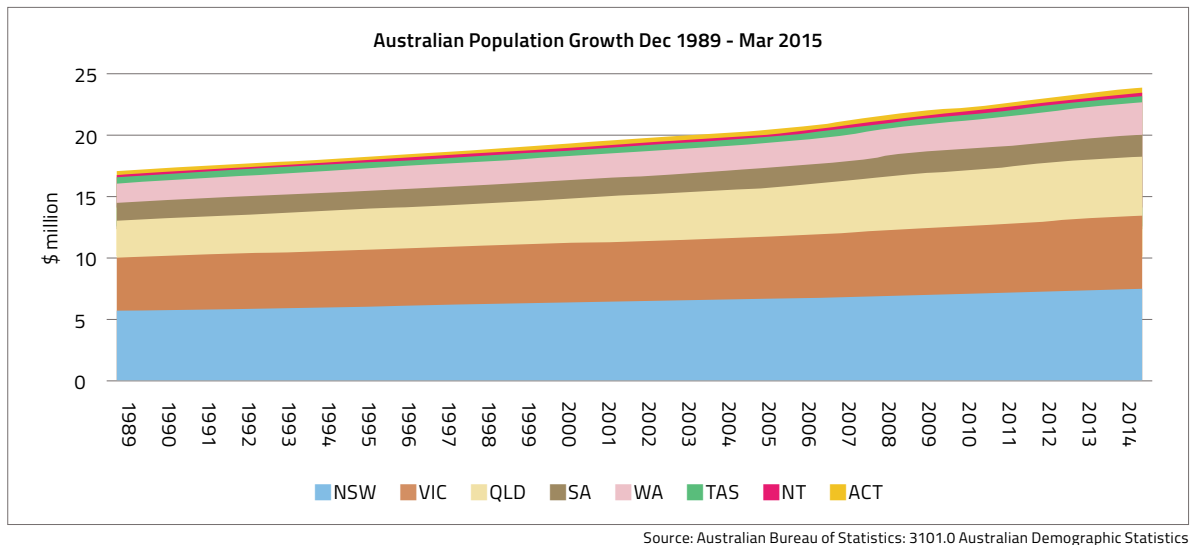
Figure 2.11: Real GDP growth



Over the last decade, the Australian economy has experienced an average yearly gross domestic product growth of 3% coupled with a relatively low unemployment rate. These indicators are some of the contributing factors driving the demand for housing credit and overall economic activity and form the basis of Australia's monetary and fiscal policies. The unemployment rate as at August 2015 was 6.2% which is much in line with the 20 year average to March 2015 at 6.1%.

2.7.4. INCREASING POPULATION

Figure 2.12: The Australian population has been trending upwards historically



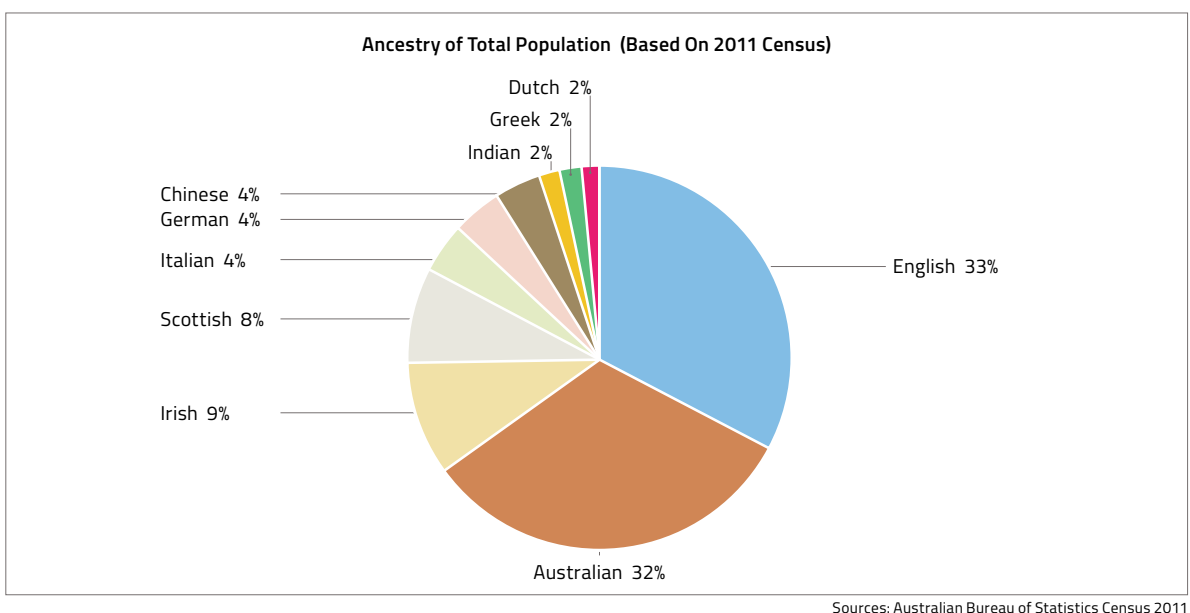
The preliminary estimated resident population (ERP) of Australia at 31 March 2015 was 23.7 million people being a 1.4% increase from the prior year. In the last 5 years Australia's population has grown on average by 358,600 or 1.6% per annum. The ABS forecast Australia's population to reach 29.3 million by 2026, representing an increase of 19.6% increase across the last ten years.

With continued growth in population and positive net migration, the Australian residential real estate market may continue to experience demand for increase supply of housing in the near future and subsequently fuelling credit lending growth also.

2.8. NICHE OPPORTUNITY

Australia ERP, as at 31 March 2015, was 23.7 million and according to the Australian Bureau of Statistics in the 2011 Census, there were 4.0% of the total population in Australia that were of Chinese ancestry. This is equivalent to approximately 949,000 people in Australia as estimated to be Chinese or have some association to it culturally.

Figure 2.13: Ancestry of Australian population



According to the 2013-14 report from FIRB, China was the single largest source country for approved proposed investment in 2013-14, accounting for \$27.7 billion and this was mainly driven by a large increase in residential real estate approvals. Over \$12.6 billion of investment was accounted for by real estate. Furthermore, a report conducted by KPMG and the University of Sydney has found that in 2014 for the first time, nearly half (46 per cent) of Chinese direct investment was concentrated in commercial real estate transactions (up from 14 per cent in 2013) totalling approximately \$4.4 billion in total value consideration. In 2014, Australia has experienced the highest growth in inbound real estate investment from China with a particular focus on Sydney and Melbourne.

China has now reached one million high-net-worth individuals (HNWIs), being individuals with investable assets in excess of RMB 10 million (approximately A\$2.2 million AUD)⁶. The burgeoning Chinese middle class and affluent individuals have been a factor in driving demand for local Australian housing supply. The Board expects this demand to continue for the foreseeable future.

2.9. CONCLUSION

With increasing reliance by lenders to use mortgage brokers to promote their loan products combined with the upward trending property market which is being driven as a result of the:

- growing population;
- declining Australian dollar; and
- low interest rate environment.

N1's management team believes that the Company is well positioned to capitalise the market in particularly with its competitive advantages in the niche sector N1 had initially targeted and taken a leadership position.

⁶ 2015 China Private Wealth Report published by Bain & Company and China Merchant Bank

For personal use only



n1 loans

- Track record of growth: key growth rate metrics over the period between FY13 to FY15:
 - Revenue increased at a CAGR of 111%
 - Loan settlement volumes increased at a CAGR of 113%
 - Loan application lodgement volumes increased at a CAGR of 73%
- Delivered positive earnings (EBITDA) on a normalised basis over the last 3 financial years, with substantial trailing income streams
- Established one of Australia's first Chinese-language mortgage and car loan comparison websites: www.chengdai.com.au
- Award winning and experienced team, recognised as a quality offering by major industry players
- Growing niche market opportunity in Australia, China and South East Asia
- Raising capital to accelerate growth through expansion of existing and new segments, as well as synergistic acquisitions

This Prospectus is an important document that should be read in its entirety. In particular, potential investors should consider the "Risks" set out in section 5. If you do not understand this Prospectus you should consult your professional or other advisers. The securities offered under the Prospectus should be considered a speculative investment.

SECTION 3. COMPANY OVERVIEW

Nº1

3.1. HISTORY

N1 Loans Pty Limited ACN 142 259 854 is an Australian based mortgage broking business which targets Chinese-speaking and South East Asian borrowers. N1 focuses on lending to both Australian-based and foreign borrowers with a particular focus on Chinese, Malaysian, Hong Kong, Singapore and Taiwanese residents.

N1 was founded in 2011 by Mr Ren Hor Wong who identified a growing but underserved local and foreign Chinese and South East Asian market within the residential mortgages industry. N1 aimed to address this gap in the market by:

- improving the turnaround time on home loan credit assessments through efficient internal processes and preferential lender support it receives from its key lenders;
- educating its customers on the home loan process and translating the relevant loan product information in simple layman terms and communicating it to them in a language they prefer;
- understanding its clients from not only a financial but cultural perspective and filtering and recommending loan products which are more suitable for their needs; and

- providing its clients with easy access to loan product information and useful tools such as mortgage repayment calculators in a language they are naturally familiar with and from a brand they could trust.

N1 has grown in size and revenue. As at 20 December 2015, N1 has 43 staff (including employees and consultants remunerated via commissions) and, via its aggregator, Finsure, is able to access a panel of over 30 lenders. N1 has recently expanded its global footprint with a new office in Shanghai, China. Although this office is not permanently staffed, Australian-based N1 employees regularly travel to this office to meet with existing and potential Chinese resident clients.

From the commencement of FY13 to 30 September 2015, N1 has lodged over \$1.166 billion of loan applications and has settled over approximately \$880 million of loans.

Lodged applications are a measure of both a mortgage broker's pipeline and potential future revenue. Settled loans directly correlate to a mortgage broker's commission revenue.

3.2. RESTRUCTURE

N1 Holdings Limited ACN 609 268 279 has been incorporated for the purposes of listing on the ASX. On completion of Listing, N1 Holdings Limited will acquire the entire issued capital of N1 Loans Pty Limited from the N1 Vendors.

3.3. NICHE MARKET STRATEGY

The Chinese-speaking and South-East Asian market in Australia presents a niche target market opportunity for N1, a locally-based mortgage expert with ties to the local Asian community. N1 currently operates with an experienced team of mortgage brokers and industry professionals that are fluent in both spoken and written forms of Chinese communication.

N1 is building a brand and growing relationship with the Australian Chinese community through regular seminars, sponsorships and direct advertising to this community. The Board believes that the team at N1 is well positioned to increase its market share in this niche market segment. N1's objective is to become the leading and trusted mortgage and financial services adviser within the Chinese-speaking community in Australia.

N1 believes its strong relationship with industry professionals such as immigration agents and real estate agents will continue to grow in the future. In addition, \$900,000 (if the minimum subscription amount is raised) and up to \$1.5m (if the maximum subscription amount is raised) of the funds raised from the

Offers will be used to towards marketing campaigns directed at this specific market and raising the brand profile even further to Chinese locally and abroad including expatriates.

The Board believes that a significant opportunity exists to combine disruptive online comparison tools with its focus on Chinese-speaking customers to capture new clients in N1's niche target market. The Board believes that a growing number of Chinese consumers use the internet to research and compare home loan products. To capitalise on the anticipated demand for such services, N1 has built one of the first Chinese-language residential mortgage and car loan comparison websites: www.chengdai.com.au. The Board believes this will assist N1 in building a platform to source new leads locally and abroad, to enhance new product and service offerings and overall improve brand awareness of N1's presence to the Chinese target market. Launched in March 2015, by the end of October 2015, www.chengdai.com.au had received over 15,000 visits and has generated leads resulting in loan settlements of \$9.22m.

3.4. STRATEGY AND COMPETITIVE POSITION

N1 believes that the combination of the following core components of its business model provides it with competitive advantage.

No limitations on product distribution capability	<ul style="list-style-type: none"> ▪ N1 acts solely as an originator for a wide lending panel including banks and non-bank institutions. N1 does not manufacture or distribute its own loan products. Consequently, N1 is not limited by its own limited product range or specific credit policies. ▪ N1 is accredited with over 30 lenders including all the major banks, numerous regional and second tier banks and a selection of non-bank lenders. This provides N1 with a wide array of loan products to cater for a broad range of borrower's requirements and financial circumstances. ▪ In addition, N1 has exclusive access to residential mortgage products from select lenders which are not available to the borrower direct nor via other mortgage brokers outside of their current aggregator network.
Innovative and disruptive online technologies	<ul style="list-style-type: none"> ▪ N1 has developed one of the first Chinese-language residential mortgage and car loan comparison websites: www.chengdai.com.au. ▪ www.chengdai.com.au has been designed to both educate Chinese speaking consumers on Australian loan products and to generate customer leads for N1. ▪ www.chengdai.com.au is a scalable platform which can be translated into other languages to provide subject to target market and give capacity to enter other geographies. ▪ N1 has also developed an interactive platform utilising mortgage calculators on WeChat, one of the world's largest standalone messaging applications which is a popular social media app across the Chinese population globally.
Technical expertise and experience in loan products	<ul style="list-style-type: none"> ▪ Every lender has different credit guidelines and eligibility criteria for their various loan products. N1's mortgage brokers are highly experienced in navigating these requirements and keeping their technical knowledge up to date with the constant changes in lender offerings. ▪ This technical expertise and experience assists N1's customers with selecting the best loan product and structuring their loan application to increase the likelihood of approval.
Strong lender relationships and high quality of service	<ul style="list-style-type: none"> ▪ N1 has achieved a "top broker" status with several of key lenders including: <ul style="list-style-type: none"> ◦ Commonwealth Bank of Australia (Diamond Broker); ◦ Westpac Bank (Platinum Broker); ◦ St George (Flame Broker); ◦ ANZ (Premium Partner); ◦ Suncorp (Gold Partner); ◦ Bankwest (Premium Broker); and ◦ Resimac (Priority Gold Broker). ▪ "Top broker" status is based on criteria including the quality of a mortgage broker's loan applications, the volume of loan settlement and quality of customer service.
Brand	<ul style="list-style-type: none"> ▪ N1 is developing a trusted brand among its clients, referrers and in the Chinese-speaking community in Australia. ▪ N1 has won a number of industry awards and peer recognition including: <ul style="list-style-type: none"> ◦ Top 10 independent brokerage 2015 awarded by Mortgage Professional Australia; ◦ National Top 6 Broker 2015 awarded by Mortgage Professional Australia; ◦ 2015 Elite Business Writer awarded by The Adviser; and ◦ Best Broking Business of the Year 2015 awarded by Finsure.
Existing referral base and unique new lead generation	<ul style="list-style-type: none"> ▪ N1 has built a growing referral base with existing customers and referral partners (such as real estate agents, accountants and conveyancers). The majority of N1's organic growth to date is attributable to this referral base. ▪ N1 looks to further diversify its customer base by creating and exploiting unique lead generation initiatives such as www.chengdai.com.au.

Growing international presence	<ul style="list-style-type: none"> ▪ N1 has opened an office in Shanghai to develop a stronger brand presence in this location. Although this office is not permanently staffed, Australian-based N1 employees regularly travel to this location to meet with existing and potential Chinese resident clients. ▪ N1 intends to further diversify its geographic customer base and is considering expansion into other cities in China, potentially other South East Asian countries.
Centralised support	<ul style="list-style-type: none"> ▪ N1's mortgage brokers and sales consultants are supported by separate processing and compliance teams to allow for an efficient and compliant back-office process. ▪ In order to reduce the key person risk, the relationship with each customer is spread across N1's separate divisions.
Holistic financial services	<ul style="list-style-type: none"> ▪ N1 has widened its service offering beyond home loans to offer additional financial services to both existing and new clients. ▪ N1 currently offers the following additional services to current and potential clients: <ul style="list-style-type: none"> ◦ financial planning; ◦ asset financing; and ◦ commercial lending. ▪ Although these additional financial services only comprise a small amount of N1's current revenue, it is anticipated that these offerings will diversify N1's future revenue streams and will assist in customer retention.

3.5. N1'S BUSINESS MODEL

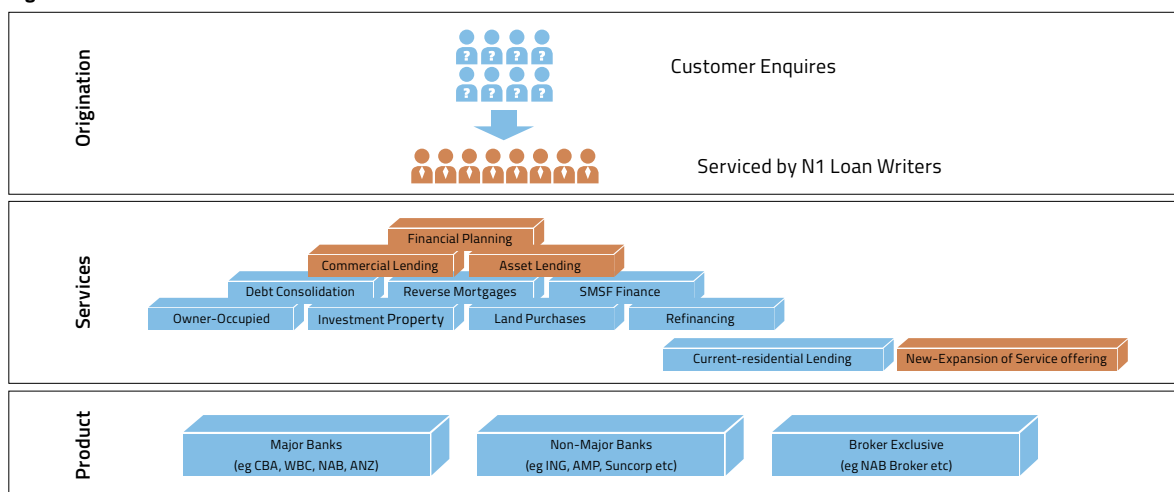
3.5.1. WHAT DO WE DO?

N1 assists customers in the selection of a mortgage product from the diverse range of products on offer via its lender panel. N1's role is to identify the loan product which is most suitable based on a customer's particular needs and financial circumstance. N1's mortgage brokers and sales consultants assist customers by recommending a loan structure and product based on the information provided those customers. N1's staff do this by considering hundreds of loan products and filtering these into a shortlist of possible suitable options. N1's staff then guide customers with a decision and through the application process.

Completed application forms are submitted by N1 on the customer's behalf. These services are provided typically at no upfront cost to the customer although an estimated commission (both upfront and trail) payable to N1 by the relevant lender (if a loan is settled) is disclosed to the customer in a transparent manner prior to loan submission.

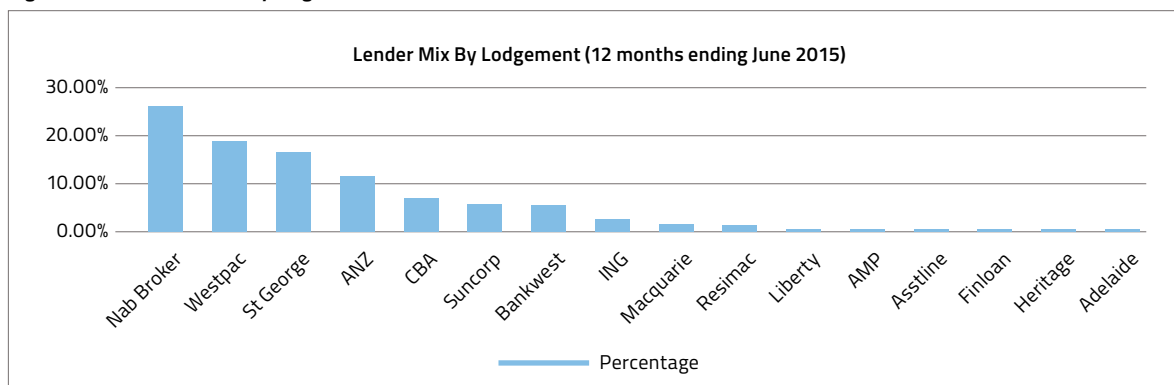
N1 acts as the project manager for the loan application process from submission of the application until settlement of the loan including liaising with the lender and other stakeholders (such as solicitors and real estate agents), to ensure the loan is settled on time.

The Board believes that mortgage brokers will continue to grow their aggregate market share of the home loan origination market. This is because of the number of lenders in the market and the myriad of mortgage products they offer continues to grow. Many borrowers find this complexity confusing and will often turn to a mortgage broker to provide advice on suitable options.

Figure 3.1: N1 business value chain

N1 has access to over 30 lenders on its panel including all the major banks, numerous regional and second tier banks, and non-bank lenders. A broad panel means a diverse product range which facilitates a greater range of potential solutions for almost any customer loan scenario.

N1's loan applications are spread across various lenders. This mitigates concentration risk. By not being reliant on a single lender, the Board believes that N1 is more able to provide its customers with an independent assessment and advice regarding the selection of a lender and loan product.

Figure 3.2: N1's lender mix by lodgement

3.5.2. HOW WE MAKE MONEY?

N1's primary revenue is derived from commissions paid by lenders for the introduction of customers acquiring home loan products. Typically for each new residential loan settled, the relevant lender will make a commission payment to N1's aggregator for each month that the loan remains outstanding. This commission payment is passed on to N1 (less the aggregator's flat monthly service fee). Commission structure and payment terms for varies from lender to lender but for residential lending, commissions generally comprise two key components:

- **Upfront commissions** on settled loans. Upfront commissions are payable by the lender in respect of each settled loan arranged by N1. The upfront commission is a one-off payment calculated on a percentage of the total loan amount at settlement. The upfront commission is typically paid by the lender one month after the settlement date; and
- **Trail commissions** on the outstanding balance on each settled loan. Trail commissions are payable by the lender in respect of each settled loan arranged by N1 over the life of the loan (except when the relevant loan is in arrears or default). Generally where a particular borrower enters into arrears on their mortgage, the trail commissions will temporarily cease until the loan account is

returned to a good standing position. Trail commissions are calculated as a percentage of the outstanding loan balance and are paid to N1 on a monthly basis.

While the commissions received from each lender vary, in broad terms the range of commissions that N1 typically earns for new home loans is as follows:

- upfront commissions are typically between 0.6% to 0.7% of the total loan amount; and
- trail commissions are typically between 0.15% p.a. to 0.25% p.a. of the total outstanding loan balance.

Generally, a lender is entitled to "clawback" (i.e. require return of) a part or whole of the upfront commission if the loan is repaid or terminated within a certain period from draw down. The applicable period varies depending on the lender but it is generally between 12 to 24 months.

3.6. WHAT TECHNOLOGY DO WE USE?

N1 has historically experienced strong growth in its business as a result of its referral partnerships and customer referral base that has grown and been cultivated over time. In addition to these sales channels, N1 has begun to shift its focus towards a more scalable lead generation strategy through the use of disruptive online technology.

3.6.1. WWW.CHENGDAI.COM.AU

On 31 March 2015, N1 launched www.chengdai.com.au. www.chengdai.com.au is a Chinese-language mortgage and car loan comparison website which targets local and foreign borrowers.

Chengdai means 'successful borrowing' in Chinese and was one of the first Chinese-language loan comparison websites launched in Australia. www.chengdai.com.au was developed with the aim to remove language barriers for Chinese speaking borrowers. www.chengdai.com.au allows visitors to search and compare hundreds of home loan products available in the market in their native language and presents product information including rates, fees and other features. The website's technology allows visitors to calculate their expected loan repayments and also includes other useful tools such as stamp duty calculators.

The launch of www.chengdai.com.au has been met with great interest in the market. Both local Australian and Chinese media have been provided positive coverage and commentary on the value of the website in meeting a niche target client market. Major media outlets who have reported on the website include Channel 9, Australian Financial Review and various local Chinese media. In May 2015, N1 (and [chengdai.com.au](http://www.chengdai.com.au)) were awarded the SMART 100 (Innovation Award) by Anthill recognising the value of this innovation in the marketplace.

Figure 3.3: www.chengdai.com.au website



Launched in March 2015, by the end of October 2015, www.chengdai.com.au had received over 15,000 visits and had generated leads resulting in loan settlements of \$9.22 million.

The Board of N1 expects the continued development of www.chengdai.com.au as a real of point of difference from N1's competitors and a key driver to the long term worth of the business in terms of branding and value.

www.chengdai.com.au provides N1 with an alternate lead source compared to the traditional lead generation methods such as offline marketing. The Board of N1 expects www.chengdai.com.au to generate more leads at a lower cost of acquisition over time as the website reaches scale. From the proceeds of the Offers, the Company intends to spend \$350,000 on creative development of the content on www.chengdai.com.au, for further infrastructure improvements and on costs relating to enhancing its prominence through online through search engine optimisation and search engine marketing. To date, N1 has expended minimal marketing costs on promoting www.chengdai.com.au. Nevertheless, www.chengdai.com.au is already highly ranked for common property, mortgage and car loan related search phrases in Chinese.

Table 3.4: www.chengdai.com.au's Google page ranking (as at 22 December 2015)

Chinese Keyword	Translation (English)	Google Page Result	Google Page Ranking
悉尼贷款	Sydney loans	1	6
悉尼房贷	Sydney Home Loans	1	1
墨尔本贷款	Melbourne loans	1	5
墨尔本房贷	Melbourne Home Loans	1	2
澳大利亚贷款	Australia Loans	1	1
澳大利亚房贷	Australia Home Loans	1	6
悉尼转贷	Sydney Refinance	1	4
墨尔本转贷	Melbourne Refinance	1	2
悉尼车贷	Sydney Car Loans	1	4
墨尔本车贷	Melbourne Car Loans	1	3
澳大利亚车贷	Australia Car Loans	1	4
海外收入贷款	Overseas income loans	4	3

Source: Google

The Board of N1 believes that www.chengdai.com.au is a scalable comparison platform which can be translated into other languages, rolled out to target borrowers from other non-English speaking background (both locally and in their home countries) and into other product lines such as other loan products and insurance products.

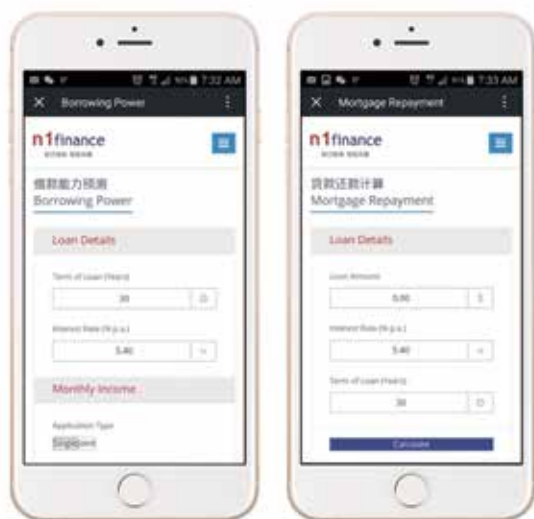
3.6.2. WECHAT PLATFORM

In addition, N1 has developed an interactive platform utilising mortgage calculators on WeChat, one of the world's largest standalone messaging applications which is popular in China and across the Chinese population globally.

WeChat (Weixin) has reported monthly active users of 650 million at the of the September 2015 quarter. WeChat is the number 1 messaging app in the China market and its user base are primarily derived by China, Malaysia, Hong Kong, India and Taiwan. Unlike any western messaging app, WeChat extends beyond a messaging platform but a social media platform that is able to provide a

major channel for consumer content to its users in the Asia Pacific region. In taking advantage of WeChat user base and its innovative advertising platform capabilities, N1 perceive this to be a key channel in reaching its niche target market from abroad.

Figure 3.5: N1's interactive technology platform on WeChat



3.7. OPERATING PERFORMANCE

3.7.1. LODGEMENTS AND SETTLEMENTS

From the commencement of FY13 to 30 September 2015, the total value of loans lodged by N1 since inception was approximately \$1.166 billion. N1's total annual lodgements grew:

- from \$175 million in FY13;
- to \$525 million in FY15,

representing a compounded annual growth rate of 73% from FY13 to FY15.

Annual settlement volumes have also grown:

- from \$98 million in FY13;
- to \$233 million in FY14; and
- to \$447 million in FY15,

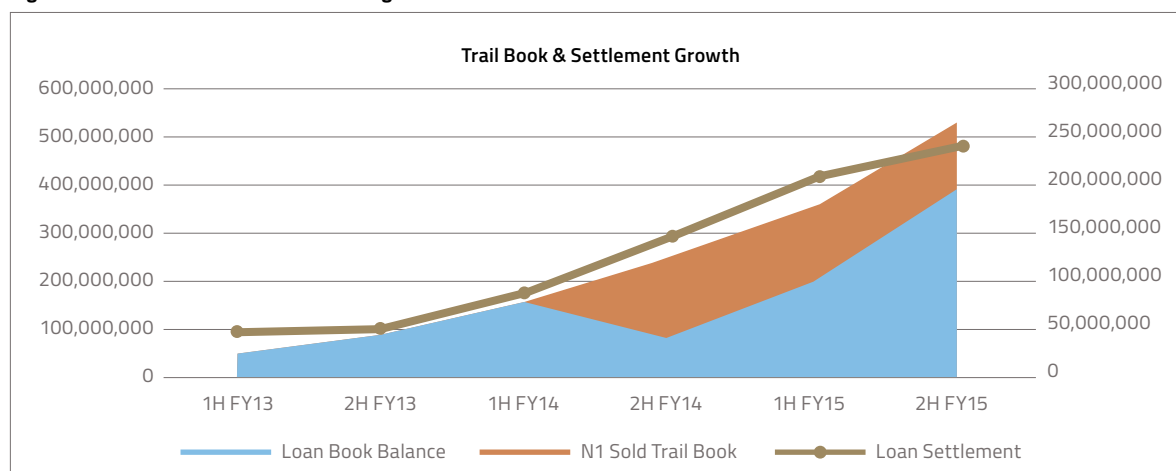
representing a compounded annual growth rate of 113% from FY13 to FY15.

Lodged applications are a measure of both a mortgage broker's pipeline and potential future revenue. Settled loans directly correlate to a mortgage broker's commission revenue.

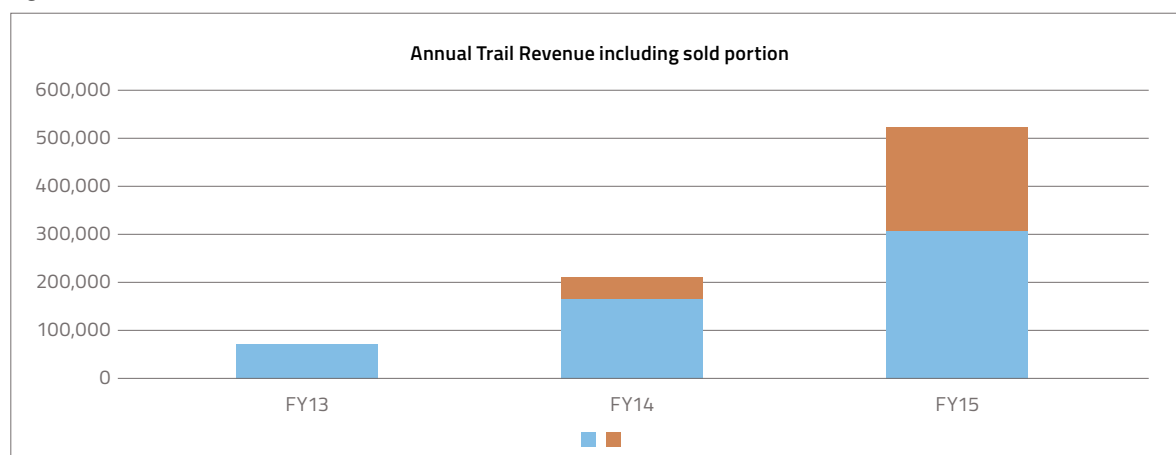
3.7.2. TRAIL BOOK

A key driver of N1's financial performance is the trailing commissions paid by lenders over the life of the loans arranged by N1. The size of N1's trail book represents the aggregate balance of loans outstanding that have been arranged by N1. Accordingly, the trail book represents a growing pipeline of future income for N1.

Over the past two years, N1's trail book has grown at a compounded annual growth rate of 134.19% per annum from \$97 million in FY13 to \$532 million in FY15.

Figure 3.6: N1's trail book and settlement growth

As noted in the graph above, N1 sold approximately \$175 million of its trail book to a third party financial services firm on 1 July 2014. The sold trail book balance at 30 June 2015 is approximately \$137 million. As at 30 June 2015, N1 was therefore entitled to future income on a trail book balance of \$395 million (\$532 million less \$137 million). Investors should note that N1 is not entitled to any income relating to the portion of its trail book that was sold. The purpose of the sale was to fund marketing costs and expansion capital including the increase on full time employees in the operations and sales team. It also allowed the Company to transition from a consultancy model with its mortgage brokers to an employee model. Like many of its competitors, N1 operated under a consultancy model whereby its mortgage brokers were independent contractors to the business. Although this provided the Company a risk free cost base, it carried a smaller margin as the Company would typically share a percentage of the commission with each consultant. A shift from a consultancy base model to an employee model is expected to increase the Company's margins over time. In FY15, increased its annual settlement volume by 92% from the previous year.

Figure 3.7: Growth of N1's annual trail revenue

3.8. GROWTH STRATEGY

N1 is continuing to implement an expansion strategy with a focus on the following five areas to drive future growth of the business:

- O2O business model:** continue the transformation of the business into an online to offline (O2O) business model to increase customer retention and extract cross sale synergies;
- Marketing:** increase online and offline marketing of the N1 brand locally and abroad to drive greater consumer awareness and sales lead volumes. N1 will continue to target the Chinese and South East Asian community where the Board believes it has a competitive advantage. The marketing strategy will include further investment in www.chengdai.com.au to drive greater local and overseas leads;
- Grow sales team:** increase the headcount of mortgage brokers and sales consultants in N1;
- Service lines:** building out N1's consumer offering by further expanding synergistic service lines including commercial lending, asset

lending and financial planning. The Board believes that N1 has an opportunity to cross-sell its products to existing and new clients; and

5. **Strategic acquisitions:** considering acquisitions of synergistic and income generating assets such as mortgage trail books.

3.8.1. ONLINE TO OFFLINE MODEL

O2O is a business strategy whereby the Company utilises its online and offline presence as complementary channels. The intention is to create product and service awareness online, allowing potential customers to research N1's different offerings and then redirect those customers offline to N1's mortgage brokers and sales consultants. The use of an O2O business strategy is uncommon in the mortgage broking industry but, based on early indications, the Board of N1 believes that this will be a viable and more effective model for N1.

N1's online presence through www.chengdai.com.au and N1's interactive platform on WeChat gives potential borrowers access to information and research on the different loan products offered by N1's panel of lenders and permits borrowers to make online enquiries. This reduces the time spent by the mortgage broker in educating the potential customer on the loan products and the time spent in collating information for customers.

N1 intends to adopt strategies to drive customer traffic from those technology platforms into its mortgage brokers and sales consultants in physical offices located in Sydney, Melbourne, Brisbane and Shanghai. N1 anticipates this strategy will have the following benefits:

- increasing customer retention by developing a deeper relationship with the customers;
- creating opportunities for N1 to cross sell its other service offerings; and
- ensuring compliance requirements are satisfied – many lenders require face-to-face identification to be undertaken by the mortgage broker as part of the loan application process.

Except for N1's office in Sydney, N1's other physical offices are satellite offices which will carry low operational overheads and do not have permanent staff. N1's staff travel to these satellite offices to service clients.

3.8.2. MARKETING

In addition to the increase online marketing referred to in section 3.3, the Company will continue to increase its existing offline marketing initiatives such as ongoing seminar and educational publications as well as building further referral channels and partnerships which have all been proven to be successful initiatives to date. The expected increase in leads sourced from these initiatives will be serviced by the new expansion of the sales and operation team.

N1's marketing had been traditionally executed within Australia and more recently in Shanghai. As the Company expands, it hopes to explore other cities in China as well as other South East Asian countries.

3.8.3. GROWING SALES TEAM

Growing the headcount of mortgage brokers and sales consultants is a key component to N1's growth strategy. N1 intends to recruit business development managers who will be responsible for recruiting quality employee based mortgage brokers to join its team. N1 provides internal sales training to its brokers in order to provide them with continuous education on:

- loan products;
- lender credit policies; and
- changes in laws and regulation,

to maximise their sales and conversion capabilities.

3.8.4. SERVICE LINES

N1 has traditionally operated as a residential mortgage specialist primarily and this has facilitated strong growth. Recently, N1 has begun to expand into new synergistic business verticals including:

- commercial lending;
- asset lending (eg. Motor vehicle financing); and
- financial planning (eg. Personal insurance).

These new business verticals are part of the overall N1 growth strategy to complement its existing mortgage broking business by:

- diversifying revenue stream;
- increasing revenue growth rate;
- expanding product offering and services to its clients; and
- improving retention rates with existing client base.

Asset lending

Diversification into equipment and car finance is a natural add-on service to the residential mortgage process. Asset finance in general represents a 'low-hanging' alternate revenue stream as there is an immediate opportunity to review borrower's asset finance requirements soon after a home loan settlement. This approach to seek deeper understanding of clients' asset and financial goals will also create stickier relationships and provide a point of difference to other average mortgage brokers in the market who offer only residential home loans. The added revenue and relationship building between N1 and their clients is seen as a competitive advantage to peers in the market and one that is aligned under the Company's broader strategy of providing holistic advice to its clients.

Commercial lending

Commercial lending has become an opportunity to build and diversify revenue for N1. Commercial lending is typically structured in comparable and trail commissions when compared to residential lending and in certain cases may also be underpinned by an upfront mandate fee.

Unlike residential lending, the commercial trail book will have a slower run-off rate as the structure and fees of the loans are more complex and less alternatives in the market to switch.

Financial planning

In line with building N1 to become a financial services platform with wider offering to its clients, N1 has targeted financial planning as a key strategy for future growth. N1 has a growing customer base from arranging loans. There are natural complimentary product offering opportunities with these clients in mitigating financial risk (for example, mortgage and personal insurance), and to protect and to build personal wealth.

Aside from diversification of new revenue sources, it is anticipated financial planning will assist with client retention by building closer relationships with N1's existing and new clients.

3.8.5. OPPORTUNISTIC ACQUISITION OF STRATEGIC ASSETS

The Company's management will constantly evaluate opportunities for strategic growth. The Company will continue to seek opportunities for expansion in its areas of established business, and consider the further expansion of its service offerings as may be appropriate.

3.9. BRAND AND INDUSTRY RECOGNITION

N1 has a track record of delivering excellence to its customers. N1's achievements have been regularly recognised by industry bodies and participants. Some of N1's recent awards and accolades include the following:



Mortgage Professional Australia Top 10 Independent Brokerage 2015



The Adviser 2015-Elite Business Writer



Mortgage Professional Australia Top 6 Broker 2015- John Lau



Best Broking Business of the Year 2015



ABA 2015 Finalist:
▪ Diversification Program of the Year



▪ Best Marketing



MFAA 2015 Finalist - Mortgage Credit Adviser of the Year (NSW/ACT)

Finsure Finance & Insurance Aggregator Awards 2015 Finalist

- National Broker of the Year - John Lau
- NSW Broker of the Year - John Lau
- NSW Broker of the Year - Ren Wong

The Adviser 2015 Better Business Awards NSW Finalist:

- Best Finance Broker
- Best Loan Administrator
- Best Residential Broker
- Rising Star
- Best Independent Office (5 or more brokers)

In addition, N1 has achieved "top broker" status with numerous lenders across their panel including:

- Commonwealth Bank of Australia – Diamond Broker
- Westpac – Platinum Broker

- ANZ – Premium Partner
- St. George – Flame Broker
- Suncorp – Gold Partner
- Bankwest – Premium Broker
- Resimac – Priority Gold Broker

SECTION 4. FINANCIAL INFORMATION



4.1. INTRODUCTION

4.1.1. Overview

The financial information for N1 contained in this Section 4 comprises the following:

(a) Historical financial information, being the:

- audited consolidated historical statements of profit and loss for the year ended 30 June 2013;
 - audited consolidated historical statements of profit and loss for the year ended 30 June 2014;
 - audited consolidated historical statements of profit and loss for the year ended 30 June 2015;
 - audited consolidated balance sheet as at 30 June 2013;
 - audited consolidated balance sheet as at 30 June 2014; and
 - audited consolidated balance sheet as at 30 June 2015,
- (together, the **Historical Financial Information**)

(b) Pro forma historical financial information, being the:

- pro forma adjustments to the historical statements of profit and loss for the year ended 30 June 2013;
 - pro forma adjustments to the historical statements of profit and loss for the year ended 30 June 2014;
 - pro forma adjustments to the historical statements of profit and loss for the year ended 30 June 2015;
 - pro forma adjustments to the consolidated balance sheet as at 30 June 2015;
- (together, the **Pro Forma Historical Financial Information**)

The Historical Financial Information and Pro Forma Historical Financial information together comprise the Financial Information.

The Financial Information has been reviewed and reported by the Investigating Accountant, whose Investigating Accountant's Report is set out in Section 8. Investors should note the scope and limitations of the Investigating Accountant's Report.

4.2. 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 N1 are inherently uncertain. 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.

4.3. FUNDING

The funding for N1's short to medium term activities will be generated from the General Offer under this Prospectus. The Company's proposed use of funds is set out in Section 7.2 of this Prospectus. As and when further funds are required, N1 expects to raise additional capital from the issue of Securities.

4.4. DIVIDEND POLICY

In the event that the Company is successfully admitted to the Official List of the ASX, N1's Board plans to focus on generating revenue and expanding its sales teams globally.

N1 does not expect to declare any dividends during this period. Any future determination as to the payment of dividends by N1 will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of N1, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by N1.

4.5. N1 LOANS PTY LIMITED HISTORICAL STATEMENTS OF PROFIT AND LOSS

The following table presents the consolidated historical statements of profit and loss for FY13, FY14 and FY15.

	FY13	FY14	FY15
	(\$)	(\$)	(\$)
Revenue	704,601	1,672,024	3,130,158
Consulting and referral fees	(478,739)	(1,296,622)	(1,720,237)
Salary and wages	(48,626)	(120,385)	(1,046,470)
Travel	(8,128)	(20,420)	(74,122)
Other expenses	(94,909)	(173,273)	(326,916)
EBITDA	74,199	61,324	(37,587)
Depreciation	(20,460)	(40,766)	(57,829)
EBIT	53,739	20,558	(95,416)
Interest income	2	688	3,918
Finance costs - external	(5,955)	(14,735)	(12,540)
Income tax expense	(13,144)	(6,696)	20,033
Net profit/(loss) after tax	34,642	(185)	(84,005)

4.5.2. PRO FORMA ADJUSTMENTS TO THE HISTORICAL STATEMENTS OF PROFIT AND LOSS

The following table reflects the adjustments to FY13, FY14 and FY15 EBITDA for material costs incurred in relation to the initial public offer.

	Ref	FY13	FY14	FY15
		\$	\$	\$
Statutory EBITDA		74,199	61,324	(37,587)
Pro Forma Adjustments:				
Professional and legal fees	(a)	-	-	25,000
Travel	(b)	-	-	21,050
Pro Forma EBITDA		74,199	61,324	8,463

a) During FY15 N1 Loans incurred one-off, non-recurring fees for professional services in relation to the initial public offering. The professional fees have been reversed from statutory EBITDA.

b) During FY15 N1 Loans incurred non-recurring travel costs for meetings with potential investors in relation to the initial public offering. As such, the legal costs have been reversed from statutory EBITDA.

4.6. N1 LOANS PTY LIMITED PRO-FORMA CONSOLIDATED BALANCE SHEET

The following table presents the Historical Balance Sheet as at 30 June 2013, 30 June 2014 and the Historical Pro Forma Balance Sheet as at 30 June 2015. The balance sheet as at 30 June 2015 has been adjusted to reflect the capital raising and associated costs as if they had taken place as at 30 June 2015.

	Ref	N1 Holdings Limited			Pro-forma	Pro-forma
		30-Jun-13	30-Jun-14	30-Jun-15	(minimum sub)	(maximum sub)
		(\$)	(\$)	(\$)	(\$)	(\$)
Current Assets						
Cash & cash equivalents	(a)	11,348	59,805	647,857	4,126,857	5,536,857
Trade and other receivables		102,295	341,638	466,167	466,167	466,167
Other assets		15,735	-	205,631	205,631	205,631
Total Current Assets		129,378	401,443	1,319,655	4,798,655	6,208,655
Non-Current Assets						
Other assets		12,513	33,635	28,500	28,500	28,500
Plant and equipment		84,882	166,991	131,320	131,320	131,320
Intangible assets		-	1,714	68,599	68,599	68,599
Deferred tax asset		6,579	16,635	64,624	64,624	64,624
Total Non-Current Assets		103,974	218,975	293,043	293,043	293,043
Total Assets		233,352	620,418	1,612,698	5,091,698	6,501,698
Current Liabilities						
Trade and other payables	(b)	72,681	228,611	343,216	782,036	788,536
Income tax liability / (refund)		19,723	27,359	61,874	61,874	61,874
Borrowings		43,120	59,456	809,076	42,076	42,076
Provisions		57,886	166,111	374,643	374,643	374,643
Total Current Liabilities		193,410	481,537	1,588,809	1,260,629	1,267,129
Non-Current Liabilities						
Borrowings		39,842	137,293	106,029	106,029	106,029
Provisions		-	1,672	1,950	1,950	1,950
Total Non-Current Liabilities		39,842	138,965	107,979	107,979	107,979
Total Liabilities		233,252	620,502	1,696,788	1,368,608	1,375,108
Net Assets / (Liabilities)		100	(84)	(84,090)	3,723,090	5,126,590
Equity						
Issued capital	(c)	100	100	100	4,467,100	5,967,100
Equity raising fees	(d)	-	-	-	(336,500)	(429,000)
Reserves	(e)	-	-	-	104,334	104,334
Accumulated profit/(losses)	(f)	-	(184)	(84,190)	(511,844)	(515,844)
Total Equity		100	(84)	(84,090)	3,723,090	5,126,590

4.6.2. PRO FORMA TRANSACTIONS AND UNDERLYING ASSUMPTIONS

Pro Forma Adjustments of N1 Loans Pty Limited, incorporating the Offer and all conditions precedent, are detailed below:

a) Recognising the following:

- Minimum subscription funds of \$3,500,000 and maximum subscription funds of \$5,000,000 under the Offer.
- Cash received in relation to convertible notes issued subsequent to 30 June 2015 with a face value of \$200,000. For the purposes of the pro forma balance sheet, it was

assumed the convertible notes were issued on 30 June 2015.

- Broker commissions of \$210,000 and \$300,000 under the minimum and maximum subscriptions respectively. In addition, N1 Loan's brokers will receive 1,000,000 options, convertible to shares at an exercise price of \$0.3 upon the successful listing of N1 Loans. The options have been assessed at a fair value of \$11,000.

b) Recognising accrued expenses of \$438,820 and \$445,320 under the minimum and maximum subscriptions in relation

to transaction costs, including ASIC and ASX fees, legal fees, Investigating Accountant's fees, professional advisory fees and other miscellaneous expenses in relation to the capital raising.

- c)** Recognising additional shares in respect of:
- Minimum subscription funds of \$3,500,000 and maximum subscription funds of \$5,000,000 under the Offer;
 - The conversion of the convertible notes (borrowings) to 6,043,750 shares at an amount equal to the face value of the notes of \$967,000. As at 30 June 2015, N1 Loans had issued convertible notes with a face value of \$767,000 (4,793,750 shares). Subsequent to 30 June 2015, N1 Loans issued additional convertible notes with a face value of \$200,000 (1,250,000 shares). For the purposes of the pro forma balance sheet, it was assumed all convertible notes were issued on or before 30 June 2015.
- d)** Recognising costs associated with the capital raising and issue of shares directly to equity, including broker commissions,

incoming Director's options, legal fees, Investigating Accountant's fees and other miscellaneous expenses.

- e)** Recognising the following options granted by N1 Loans:
- 1,000,000 options to be granted to the incoming Director upon appointment. The options will be held in voluntary escrow for a period of at 12 months and convertible to shares within two years at an exercise price of \$0.2 per share. The options have been assessed at a fair value of \$36,964.
 - 4,977,500 options granted to a number of employees with a three year vesting period from the day of grant and convertible to shares at an exercise price of \$0.2 per share. The options have been assessed at a fair value of \$202,110 and the expense will be recognised on a pro rata basis over the vesting period.
- f)** Recognising expenses associated with the listing process, including ASIC and ASX fees, legal fees, employee option expenses and other miscellaneous expenses.

4.7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted in the preparation and presentation of the Historical and Pro-forma Consolidated Balance Sheets, are as follows:

4.7.1. BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001, as appropriate for a for profit entity.

Australian Accounting Standards set out accounting policies that the AASB concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the ISAB.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The functional and presentational currency is Australian dollars.

The financial statements were authorised for issue on 21 December 2015 by the directors of the consolidated entity.

4.7.2. REVENUE

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Trail commission is recognised as income when received.

Commission income may be clawed back from the Company if the recipient of the loan changes policies within a two year period. A provision for this clawback has been included in provisions.

Interest revenue is recognised using the effective interest rate method, which for floating financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

4.7.3. INCOME TAX

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant

taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

4.7.4. CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

4.7.5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Where applicable, bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

4.7.6. TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

4.7.7. LEASES

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight line basis over the

term of the lease.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance leased assets are depreciated over the assets useful life or the shorter of the assets useful life and the lease term.

4.7.8. IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Company assesses the carrying values of its intangible and tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

4.7.9. TRADE AND OTHER PAYABLES

Trade and other payables represent unpaid liabilities for goods received and services provided to the Company prior to the end of the financial year. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

4.7.10. BORROWINGS

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

4.7.11. PROVISIONS

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific

to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

4.7.12. EMPLOYEE BENEFITS

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

4.7.13. FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

4.7.14. GOODS & SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recovered from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payment to suppliers.

4.7.15. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key judgement

The Company has provided for future clawback on income received. The provision has been based on past history and is

estimated at 10%. The agent's commissions paid and then clawed back from the agents and the same percentage rate has been applied.

Key estimates — Impairment

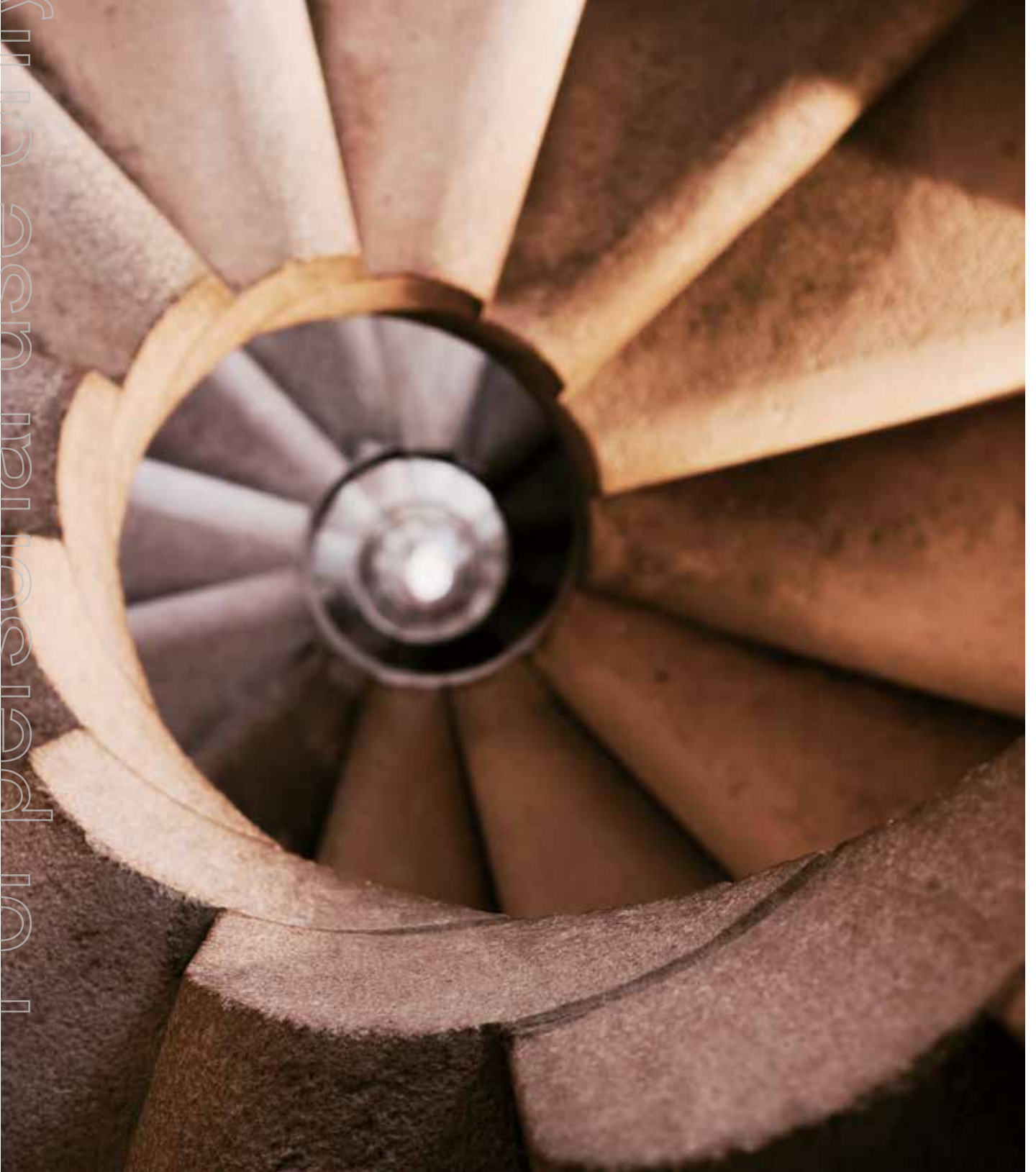
The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

4.7.16. GOING CONCERN

Notwithstanding the operating loss for the year of \$84,005 and net liabilities of \$84,090, the director believes that the going concern basis is appropriate for the preparation and presentation of the financial statements as the Company has sufficient cash or access to cash to continue to operate for the foreseeable future and expects to deliver profits in the future. Further, the Company is confident of being able to raise additional funds through an IPO.

In the unlikely event the matters referred to above result in a negative outcome, then the going concern basis may not be appropriate with the result that the Company may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and in amounts different from those stated in the Financial Report. No allowance for such circumstances has been made in the Financial Report.

SECTION 5. RISKS



<p>THE RISKS CONTAINED BOTH IN SECTION 1 (INVESTMENT OVERVIEW) AND THIS SECTION SHOULD BE CONSIDERED CAREFULLY BY POTENTIAL APPLICANTS</p>

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company.

Potential Applicants should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Prospective investors should read the whole of this Prospectus and consult with their professional advisers for legal, business, financial or tax advice in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for New Shares.

The following summary, which is not exhaustive, represents some of the major risk factors that Potential Applicants need to be aware of. These risks have been separated into:

- (a) risks unique to the Company;
- (b) general risks associated with the mortgage broking and financial advice industry; and
- (c) other general risks which may not be industry specific that must be considered by Potential Applicants.

The specific risks considered, and others not specifically referred to in this Prospectus may in the future materially affect the financial performance of the Company and the value of the New

Shares offered under this Prospectus.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the mortgage broking and financial advice industry.

An investment in the Company should be regarded as speculative. Potential Applicants should realise that the value of their investment may fluctuate considerably due to many factors.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of the Company and not capable of mitigation. No assurances can be given that any of the risk factors will not adversely impact the Company.

Before applying for any Securities under this Prospectus, Potential Applicants should satisfy themselves that they have sufficient understanding of the risks described in this Prospectus and consider whether the Securities are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position.

5.1. KEY AND UNIQUE RISKS

(a) History of operating losses: Whilst N1 has experienced significant revenue growth since being established in 2011, the Company incurred net losses in the 2014 and 2015 financial years. There is a risk that N1 may not achieve profitability in the future. N1 anticipates that its operating expenses will continue to rise as it implements its growth strategy, grows its sales team, develops its service lines and increases its marketing efforts. These costs may prove to be greater than budgeted by N1, and N1's revenue may not increase sufficiently to turn an operating profit and become cash flow positive.

(b) Reliance on lenders for third party products: N1's business depends on Lenders originating loans through mortgage brokers rather than directly (for example, through a Lender's own branches or other distribution platforms such as mobile lending services) and providing competitive products and service levels. N1's business would be impacted by any significant changes in the business practices of Lenders such as increased reliance on direct distribution methods and the introduction of new technologies.

(c) N1 and the mortgage broking industry generally, is reliant on Lenders' willingness to employ third party distribution channels as a means of marketing their loan products. Depending on the

relative cost of other distribution methods in the future, Lenders may also decide to decrease their reliance on (or not to use) third party channels, develop competing distribution channels or reduce current upfront or trail commission terms, any of which would have a significant adverse effect on the industry generally and on N1. N1 is also reliant on receiving access to competitive products from the Finsure Lending Panel to enable brokers to attract customers in an increasingly competitive mortgage market. There can be no assurance that Finsure will continue to be able to access competitive products.

(d) Ability to attract new mortgage brokers: N1 currently has 8 brokers originating mortgage products under its business team. The success of N1's business and its ability to grow relies on N1's ability to retain the existing key N1 brokers, and its ability to continue to attract productive mortgage brokers. If N1 is not able to retain the existing key N1 brokers, or attract new productive mortgage brokers, this could have an adverse impact on N1's business, operating and financial performance. If N1 Brokers do not continue their contracts with N1 or sign with a competing aggregation network, N1's settlement volumes and subsequent financial performance would be adversely affected.

(e) Concentration of ownership by Mr Ren Hor Wong and his associate: In the event that the Offers successfully close, Mr Ren Hor Wong, Chief Executive Officer and Chairman of the Company will hold approximately 58.22% (maximum of \$5 million raised under the General Offer, fully diluted) and 69.69% (minimum of \$3.5 million raised under the General Offer, undiluted) of the Company's issued capital. Therefore, there will be a concentration of ownership of the Company with Mr Wong. This will allow Mr Wong to exert significant control of the Company's affairs, including the election of Directors.

(f) IT systems: N1's ability to manage service and pay its customer database and loan processes brokers is dependent on its information technology systems (including its customer relationship management software) and relationships with service providers. Interruptions, failure or delay in the provision of services could severely impact the business operations of N1 as damaging N1's reputation. N1's digital assets such as chengdai.com.au and all others will also be impacted adversely from any disruptions or failure of infrastructure and systems related to the digital assets. Any issues with N1's information technology systems may also impact on N1's operational capabilities and financial performance.

(g) Loss of key management: N1 relies on a management team with significant mortgage broking industry knowledge and experience. If N1 is not able to retain key members of its management team, or if there is any delay in their replacement, N1 may not be able to operate its business to the current standard

or implement its business strategies. In particular, it is noted that Ms Jia Penny He is an authorised representative under the authorised representative agreement with SWA. If Ms He ceases to be employed by, or involved with, N1, the authorised representative agreement may be terminated. These occurrences may adversely impact N1's business and operating and financial performance, including its ability to grow.

(h) Reputation: N1's success is reliant upon the maintenance of its reputation and brand name. Reputational damage could arise due to factors such as improper conduct, human error, actions by third parties or adverse media coverage. In particular, if mortgage brokers or Lenders partake in any form illegal practices such as fraud or non-compliance with regulatory requirements this could adversely affect N1's reputation. These actions could also lead to regulatory action including penalties which could materially affect N1's business. Any facts that damage N1's reputation may potentially affect its ability to attract and retain productive N1 brokers and maintain relationships with its existing Lenders, as well as N1's ability to attract key employees. In such situations, N1's business and operating and financial performance could be materially adversely affected.

(i) Reliance on external software providers: N1's business is reliant on software provided by Finsure to facilitate their business including its customer relationship management software). There is a risk that a transfer to a new aggregator, and with its new software systems, could cause some disruption to the business.

5.2. INDUSTRY SPECIFIC RISKS

(a) Regulatory risks: in Australia, the mortgage broking industry is primarily regulated by ASIC and the NCCP Act. The industry is also subject to a variety of other laws including privacy, financial transaction reporting and money laundering. If N1 does not meet regulatory requirements, such as various responsible lending obligations under the NCCP Act, it may suffer penalties or the ability to maintain N1's current ACL. Therefore its operating activities may be affected, which is likely to have a material impact on N1's business and financial performance. These penalties may include (but are not limited to): fines, compensation, and cancellation or suspension of authority to carry on business.

In addition, the regulatory framework governing the mortgage broking industry is subject to change. This could have an impact on the mortgage broking industry or on N1's operations. Depending on the nature of any such changes, they may adversely impact the operations or future financial performance of N1.

(b) Changes to the FIRB requirements for property ownership in Australia: N1 could be exposed to changes in the regulatory landscape which impact on its business, particularly the laws administered by the FIRB. Recent changes made to Australia's

foreign investments rules have seen the introduction of application fees for investors who make applications under the Foreign Acquisitions and Takeovers Amendment Act 2015 (Cth) and provide stricter penalties for foreign investors who breach Australia's foreign investment laws. There is a possibility that the Federal Government could introduce further legislation to impose additional approval and regulatory requirements, which could place further restrictions on foreign ownership of Australian real property. If this or other similar regulatory changes were to be implemented, this could adversely affect the Company's future operations.

(c) Increased competition: N1 operates in a highly competitive market. Therefore, N1 faces the risk that increasing levels of competition, including competition from business models using new technology platforms could result in, among other things, N1 foregoing a greater proportion of its profit margin to retain volumes of mortgages written, reduced upfront commissions and trail commissions and changes to the structure of upfront commissions and trail commissions by Lenders (such as the replacement of trail commissions with up-front commissions). This may result in reduced revenue, reduced operating margins

and a loss of market share, which may have a material adverse effect on N1's business, operating and financial performance and position and future prospects.

(d) Importance of licences for N1's core business activities:

N1 currently holds an ACL to engage in credit activities other than as a credit provider, in order to conduct its business. This licence enables N1 to engage and facilitate their financial credit activities. Compliance with the obligations of the licences is the responsibility of the licensee. If N1 does not comply with the conditions of their licences or meet regulatory requirements, N1 could be subject to penalties, more onerous licence conditions and the imposition of licence restrictions for the loss of that licence.

If N1 is unable to retain its licence or has restrictions imposed on this licence, N1 may not be able to continue to operate its business, or aspects of its business, in its current form. This would have a material adverse impact on the financial performance and position of the business.

N1 operates under the AFS Licence of the Aggregator as an authorised representative for some of its service offerings. As such, N1 is reliant on the Aggregator continuing to hold this AFS Licence, and the continuation of its relationship as an authorised representative.

(e) Conduct of mortgage brokers and credit representatives:

N1 faces a number of risks arising from the conduct of mortgage brokers. It is noted that under the NCCP Act, N1 is liable to

customers for any loss or damage they suffer as a result of a mortgage broker's conduct. This applies to conduct that relates to credit activity on which the customer could reasonably be expected to rely and in fact relied in good faith. Where N1 is responsible for the conduct of its credit representative, the customer has the same remedies against N1 as it has against the credit representative. This means that customers can take action against N1 in respect of a mortgage broker's conduct.

As an ACL holder, N1 also has obligations in respect of its credit representatives, which include:

- taking reasonable steps to ensure that they comply with the credit legislation; and
- ensuring that they are adequately trained, competent and engaged in the credit activities authorised by the ACL.

Failure by N1 to meet these requirements could result in penalties, more onerous ACL conditions, the imposition of restrictions on N1's ACL, or the loss of N1's ACL.

Despite having professional indemnity insurance in place, N1 could nevertheless incur significant losses if there was widespread or systemic fraud or to the breaches of the law by mortgage brokers or credit representatives. Claims on N1's professional indemnity insurance policy may also have an adverse effect on N1's ability to negotiate competitive renewal terms as well as on N1's reputation and brand name.

5.3. OTHER GENERAL RISKS

(a) Interest rates: Australian consumers and residential borrowers currently enjoy historically low interest rates which have contributed to the growth of the N1 Loan Book. In the event interest rates significantly increase, potential borrowers' willingness and ability to borrow may be greatly reduced and the volume of loans settled could significantly decrease, affecting the N1 Loan Book and the associated financial performance of N1.

(b) Exchange rates: N1 may be exposed to rapid and material movements in exchange rates, namely the value of the Australian dollar. This could adversely affect its balance sheet and cash position. This risk is particularly relevant to N1 given its strategy to continue to target customers in the Chinese and South East Asian community, and the impact that a rising Australian dollar against currencies in these regions could have on potential customers.

(c) Macro-economic conditions: the capacity of Lenders to continue providing lending products and services may be affected by a change in the wholesale lending market. A change in the wholesale lending market may mean that Lenders are no longer able or willing to provide these products or services, which may

adversely affect the N1 Loan Book and the operations or future financial performance of N1.

(d) Change in corporate governance and financial reporting requirements: N1's transition from an unlisted public company will result in changes to financial reporting and corporate governance. N1 will be required to adequately manage and resource these changes. Key compliance risks resulting from these changes, may have an adverse impact on N1's business from a licencing, regulatory and reputational perspective.

(e) Operational risks and costs: N1 is exposed to various operational risks present in the current business which may result from error, fraud, system failure, failure of security and physical process systems, customer services, staff skills and performance and product development and maintenance. Operational risk has the potential to have a material adverse effect on N1's performance and position as well as reputation.

(f) Share market conditions: the price of the Company's Shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be

subject to varied and unpredictable influences on the market for equities. Applicants should be aware that there are risks associated with any investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(g) Liquidity: there can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. In addition, there may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of the Shares and may prevent investors from acquiring more Shares or disposing of Shares they acquire under the Offers. This may also affect the prevailing market price at which Shareholders are able to sell their Shares.

(h) Shareholdings may be diluted: in future, N1 may issue Shares to new investors in order to finance N1's operations or growth strategy. While N1 will be subject to the constraints of the ASX Listing Rule regarding the percentage of its capital it is able to issue within a 12 month period, as a result of any new issue of Shares, an investor's proportional beneficial ownership in the underlying assets of N1 may be diluted.

(i) Changes to legal, accounting and regulatory requirements: legal, accounting and regulatory changes or requirements may impact an investment in the Company's Shares. Changes to existing laws or the introduction of new laws may increase N1's compliance costs and regulations. If N1 fails to comply with applicable laws or regulations, it may be subject to fines, injunctions, penalties, remediation, total or partial suspension of regulatory approvals or other sanctions that may have an adverse effect on an investment in Shares.

(j) Litigation: N1 relies on contractual arrangements with various parties. From time to time, disputes may arise under those contracts and N1 may commence or be subject to litigation to resolve a dispute. Litigation has the potential to disruptive N1's business, adversely affect N1's financial performance and damage N1's reputation.

(k) Additional changes to tax laws: a change to the existing

rate of company tax income may adversely impact shareholder returns, as may a change to the tax payable by shareholders.

Additional changes to Australian tax law and practice which impacts N1 or the mortgage broking industry generally, could also have an adverse effect on shareholder returns.

(l) Expected future events may not occur: certain statements in this Prospectus may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and achievements expressed or implied by such forward-looking statements. Given these uncertainties, prospective investors should not place undue reliance on such forward-looking statements. In addition, under no circumstances should a forward-looking statement be regarded as a representation or warranty by N1 or any other person referred to in this Prospectus that a particular outcome or future event is guaranteed.

(m) Release of escrow Shares: Shares held by the Escrow Shareholders at Completion of the Offers will be subject to voluntary escrow arrangements which prevents them from disposing their escrowed shares until the date on which ASX has mandatorily escrowed its stock. In the event that a significant number of these holders decide to sell some or all of these Shares at the completion of the escrow period (either collectively or individually), the volume of potential Shares for sale will be significant (potentially representing up to 69.69% of the Shares on issue at listing of N1 on the official listing of ASX). This may have a material adverse effect on the price of Shares, potentially leading up to, at the time of, and/or post any completed or attempted sell down.

(n) Force majeure events may occur: events may occur within or outside Australia that could impact upon the world economy, the operation of N1 and the price of the Shares. These events include war, acts of terrorism, civil disturbance, political intervention, financial market disruption and natural events such as earthquakes, floods, fires and poor weather. Any of these events could have a detrimental effect on N1's business and an investment in N1.

5.4. INVESTMENT SPECULATIVE

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company, its subsidiaries 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 Securities offered under this Prospectus.

Therefore, the Securities 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 Securities.

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

5.5. TAXATION

The acquisition and disposal of Securities in the Company will have tax consequences, which will differ depending on the individual circumstances of each investor. All Potential Applicants in the Company are urged to obtain independent professional financial advice about the consequences of acquiring the Securities from a taxation viewpoint and generally. It is the sole responsibility of the Potential Applicants and any other person that considers the Offers in this Prospectus to inform themselves of their respective taxation positions resulting from participation in the Offers.

The Directors do not consider that it is appropriate to give advice

regarding taxation matters and consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of all the possible taxation positions of those interested.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any taxation consequences to Potential Applicants, existing investors and any other person that considers the Offers in this Prospectus.

**SECTION 6. KEY INDIVIDUALS,
INTERESTS AND BENEFITS**



6.1. BOARD OF DIRECTORS AND COMPANY SECRETARY

The Board of the Company currently comprises:

- (a) Ren Hor Wong, Chief Executive Officer and Executive Chairman;
- (b) Jia Penny He, Chief Financial Officer and Executive Director; and
- (c) Nan (Wendy) Zhang, Digital Strategy Manager and Executive Director.

On Listing, Ms Zhang will resign as a Board member (although will continue to be an executive of N1) and will be replaced by:

- (d) Tarun Kanji, Independent and Non-Executive Director

Ren Hor Wong
Executive Chairman and
Chief Executive Officer



Mr Wong is the founder, Executive Chairman and Chief Executive Officer for N1 Loans Pty Ltd.

Mr Wong has been responsible for developing N1's business strategy and expanding the business into Asia Pacific.

Prior to establishing N1, Mr Wong had applied his entrepreneurial and management skills in industries ranging from courier, printing and to real estate over the span of 6 years. He has previously founded and successfully exited various businesses including Copiko Printing, Sydneymove.com.au and Packers Unpackers.

Ren is a licensed mortgage broker and fluent in both oral and written communication forms of Mandarin and Cantonese dialects derived from China.

Mr Wong conducts regular seminar and provides topical discussions across Asia regarding Australia property investments and financing. Ren has also published multiple guides and learner books for release in China.

Mr Wong holds a Bachelor of Engineering with Honours from University of New South Wales.

Tarun Kanji
Independent
Non-Executive Director



Tarun has nearly 25 years corporate and consulting experience spanning the US, Europe, Asia, Australia and New Zealand. After completing a Commerce Degree at Auckland University he spent over 10 years with international accounting firms spanning corporate advisory, valuation, finance, litigation support, recovery and audit disciplines in New Zealand and Europe. Thereafter Tarun held a number of senior executive roles over 10 years with Fosters Group.

The roles covered a range of disciplines including finance (CFO), commercial management, business development, mergers & acquisitions, governance, and strategic development roles.

Tarun is currently independent chairman of Tomizone Limited (ASX:INT). In addition, Tarun currently is involved a number of internationally focused ventures which has included the commercial globalisation of an evolutionary search technology software company, focused on the US and Asian markets. A range of governance roles Tarun has include:

- Former Founding Chairman - Bank of India, New Zealand
- Board member - Inland Revenue NZ - Portfolio Governance Authority
- Chairman - Noske Kaeser
- Independent Director - FairWay Resolution, NZ Crown Entity

Tarun is a Fellow of The NZ Institute of Chartered Accountants, Certified Practising Accountant of Australia, NZ Institute of Directors, Australian Institute of Directors and NZ Asian Leaders.

Jia Penny He
Chief Financial Officer



Ms He is a Certified Practising Accountant and a licenced financial adviser. She has over 10 years combined industry experience in accounting, financial planning and mortgage broking.

Ms He joined N1 Group in May 2014 as the Accounting and Tax Adviser and Principal Financial Planner. Ms He was subsequently appointed as N1's Chief Financial Officer. Her current role within N1 Loans includes all financial management, tax and reporting functions of the business.

Prior to N1, Ms He served as an executive for Cabot Square Chartered Accountants from July 2006 to May 2014.

Ms He holds a Master of Accounting degree from Macquarie University and is also an ATO registered tax agent holding Public Practice Certificate.

Nan (Wendy) Zhang
Digital Strategy Manager



Ms Zhang is the Digital Strategy Manager for N1 with extensive experience in project management and execution of e-Commerce related strategies. Ms Zhang has spent over 8 years in leading sales and digital initiatives across various industry sectors.

Ms Zhang holds a Bachelor of Accounting from Macquarie University with majors in Accounting and IT.

Anand Sundaraj
Corporate Secretary



Mr Sundaraj is a principal of Whittens, a commercial law firm based in Sydney. Prior to joining Whittens, Mr Sundaraj worked at international law firms Allen & Overy, King & Wood Mallesons and Herbert Smith Freehills, as well as for global investment bank Credit Suisse.

Mr Sundaraj specialises in providing legal advice on mergers & acquisitions and capital raisings for both publicly listed and privately held entities. He also advises on funds management and general securities law matters including ASX Listing Rules compliance. Mr Sundaraj has advised on a range of capital raising transactions including the IPOs of Veda Group, QR National (now Aurizon), Aston Resources (subsequently acquired by Whitehaven), Myer Holdings and Telstra 3, and secondary issues by Westfield, Woodside, BlueScope Steel, Goodman Fielder and GrainCorp.

Mr Sundaraj is currently the company secretary of Catapult Group International Limited (ASX:CAT), Tomizone Limited (ASX:TOM), Disruptive Investment Group Limited (ASX:DIVI), Reddam House (operator of independent, co-educational, non-denominational schools) and Lille Fro Foundation (an Australian-based charity which operates in India).

Mr Sundaraj holds a Bachelor of Laws (with Honours) and a Bachelor of Science from Monash University and is admitted as a solicitor of the Supreme Courts of New South Wales and Victoria. Mr Sundaraj is the author of "Listed Companies: ASX Listing Rules" in Australian Corporation Practice, published by LexisNexis Butterworths.

6.2 KEY MANAGEMENT TEAM OF N1

Yu Steven Shen
Marketing Manager



Mr Shen is the Marketing Manager for N1 and has more than 16 years of marketing, project management, sales and strategy experience across Asia, Australia and New Zealand.

Mr Shen previous roles expands across various industries including financial services, real estate, advertising and media. Mr Shen has held management positions in both private firms and publicly listed multinationals including KVB Kunlun Financial Group (8077:HK) and Sing Tao Daily Newspaper. Mr Shen also worked for Shui On Group (0272:HK), Shanghai TV Station, Hakuhodo and Bates Asia. .

Mr Shen holds a Bachelor's Degree of Arts from Shanghai University and a Post-Graduate Diploma of Business Administration from British Columbia Institution of Technology.

Xin (Michael) Jin
Operations and Compliance Manager



Mr Jin is the Operations and Compliance Manager and has been with N1 since inception. Mr Jin has a solid background in the execution and management of operations, sales and leads generation across both residential and commercial lending in Australia.

Mr Jin holds a Bachelor of Commerce (Liberal Studies) from the University of New South Wales with majors in Finance, International Business, and a minor in Professional Chinese. Mr Jin also holds the Cert IV and Diploma of Mortgage Broking.

Yi (Stanley) Duan
Commercial Lending Manager



Mr Duan joined N1 in early 2015 as the Commercial Lending Manager and has nearly 10 years of commercial and retail lending experience across the major banks in Australia. His prior roles in banking included senior positions across various disciplines such as business development, sales and lending services. Mr Duan specialise in SMEs, franchises, equipment finance, unsecured lending and property development finance.

Mr Duan has a Bachelor of Business from University of Western Sydney, Diploma of Financial Services (Financial Planning) and Diploma of Mortgage Broking.

6.3. RESTRICTED SECURITIES

The Directors do not intend to seek quotation of Restricted Securities unless and until after the ASX grants approval to the Company. It is anticipated that the Company will maintain Chess Holder Records (including SRN) so that Restricted Securities can be entered into a separate Chess holding (including a holding lock) or other arrangement permitted by the ASX. The Company will implement escrow restrictions in respect of Restricted Securities in accordance with Chapter 9 of the ASX Listing Rules or will comply with such other arrangement approved by the ASX.

The ASX may classify certain Securities as being subject to the restricted securities provisions of the ASX Listing Rules. Those Securities will be required to be held in escrow for a period determined by the ASX (**Restricted Securities**).

Holders of Restricted Securities will be prohibited for the period determined by the ASX from:

- (a) disposing of, or agreeing to offer or dispose of, any of their restricted securities;
- (b) creating, or agreeing to offer to create, any security interest over any of their restricted securities; or
- (c) doing or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of their restricted securities.

As part of the Company's admission application to ASX, the Company will be making an escrow submission with respect to the Securities to be issued to the recipients under the Vendor Offer, the Director Options Offer and the Lead Manager Options Offer. Therefore, as at the date of this Prospectus, it is not known with absolute certainty whether these Securities will be Restricted Securities and subject to escrow restrictions.

However, the Company anticipates that Securities issued under the Vendor Offer (not including Consideration Options to non-related parties), the Director Options Offer and the Lead Manager Options Offer will be Restricted Securities and subject to escrow restrictions.

Irrespective of whether the ASX imposes escrow, as part of the acquisition of N1 Loans under the Acquisition Agreement, certain N1 Vendors have agreed to a voluntary escrow with respect to the Securities that they will be issued in connection with the acquisition for a period of 12 months. Details of the voluntary escrow agreements are outlined in section 9.9 of this Prospectus.

In addition, Mr Tarun Kanji, the only eligible applicant under the Director Options Offer, has agreed to voluntarily escrow the Director Options for a period of 12 months from the date of listing.

In the event that the ASX imposes further mandatory escrow restrictions on any of the Securities under the Vendor Offer, the Director Options Offer and the Lead Manager Options Offer, the intended recipients under those offers have agreed to be bound by these restrictions.

The New Shares offered under the General Offer in this Prospectus will be freely transferable from the date of their allotment and will not be subject to any form of escrow.

6.4. RELATED PARTY DISCLOSURE

Director	Securities	% of N1 (\$5m raised under General Offer, undiluted) ^(a)	% of N1 (\$5m raised under General Offer, fully diluted) ^(b)	% of N1 (\$3.5m raised under General Offer, undiluted) ^(c)	% of N1 (\$3.5m raised under General Offer, fully diluted) ^(d)
Ren Hor Wong ^(e)	51,250,000 Shares	63.24%	58.22%	69.69%	63.65%
Jia Penny He ^(f)	250,000 Shares 1,250,000 Options	0.31%	1.70%	0.34%	1.86%
Nan (Wendy) Zhang ^(g)	750,000 Options	-	0.85%	-	0.93%
Tarun Kanji ^(h)	1,000,000 Options	-	1.14%	-	1.24%
Total	54,500,000	63.55%	61.92%	70.03%	67.68%

Notes

(a) Following completion of the acquisition of N1 Loans, assuming that \$5 million is raised under the General Offer, following the issue of all Consideration Shares, Consideration Options, Director Options and Lead Manager Options and undiluted. These percentages are based on a total sum of 81,043,750 Shares.

(b) Following completion of the acquisition of N1 Loans, assuming that \$5 million is raised under the General Offer, following the issue of all Consideration Shares, Consideration Options, Director Options and Lead Manager Options and fully diluted. These percentages are based on a total sum of 88,021,250 Shares.

(c) Following completion of the acquisition of N1 Loans, assuming that \$3.5 million is raised under the General Offer, following the issue

of all Consideration Shares, Consideration Options, Director Options and Lead Manager Options and undiluted. These percentages are based on a total sum of 73,543,750 Shares.

(d) Following completion of the acquisition of N1 Loans, assuming that \$3.5 million is raised under the General Offer, following the issue of all Consideration Shares, Consideration Options, Director Options and Lead Manager Options and fully diluted. These percentages are based on a total sum of 85,521,250 Shares.

(e) As part of the acquisition of N1 Loans, 50,000,000 Consideration Shares will be issued to Mr Wong and 1,250,000 CN Shares will be issued to a person associated with Mr Wong. The Consideration Shares and CN Shares will be offered to Mr Wong and his associate under the Vendor Offer. The Company also anticipates that the Consideration Shares and CN Shares will be Restricted Securities and subject to escrow restrictions imposed by ASX. Given Mr Wong's relationship with the Company, the escrow restriction is likely to be for 24 months from the date of listing with respect to his holdings.

(f) As part of the acquisition of N1 Loans, 187,500 CN Shares and 1,250,000 Consideration Options will be issued to Ms He (or her nominee). The CN Shares and Consideration Options will be offered to Ms He (or her nominee) under the Vendor Offer. The Company anticipates that the CN Shares and Consideration Options will be Restricted Securities and subject to escrow restrictions imposed by ASX. Given Ms He's relationship with the Company, the escrow restriction is likely to be for 24 months from the date of listing with respect her holdings. In addition, Ms He (or her nominee) proposes to subscribe for up to 62,500 New Shares under the General Offer. As these New Shares will be on the same terms as other general investors under the General Offer, these New Shares will not be subject to any escrow restriction imposed by ASX.

(g) As part of the acquisition of N1 Loans, 750,000 Consideration Options will be issued to Ms Zhang. The Consideration Options will be offered to Ms Zhang under the Vendor Offer. The Company anticipates that Consideration Options will be Restricted Securities and subject to escrow restrictions imposed by ASX. Given Ms Zhang's relationship with the Company, the escrow restriction is likely to be for 24 months from the date of listing with respect her holdings.

(h) As part of his appointment to the Board, 1,000,000 Director Options will be issued to Mr Kanji. The Director Options will be offered to Mr Kanji under the Director Options Offer. The Company anticipates that Director Options will be Restricted Securities and subject to escrow restrictions imposed by ASX. Given Mr Kanji's relationship with the Company, the escrow restrictions is likely to be for 24 months from the date of listing with respect his holdings.

Table 6.1 – Current and Proposed Remuneration

Director	Current base remuneration (\$)	Proposed base remuneration (\$)
Ren Hor Wong ^(a)	\$60,000-\$180,000	\$300,000
Jia Penny He ^(b)	\$100,000	\$120,000
Nan (Wendy) Zhang ^(c)	\$82,000	To resign as a director on admission to the official list of ASX
Tarun Kanji ^(d)	\$3,500 per month	\$60,000 (comprising \$40,000 in cash and \$20,000 in options)

Notes

(a) Mr Wong's current remuneration is set in accordance with his existing employment agreement with the Company. Whilst Mr Wong's current base remuneration is \$60,000 per annum, this is set to rise to \$180,000 on 1 January 2016. Mr Wong proposes to enter into a new executive services agreement with the Company, the terms of which take effect on completion of the Offers. Please refer to section 9.4.1 of this Prospectus for further details.

(b) Ms He proposes to enter into an executive services agreement with the Company, the terms of which will take effect on completion of the Offers. Please refer to Section 9.4.2 of this Prospectus for further details.

(c) From 1 November 2015, Mr Kanji has been engaged by the Company as a consultant to provide independent advice to the Company regarding corporate governance and to assist the Company in connection with the process for Listing. Mr Kanji has entered into a non-executive services agreement with the Company, the terms of which will take effect on Listing. Please refer to Section 9.4.3 of this Prospectus for further details.

SECTION 7. DETAILS OF THE OFFERS



7.1. THE OFFERS

Under this Prospectus, there are four offers being made in total, as follows:

Table 7.1 – The Offers

TYPE OF OFFER	DESCRIPTION
General Offer	The offer of up to 25,000,000 New Shares at an issue price of twenty cents (\$0.20) per New Share to raise a minimum of \$3.5 million and a maximum of \$5 million.
Vendor Offer	The offer of 50,000,000 Consideration Shares, 4,977,500 Consideration Options and 6,043,750 CN Shares to the N1 Vendors, as consideration for the acquisition of the entire issued capital of N1 Loans Pty Ltd by the Company pursuant to the acquisition of N1 Loans.
Director Options Offer	The offer of 1,000,000 Director Options to Mr Tarun Kanji who will, on Listing, become a Non-Executive Director of the Company.
Lead Manager Options Offer	The offer of 1,000,000 Lead Manager Options to the Lead Manager, as part consideration for services rendered by the Lead Manager to the Company.

FURTHER DETAILS OF THE GENERAL OFFER

Under the General Offer, a minimum of \$3,500,000 (17,500,000 New Shares) and up to of \$5,000,000 (25,000,000 New Shares) will be raised.

General investors are eligible to apply for New Shares under the General Offer. Further details on the structure of the General Offer are set out in section 7.5 of this Prospectus.

The purpose of the General Offer is to provide an opportunity for investors to subscribe for new equity in the Company, and generally, to assist the Company to meet the admission for quotation requirements under Chapters 1 and 2 of the Listing Rules (i.e. to achieve sufficient Shareholder spread upon admission and quotation). Furthermore, funds raised under the General Offer will enable the Company to accelerate the continued growth of the N1 business and fund its key business objectives. A detailed breakdown of the Company's proposed use of funds is set out in section 7.2 of this Prospectus.

All New Shares issued pursuant to the General Offer will be fully paid ordinary shares and will rank equally in all respects with all other Shares on issue as at the date of this Prospectus.

FURTHER DETAILS OF THE VENDOR OFFER

As part of the acquisition of N1 Loans, the consideration payable by the Company for the entire issued capital in N1 Loans Pty Ltd will be paid to the N1 Vendors pursuant to the Vendor Offer. Accordingly, only the N1 Vendors (or their nominees) are eligible to apply for Securities under the Vendor Offer, which will be in accordance with the terms of the Acquisition Agreement.

No immediate funds will be raised from the Vendor Offer, although

funds would be raised when the Consideration Options are exercised (if at all).

The purpose of the Vendor Offer is to qualify the Consideration Shares and CN Shares to be issued to the N1 Vendors for secondary trading (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX), and to also remove the need for an additional disclosure document to be used upon the sale or exercise of the Consideration Options (including Shares that may be issued on exercise of the Consideration Options) under this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).

All Consideration Shares and CN Shares issued pursuant to the Vendor Offer will be fully paid ordinary shares and will rank equally in all respects with all other Shares on issue as at the date of this Prospectus.

All Consideration Options issued pursuant to the Vendor Offer will be on the terms as set out in section 10.2 of this Prospectus.

FURTHER DETAILS OF THE DIRECTOR OPTIONS OFFER

As part of his appointment to the Board, Mr Tarun Kanji will receive 1,000,000 Director Options under the Director Options Offer, to align his interests with that of Shareholders of the Company and remunerate him appropriate if the Board creates shareholder value in the future. Accordingly, only Mr Kanji (or his nominee) is eligible to apply for the Director Options under the Director Options Offer.

No material immediate funds will be raised from the Director Options, although funds would be raised when the Director Options are exercised (if at all).

The purpose of the Director Options is to remove the need for an additional disclosure document to be issued upon the sale or exercise (if applicable) of the Director Options (including Shares that may be issued on exercise and/or vesting of the Director Options) issued under this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).

Terms of the Director Options are set out in section 10.3 of this Prospectus.

FURTHER DETAILS OF THE LEAD MANAGER OPTIONS OFFER

Sanlam Private Wealth, Lead Manager to the General Offer has agreed to be paid in part for the services provided in connection

with the Offers, via the issue of 1,000,000 Lead Manager Options under the Lead Manager Options Offer. Accordingly, only Sanlam Private Wealth (or its nominee) is eligible to apply for the Lead Manager Options under the Lead Manager Options Offer.

The purpose of the Lead Manager Options is to remove the need for an additional disclosure document to be issued upon the sale or exercise (if applicable) of the Lead Manager Options (including Shares that may be issued on exercise and/or vesting of the Lead Manager Options) issued under this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).

Terms of the Lead Manager Options are set out in section 10.4 of this Prospectus.

7.2. USE OF FUNDS

The proceeds of the Offers will be applied to the following:

	\$3.5m minimum subscription under the General Offer (\$)	% of Funds	\$5m minimum subscription under the General Offer (\$)	% of Funds
Costs of the Offers	\$584,820	17%	\$676,320	14%
Expansion of sales and mortgage brokering team	\$500,000	14%	\$500,000	10%
Branding	\$450,000	13%	\$750,000	15%
Sales promotion	\$300,000	9%	\$500,000	10%
Digital Marketing	\$450,000	13%	750,000	15%
Sponsorship	\$150,000	4%	\$250,000	5%
Public Relations	\$150,000	4%	\$250,000	5%
Working capital to fund N1's ongoing growth	\$415,180	12%	\$823,680	16%
Business acquisitions including purchasing trail book, acquisition of related business.	\$500,000	14%	\$500,000	10%
Total	\$3,500,000	100%	\$5,000,000	100%

If the Company raises more than \$3,500,000 but less than \$5,000,000, then funds will firstly be applied to increased costs of the Offers, and thereafter to each individual line item above, in an amount that is based on the above percentages, but which is pro rata to the amount ultimately raised.

In the event the Company raises the maximum subscription of \$5,000,000, the additional funds raised are intended to be applied towards marketing and working capital.

The Board considers that upon completion of the Listing, the Company will have enough working capital to carry out its stated objectives.

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

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development

of new opportunities and other factors (including the risk factors outlined in section 5).

7.3. CAPITAL STRUCTURE

The Company is projected to have the following capital structure, depending on the level of subscription under the General Offer.

	Shares		Options	Share %		Fully Diluted	
	MIN RAISE	MAX RAISE		MIN RAISE	MAX RAISE	MIN RAISE	MAX RAISE
Existing Shareholders	50,000,000	50,000,000		67.99%	61.70%	62.10%	56.80%
Offer	17,500,000	25,000,000		23.80%	30.85%	21.73%	28.40%
Convertible Note	6,043,750	6,043,750		8.22%	7.46%	7.51%	6.87%
Consideration Options			4,977,500			6.18%	5.65%
Director Options			1,000,000			1.24%	1.14%
Lead Manager Options			1,000,000			1.24%	1.14%
	73,543,750	81,043,750	6,977,500	100.00%	100.00%	100.00%	100.00%

7.4. NO UNDERWRITING

The General Offer is not underwritten.

7.5. STRUCTURE OF THE GENERAL OFFER

The General Offer is structured as a general offer open to the public, which includes (for the avoidance doubt) both sophisticated and retail investors. Applications for New Shares under the General Offer must be for a minimum of 10,000 Shares (i.e.

a minimum value of at least \$2,000). All New Shares issued pursuant to the General Offer will be fully paid ordinary shares and will rank equally in all respects with all other Shares on issue as at the date of this Prospectus.

7.6. APPLYING UNDER THE GENERAL OFFER

Applications for New Shares under the General Offer must be made using the Application Form attached to this Prospectus. Application Forms must be completed in accordance with the instructions set out on the reverse of the Application Form. Applicants under the General Offer must lodge their Application Form and Application Monies with the Lead Manager as specified in the instructions in the Application Form.

Completed Application Forms and accompanying payment of the Application Monies must be received by the Lead Manager Company before 5pm (ADST) on the applicable Closing Date at the following address:

Attention: Amanda Roberts
N1 Holdings Limited IPO
Sanlam Private Wealth
Level 7, 100 Collins Street
Melbourne VIC 3000

By making an Application, the Applicant declares that he/she was given access to this Prospectus, together with an Application Form. Further, an Application under the General Offer is an offer

by the Applicant to the Company to apply for New Shares in the amount specified in the Application Form at the Issue Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Application Form (including the acknowledgements in section 7.13).

The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

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

transfer.

The Company reserves the right to decline any Application, either in whole or in part, without giving any reason. An Applicant whose Application is not accepted, or who is allocated a lower number of New Shares than the amount applied for, will receive a refund of all or part of (as applicable) their Application Monies. Interest will not be paid on any Application Monies refunded. Application Monies will be held in trust on behalf of Applicants until the New Shares offered under this Prospectus are issued. The banking of Application Monies in a trust account does

not constitute acceptance of the relevant Application. If any Application is rejected in whole or in part, the relevant Application Monies will be repaid to the unsuccessful Applicant within the time period set out under the Corporations Act, without interest. For the avoidance of doubt, all interest earned on Application Monies (including those which do not result in allotment of New Shares) will be retained by the Company.

No brokerage, stamp duty or other costs are payable by Applicants in respect of an Application for Shares under this Prospectus.

7.7. APPLYING UNDER THE VENDOR OFFER

The Vendor Offer of Consideration Shares, Consideration Options and CN Shares is made solely to and only capable of acceptance by the N1 Vendors, in portions as dictated by the Acquisition Agreement pursuant to the acquisition of N1 Loans. Applications

will have been deemed to have been made by the N1 Vendors under the Vendor Offer in portions as dictated by the Acquisition Agreement, prior to the Closing Date.

7.8. APPLYING UNDER THE DIRECTOR OPTIONS OFFER

The Director Options Offer is made solely to Mr Tarun Kanji, an incoming Director of the Company and is only capable of acceptance by him through the submission of a personalised

incentive securities application form, which will be provided by the Company to Mr Kanji with a copy of this Prospectus after the date of this Prospectus.

7.9. APPLYING UNDER THE LEAD MANAGER OPTIONS OFFER

The Lead Manager Options Offer is made solely to Sanlam Private Wealth, the Lead Manager to the General Offer. The Lead Manager Options Offer is only capable of acceptance by Sanlam Private Wealth through the submission of a personalised incentive

securities application form, which will be provided by the Company to Sanlam Private Wealth with a copy of this Prospectus after the date of this Prospectus.

7.10. OPENING AND CLOSING DATES

The Offers opens at 9:00am (Sydney time) on the Opening Date and are expected to close at 5:00pm (Sydney time) on the Closing Date. The Board reserves the right to change the Opening Date or the Closing Date or to accept late Applications, without providing any notice. The Company may amend or waive the Offer application procedures or requirements, in its discretion in compliance with applicable laws.

Applications for Securities pursuant to this Prospectus will not be processed by the Company until after the expiry of the Exposure Period under the Prospectus. An Application lodged prior to the expiry of the Exposure Period under the Prospectus will be treated as though it was received immediately following expiry of the Exposure Period.

7.11. LISTING AND QUOTATION OF THE NEW SHARES

The Company will, within 7 days after the date of this Prospectus, apply for the Shares issued under this Prospectus to be quoted on the ASX.

If the application for quotation is not made within 7 days after the date of this Prospectus, or if the Shares offered under this

Prospectus are not granted quotation within 3 months after the date of this Prospectus, the Company shall deal with Applications in accordance with the requirements of the Corporations Act. The fact that the ASX may grant quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares.

7.12. ALLOTMENT OF THE SECURITIES

Successful Applicants will be allotted Securities at the Issue Price (if applicable) and will receive the number of Securities equal to the value of their Application accepted by the Company divided by the Issue Price (rounded down to the nearest whole Share) (if applicable). The Company will allocate Securities among Applicants at its discretion.

The Company will despatch either a CHESS statement or an issuer

sponsored holding statement (whichever is applicable) to the Applicants whose Applications are accepted by the Company, in whole or in part, as soon as practicable after the applicable Closing Date together with any excess Application Monies (if applicable). It is the responsibility of all Applicants to confirm their allocation prior to trading in the Securities. Applicants who sell any of the Securities before receiving their holding statements do so at their own risk.

7.13. ACKNOWLEDGEMENTS

Each Applicant under the Offers will be deemed to have:

- (a) agreed to have become a member of the Company and to be bound by the terms and conditions of the Constitution and the terms and conditions of the Offers;
- (b) acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- (c) declared that all details and statements in their Application Form are complete and accurate;
- (d) if a natural person, declared that the Applicant(s) is/are over 18 years of age;
- (e) acknowledged that, to the extent permitted by law, once the Company receives an Application Form, it may not be withdrawn;
- (f) applied for the number of New Shares at the Australian dollar amount shown on the front of the Application Form;
- (g) agreed to being allocated and issued the number of Securities applied for (or a lower number allocated in a way described in this Prospectus), or no Securities at all;

- (h) authorised the Company and the Lead Manager and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Securities to be allocated to the Applicant(s), including to act on instructions received by the Registry upon using the contact details in the Application Form;
- (i) acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked (or may only be partially franked);
- (j) acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Securities are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- (k) declared that the Applicant(s) is/are a resident of Australia;
- (l) acknowledged and agreed that the Offers (or any of the individual offers) may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- (m) acknowledged and agreed that if the Company does not gain admission to the Official List of the ASX for any reason, the Offers will not proceed.

7.14. RESTRICTIONS ON DISTRIBUTION

This Prospectus does not constitute an offer or invitation:

- (a) in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or invitation or issue this Prospectus; or
- (b) to any person to whom it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the Securities under the Offers, or otherwise to permit the public offering of the

Securities, in any jurisdiction outside Australia.

The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. It is the responsibility of any Overseas Applicant to ensure compliance with all laws of any country relevant to their Application and to obtain all necessary approvals so that they may legally subscribe for (and be issued) Securities pursuant to the

Offers.

The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of any law, that all necessary approvals and consents have been obtained and that the Company may legally issue Securities to the Applicant pursuant to this Prospectus.

Overseas Applicants should consult with their professional advisers as to whether any formalities need to be observed (either by themselves or the Company) to enable them to subscribe for the Securities being offered pursuant to this Prospectus.

Where this Prospectus has been despatched to persons on jurisdictions outside of Australia, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. This Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

People's Republic of China (PRC)

This Prospectus, its contents and any related materials does not constitute a public offer of New Shares, whether by way of sale or subscription, directly or indirectly in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan).

This Prospectus may only be distributed or released, in whole or

in part, and the securities under the Offer may only be offered or sold, directly or indirectly, to investors who are based in the PRC who are "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets.

Malaysia

Nothing in this Prospectus shall constitute in any manner whatsoever a proposal to make available, offer for subscription or purchase or to issue an invitation to purchase or subscribe for any New Shares in Malaysia or a proposal to implement any of the foregoing in Malaysia, other than to persons listed in both paragraph 10, Part 2 of Schedule 5 and Part 1 of Schedule 6 of the Capital Markets And Services Act 2007. Save for persons listed in both paragraph 10, Part 2 of Schedule 5 and Part 1 of Schedule 6 of the Capital Markets And Services Act 2007, no person receiving a copy of this prospectus may treat the same as constituting an invitation or offer to him in Malaysia and shall not distribute or make available this prospectus or any document or material in connection therewith in Malaysia. The Company shall not be liable in any manner whatsoever in the event this prospectus was distributed or made available in Malaysia other than to the persons listed in both paragraph 10, Part 2 of Schedule 5 and Part 1 of Schedule 6 of the Capital Markets And Services Act 2007. It is the sole responsibility of recipients wishing to take any action upon this prospectus to satisfy themselves as to the full observance of the laws of Malaysia and to obtain all relevant government regulatory approvals including but not limited to exchange control laws.

7.15. TAXATION

The taxation consequences of any investment in the Securities offered under this Prospectus will depend upon each Applicant's particular circumstances. It is the responsibility of all Applicants to satisfy themselves of the particular taxation consequences of an investment in the Company and participation in the Offers under this Prospectus.

Neither the Company nor any of its Directors, officers, employees, agents, taxation advisers or other advisers accepts any liability or responsibility in respect of any taxation consequences connected with the Offers.

7.16. RIGHT TO WITHDRAW THE OFFERS

The Company reserves the right not to proceed with the Offers (or any of the individual offers, being the General Offer, Vendor Offer, Director Options Offer and/or the Lead Manager Options Offer) at any time prior to the allotment of Securities to Applicants.

If the Offers does not proceed, Application Monies (if applicable) will be refunded by cheque. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offers.

7.17. PRIVACY STATEMENT

Applicants are informed that by completing an Application Form, you will be providing personal information to the Company. The Company, and the Registry on its behalf, collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The types of agents and service providers that may be provided with your personal information and the circumstances in which your

personal information may be shared are: persons inspecting the register, including bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Registry at the relevant contact number as set out in this Prospectus.

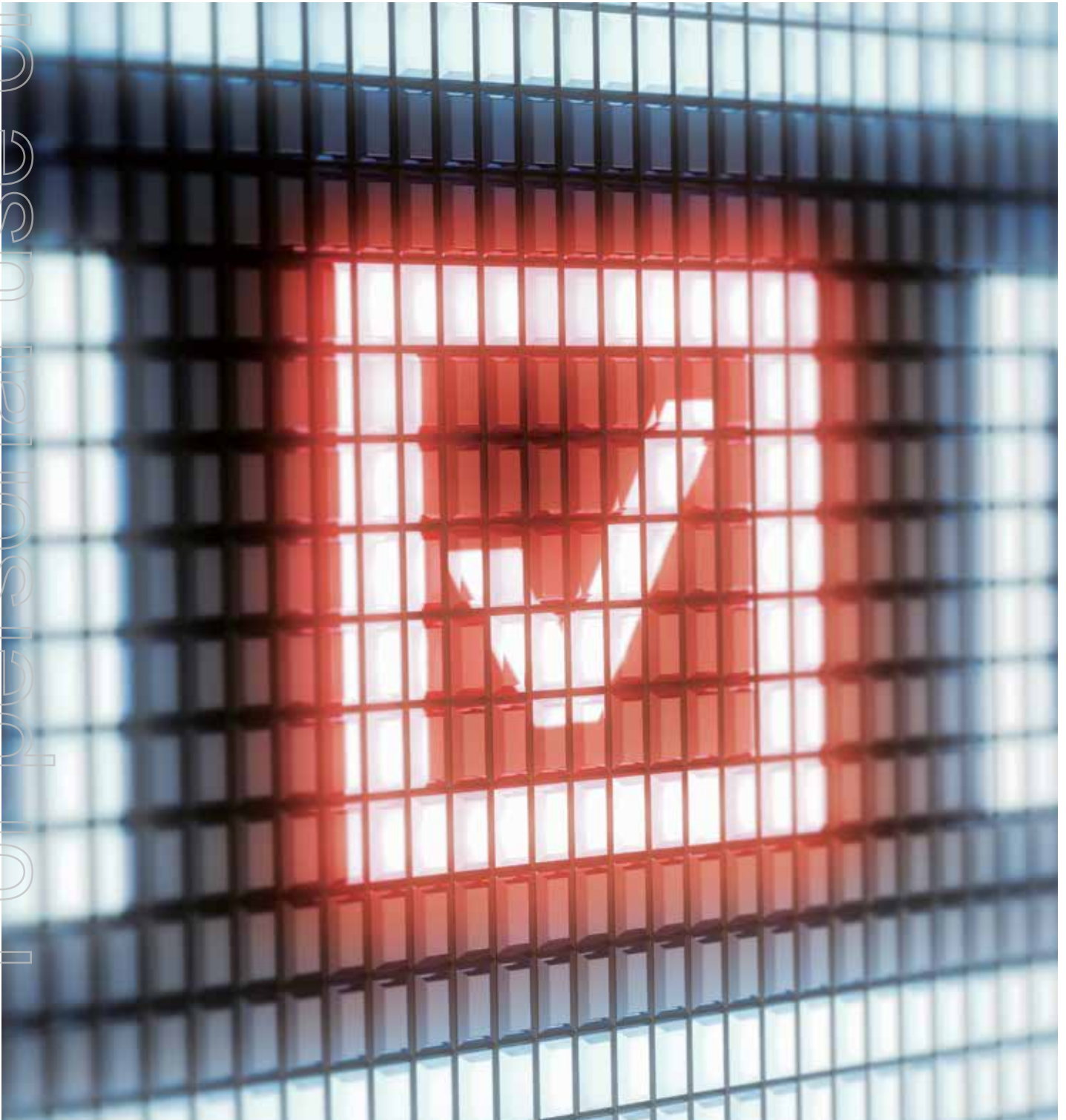
Please note that if you do not wish to provide the information required on the Application, the Company may not be able to accept or process your Application.

7.18. ENQUIRIES IN RELATION TO THE OFFERS

This Prospectus is an important document that Applicants should read in its entirety and consult with their professional advisers for legal, business, financial, tax and any other relevant advice before deciding whether or not to apply for Securities under the Offers.

Any enquiries in relation to the Offers can be directed to Steven Shen on +61 02 9262 6262.

**SECTION 8. INVESTIGATING
ACCOUNTANT'S REPORT**





21 December 2015

The Directors
N1 Holdings Limited
Suite 502, Level 5, 77 King St SYDNEY NSW 2000

Dear Sirs,

**Independent Limited Assurance Report and Financial Services
Guide on N1 Holdings Limited Compilation of Pro Forma
Historical Financial Information**

**Investigating Accountant's Report on Pro Forma Financial
Information**

We have prepared this Investigating Accountant's Report ("**the Report**") on the historical pro forma financial information of N1 Holdings Limited ("**N1**" or "**the Company**") for the financial year ending 30 June 2015 for inclusion in a Prospectus dated on or about 4 January 2016 ("**the Prospectus**").

Crowe Horwath Corporate Finance (Aust) Ltd ("**Crowe Horwath Corporate Finance**") holds an Australian Financial Services Licence ("**AFSL**") (No. 239170) in accordance with the Australian Securities and Investments Commission requirements for advising and dealing in securities. We have attached at Annexure 1 a Financial Services Guide.

Background

N1 has issued the Prospectus in respect of a proposed capital raising, whereby N1 intends to issue a minimum of 17,500,000 shares at an issue price of \$0.20 per share to raise \$3,500,000, with the ability to accept oversubscriptions for up to an additional 7,500,000 shares, or \$1,500,000. Accordingly, the maximum subscription is for 25,000,000 shares to raise \$5,000,000.

Scope

You have requested Crowe Horwath Corporate Finance prepare a Report covering the financial information referred to in this Report as set out in Section 4.5 to 4.6 of the Prospectus, comprising of:

- the Historical Statements of Profit and Loss for financial years 2013, 2014 and 2015;
- Pro Forma EBITDA for financial years 2013, 2014 and 2015;
- Historical Balance Sheets as at 30 June 2013 and 30 June 2014; and
- Pro Forma Historical Balance Sheet as at 30 June 2015 (collectively "**Financial Information**").

Pursuant to our terms of engagement, this Report does not address the risk associated with the Offer, as set out in Section 5 of the Prospectus.

We have reviewed the Financial Information in order to report on whether, on the basis of the procedures described below, anything has come to our attention that would indicate that:

- (a) the Pro Forma Adjustments do not provide a reasonable basis for the preparation of the Pro Forma Financial Information;
- (b) the following items do not present fairly in accordance with the recognition and measurement requirements, but not all of the disclosure requirements of applicable Accounting Standards and other mandatory professional reporting requirements in Australia:



- the Historical Statements of Profit and Loss for financial years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- Pro forma EBITDA for financial years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Historical Balance Sheets as at 30 June 2013 and 30 June 2014;
- the Pro Forma Balance Sheet as at 30 June 2015, as if the Pro Forma Adjustments as set out in Section 4.6 of the Prospectus had occurred; and
- notes to and forming part of the financial information referred to above.

The Historical Balance Sheets for N1 as at 30 June 2014 and 30 June 2015 and Historical Statements of Profit and Loss for financial years ended 30 June 2013, 30 June 2014 and 30 June 2015 have been extracted from the audited financial reports of N1 for the financial years ended 30 June 2014 and 30 June 2015, upon which Crowe Horwath issued an unqualified audit opinion.

Our review has been conducted in accordance with Australian Auditing and Assurance Standards. We have performed review procedures, which in our professional judgement are considered reasonable in the circumstances, including:

- (a) analytical review of the Historical Balance Sheet;
- (b) review of work papers, accounting records and other documents pertaining to balances in existence at 30 June 2015;
- (c) review of the Pro Forma Adjustments and assumptions used to compile the Pro Forma Balance Sheet and Pro Forma EBITDA;
- (d) review of the consistency in application of the recognition

and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by N1; and

- (e) enquiry and discussions with Directors of N1.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion on the Pro Forma Financial Information.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- (a) the Pro Forma Adjustments do not provide a reasonable basis for the preparation of the Pro Forma Financial Information;
- (b) the following items do not present fairly in accordance with the recognition and measurement requirements, but not all of the disclosure requirements of applicable Accounting Standards and other mandatory professional reporting requirements in Australia:
 - the Historical Balance Sheets of N1 as at 30 June 2013, 30 June 2014 and 30 June 2015;
 - pro forma EBITDA for financial years ended 30 June 2013, 30 June 2014 and 30 June 2015;
 - the Pro Forma Balance Sheet of N1 as at 30 June 2015, as if the Pro Forma Adjustments as set out in Section 4.6 had occurred; and

- notes to and forming part of the financial information referred to above.

Subsequent events

Having regard to the scope of our Report, to the best of our knowledge and belief no other material transactions or events have come to our attention that would require comment on, or adjustment to, the information referred to in the Report or that would cause such information to be misleading or deceptive.

Independence and conflicts of interest

Crowe Horwath Corporate Finance does not have any interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to this matter. Crowe Horwath Corporate Finance had no role in the preparation of the underlying financial information.

Crowe Horwath Sydney is the appointed statutory auditor and of N1, for which normal professional fees will be received.

Responsibility and consents

Crowe Horwath Corporate Finance has given consent to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it appears but has not authorised the issue of the Prospectus. At the date of this Report, consent has not been withdrawn.

The Directors of N1 have prepared and are responsible for the Prospectus, and the Financial Information in Section 4 and

have authorised the issue of the Prospectus. Crowe Horwath Corporate Finance makes no representation regarding, and takes no responsibility for, any other statements, material in, or omissions from, the Prospectus. Crowe Horwath Corporate Finance disclaims any responsibility for any reliance on the Financial Information for any purpose other than for which they were prepared.

N1 has agreed to indemnify and hold harmless Crowe Horwath Corporate Finance and its employees from any claims arising out of misstatement or omission in any material or information supplied by N1.

General advice

The Report has been prepared for inclusion in the Prospectus, to provide its readers with general information only. It does not take account of the objectives, financial situation, or needs of specific shareholders. It is not intended to take the place of professional advice and the readers should not make specific investment decisions based solely on the information contained in the Report. Before acting or relying on any information, the readers should consider whether it is appropriate for their individual circumstances having regard to their objectives, financial situation and needs.

Yours faithfully

CROWE HORWATH CORPORATE FINANCE (AUST) LTD

Crowe Horwath .



Annexure 1 — Financial services guide Date

December 2015

General Advice – Investigating Accountant's Report

This Financial Services Guide is designed to help retail clients make a decision as to their use of the relevant general financial product advice; to ensure that we comply with our obligations as a financial services licensee; and to provide you with information on:

- how we and our associates are paid
- any potential conflict of interest we may have
- our internal and external dispute resolution procedures and how you can access them.

Introduction

Crowe Horwath Corporate Finance (Aust) Ltd, ABN 95 001 508 363 has been engaged to issue general financial product advice in the form of an Investigating Accountant's Report for inclusion in a disclosure or other document in relation to the issuing of a financial product.

Who is responsible for the financial services provided to me?

Crowe Horwath Corporate Finance (Aust) Ltd holds an Australian Financial Services Licence No. 239170 and is responsible for the financial services provided by it and its Authorised Representatives, including authorising the distribution of this Financial Services Guide.

Crowe Horwath Corporate Finance (Aust) Ltd is wholly owned by Crowe Horwath Australasia Ltd and operates as part of the business advisory and professional accounting practice of Crowe Horwath. Crowe Horwath Australasia Ltd is owned by Findex Australia Pty Ltd.

General Financial Product Advice

In the Investigating Accountant's Report we provide general financial product advice, not personal financial product advice, because the advice has been prepared without taking into account your personal objectives, financial situation or needs.

You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs.

What kinds of financial services are you authorised to provide to me?

We are authorised to provide advice on, and deal in, the following classes of financial products to wholesale and retail clients:

1. Provide financial product advice for the following classes of financial products:

- a) derivatives; and
- b) securities.

2. Deal in a financial product by:

a) issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:

- i. derivatives; and
- ii. securities.

Investigating Accountant's Reports

We provide financial product advice by issuing an Investigating Accountant's Report in connection with a financial product of another person or entity. Our Report includes a description of the circumstances of our engagement and identifies the person or entity who has engaged us. You have not engaged us directly but you will be provided with a copy of the Report due to your connection to the matters in respect of which we have been

engaged to report.

Any report we provide is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in the Report.

Do you have any relationships or associations with financial product issuers?

Crowe Horwath Corporate Finance (Aust) Ltd and any of its associated entities may at any time provide professional or financial services to financial product issuers in the ordinary course of our business.

How is Crowe Horwath Corporate Finance (Aust) Ltd paid to produce an Investigating Accountant's Report?

We will charge a fee in the vicinity of \$12,000 excluding GST for providing this Investigating Accountant's Report. This fee will be paid by the person or entity which engages us to provide the Report. The fee has not affected the opinion we have expressed in the Report.

Except for this fee, neither Crowe Horwath Corporate Finance (Aust) Ltd, nor any of its principals, employees or related entities, receives any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Does Crowe Horwath Corporate Finance (Aust) Ltd get paid for referring clients to invest in the products associated with your Investigating Accountant's Reports?

We do not pay commissions or provide any other benefits to any person for referring clients to us in connection with the Investigating Accountant's Report that we are engaged to provide.

We do not receive commissions or any other benefits for referring

clients in connection with the underlying financial product and/or financial service that is the subject of the reports we are engaged to provide.

Do I pay for the financial services provided?

You do not pay us a fee for the production of the Investigating Accountant's Report. It is the responsibility of the person or entity which engaged our services to produce the Report to meet this cost.

Who can I complain to if I have a complaint about the financial services provided?

If you have any complaint about the service provided to you, you should take the following steps: Contact us and tell us about your complaint.

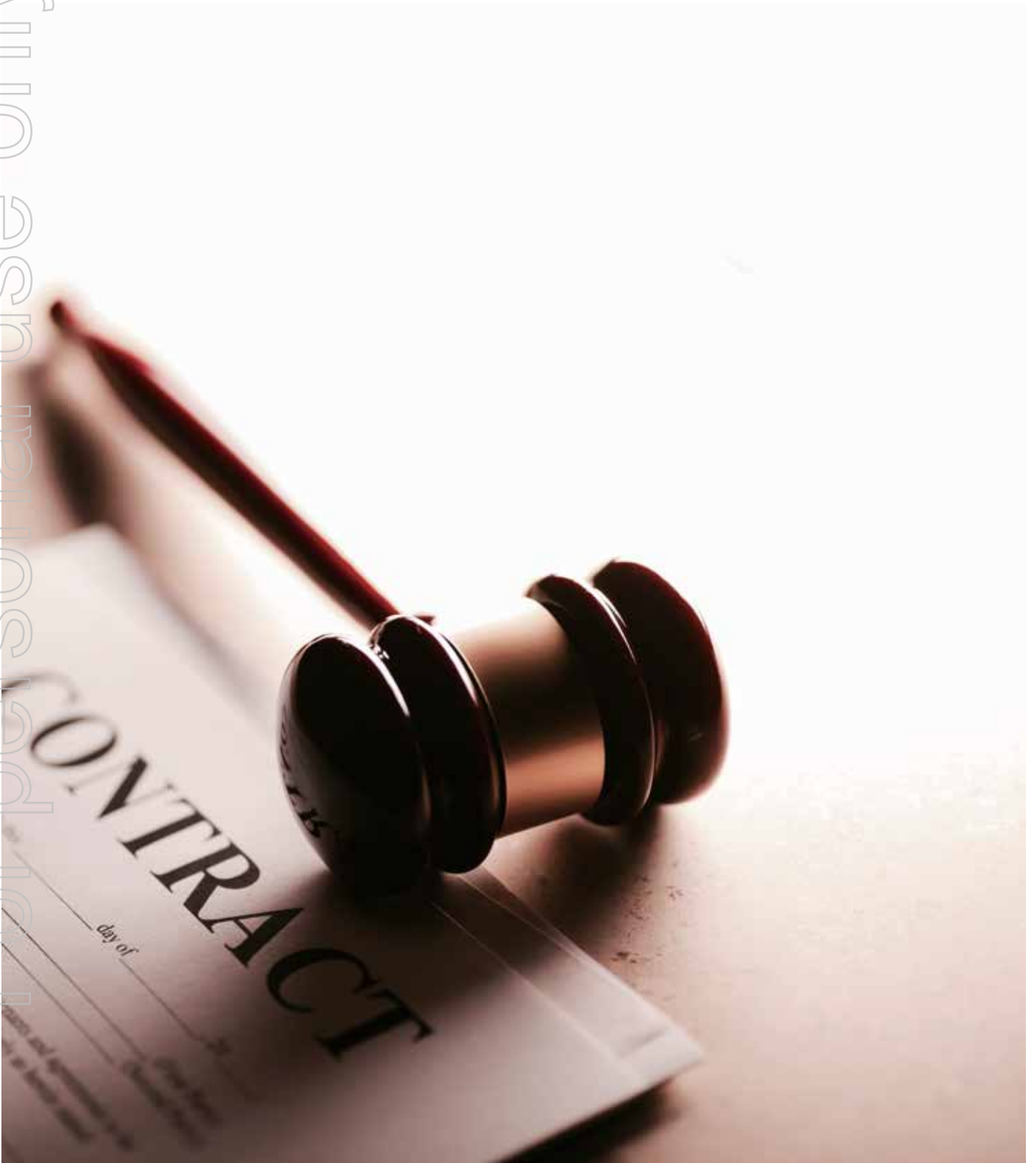
If your complaint is not satisfactorily resolved within three business days, please contact the Complaints Officer on (02) 9262 2155, or put your complaint in writing and send it to us at:

The Complaints Officer
Crowe Horwath Corporate Finance (Aust) Ltd Level 15, 1
O'Connell St
SYDNEY NSW 2000

If you still do not get a satisfactory outcome you can contact the Financial Ombudsman Service (FOS) of which Crowe Horwath is a member. FOS can be contacted on 1800 367 287 or you can write to them at GPO Box 3, Melbourne, Victoria 3001.

ASIC has a freecall Infoline on 1300 300 630 which you may also use to make a complaint or obtain information about your rights. If you have any further questions about the financial services Crowe Horwath Corporate Finance (Aust) Ltd provides, please contact our office on (02) 9262 2155.

SECTION 9. MATERIAL CONTRACTS



The Company has entered into (or proposes to enter into) various agreements (collectively, **Material Contracts**) that the Directors regard as being material and required to be disclosed or as being of sufficient interest to Potential Applicants to justify disclosure in this Prospectus.

A person or entity subscribing for the New Shares offered by this Prospectus will be deemed to have acknowledged that the Company is bound by the Material Contracts. Particulars of the Material Contracts follow to the extent that adequate disclosure is not set out elsewhere in this Prospectus.

9.1. ACQUISITION AGREEMENT

General

The Acquisition Agreement sets out the terms on which N1 Holdings Limited will acquire the entire issued capital in N1 Loans Pty Ltd (**N1 Loans**) from the N1 Vendors.

Consideration Securities

In consideration for the entire issued capital in N1 Loans Pty Ltd, the Company will offer a combination of fully paid ordinary shares (**Consideration Shares** and **CN Shares**) and unlisted options (**Consideration Options**) to the securityholders of N1 (**N1 Vendors**).

The N1 Vendors comprise:

- (a) Mr Ren Hor Wong, the founder and sole shareholder of N1 Loans;
- (b) N1 Convertible Noteholders who hold Convertible Notes issued by N1 Loans; and
- (c) N1 Employees who hold employee incentive options in N1 Loans.

In consideration for their respective holding in N1 Loans Pty Ltd, Mr Wong will receive Consideration Shares, the N1 Convertible Noteholders will receive CN Shares and the N1 Employees will receive Consideration Options.

In total, the Company will be issuing 50,000,000 Consideration

Shares, 4,977,500 Consideration Options and 6,403,750 CN Shares to the N1 Vendors. These Securities will be issued to the N1 Vendors under the Vendor Offer.

It is noted that the Consideration Shares will be issued as non-cash consideration for the acquisition of Mr Wong's shares in N1 Loans. However, if the Consideration Shares were issued at the Issue Price (being \$0.20 per Share), then the Consideration Shares being issued to Mr Wong would have an implied value at Listing of \$10 million.

It is acknowledged in the agreement that the Consideration Shares will be subject to mandatory escrow for a period of 24 months. CN shares which are allotted to Ms Jia Penny He and to a related party of Ren Hor Wong will be subject to 12 months voluntary escrow.

Completion of all obligations under the Acquisition Agreement will take place on the date on which N1 is admitted to the official list of the Australian Securities Exchange.

N1 Holdings Limited is entitled to terminate the Acquisition Agreement prior to completion in circumstances where either (i) the vendors breach the agreement in a material respect and the breach is not remedied within 10 business days (if capable of being remedied) (ii) an insolvency event occurs with respect to the vendors, or (iii) the conditions precedent are not satisfied by 30 June 2016.

9.2. AGGREGATOR AGREEMENT

The Company has entered into an agreement with Finsure pursuant to which Finsure acts as a mortgage aggregator for the Company.

Under the agreement, the Company introduces mortgage applicants to Finsure. In facilitating such introductions, the Company is required to comply with Finsure's policies and procedures, as amended from time to time. As compensation for each successful mortgage issued to an applicant, Finsure agrees to pay an upfront and trailing commission to the Company. Such commissions will continue to be paid even if the agreement is terminated as long as the relevant mortgage continues.

Finsure also provides the Company with software to assist in managing the Company's customer relationships. This software must be returned if the agreement is terminated.

The agreement has a term which will continue at the absolute option of Finsure. Finsure may also terminate the agreement with immediate effect if:

- an insolvency event occurs with respect to the Company;
- a change in control to the Company occurs;
- a director of the Company ceases to be a director without the consent of Finsure;
- the Company or any intermediary has committed any fraud, forgery or misrepresentation in respect of the application or

product; and

- the Company fails to perform any provision of the agreement which, if capable of remedy, is not remedied within 14 days of written notice.

The Company indemnifies Finsure on a continuing basis against all actions, suits, claims, demands, losses, damages, liabilities, cost and expenses of any nature suffered or incurred by Finsure at any time actually or contingently arising directly or indirectly from:

- any failure by the Company or any intermediary to comply with the agreement;

- any dishonest, fraudulent, or negligent act or omission by the introducer, any intermediary or any employees, agents, or contractors of the Company or any intermediary;
- any failure by the Company or any intermediary to comply with any law;
- any liability to a third party arising because of, or contributed to by, any act or omission by the N1, any intermediary or any employees, agents, or contractors of the introducer or any intermediary;
- any conduct of the Company or any intermediary; or
- any event of default.

9.3. AUTHORISED REPRESENTATIVE AGREEMENT

The Company has entered into an authorised representative agreement with SWA pursuant to which Jia Penny He has been appointed as an authorised representative under SWA's Australian financial services licence. Pursuant to this agreement, the Company is authorised to act on SWA's behalf in relation to the provision of financial advice (and other specified financial products and services).

Under the agreement, the Company is entitled to be paid a fee of 90% of the commissions it charges to its clients, while the remaining 10% of any such commissions must be paid to SWA. The fees payable to the Company may be adjusted by SWA if agreed by both parties, and with formal notice.

This agreement can be terminated at any time either party providing the other with 30 days' notice in writing, or earlier by agreement. SWA may terminate the agreement immediately if (among other things):

- the Company engages in activities which SWA reasonably believes are dishonest, fraudulent, wilfully misleading or deceptive, or is likely to cause SWA's name to be brought into disrepute;
- the Company is convicted of a criminal offence resulting from a breach of the applicable laws; or
- the Company fails to comply with SWA's compliance policies.

Under the agreement, SWA has agreed that it will:

- use all reasonable endeavours to maintain its AFS Licence;
- provide training to the Company's advisers in relation to the provision of financial products and services;
- negotiate remuneration terms for financial products as provided in the agreement;
- provide support services determined by the Company to be

reasonably required to enable it to provide the services; and

- maintain a reasonably extensive product list that provides the Company with a commercially viable range of products financial.

Under the agreement, the Company has agreed (among other things) to:

- conduct itself in a way that would not cause offence to, or damage the reputation of SWA;
- provide services solely for and on behalf of SWA;
- provide services only in relation to the products on SWA's product list;
- provide services in accordance with the terms of the agreement and scope of its authorisation;
- comply with SWA's compliance manual and policies;
- comply with all reasonable instructions issued by SWA from time to time;
- maintain accounts and records, and up to date client register and up to date training register for a period of seven years after the termination of the agreement and provide SWA access upon request;
- have all fees, commissions, brokerages and other remuneration earned in services provided as SWA's authorised representative paid directly to SWA;
- reimburse SWA any tax, or any other impost levied on SWA in respect of the Company's performance of services;
- comply with obligations of confidence owed to SWA and clients; and
- not, without SWA's prior written consent act as Authorised Representative of another AFS Licence holder.

If required, the Company must submit to an audit or review by SWA in accordance with the terms of the agreement. The Company indemnifies SWA from all claims and losses which arise out of a breach of the agreement.

9.4. DIRECTOR SERVICES AGREEMENTS

9.4.1. MR REN HOR WONG, PROPOSED EXECUTIVE CHAIRMAN AND EXECUTIVE CHAIRMAN

Terms of the Agreement

The Company has entered into an executive services and employment agreement with Mr Ren Hor Wong to act as Executive Director and Chief Executive Officer of the Company. The agreement will commence on Listing.

Remuneration Package

As set out in Table 9.1, Mr Wong will receive a base salary of \$300,000 per annum (plus superannuation or similar contributions). The Company may, at its discretion, provide Mr Wong with a bonus. Mr Wong's remuneration will include director's fees for his position as a director of the Company.

For the financial year ending 30 June 2016, Mr Wong will be eligible to receive a bonus in addition to his base salary if certain conditions are met, with the bonus structure to operate as follows:

Table 9.1: Bonus mechanism for Ren Hor Wong

Minimum revenue achieved by the Company	Bonus
\$4.5 million	\$10,000
\$5 million	\$16,000
\$5.5 million	\$20,000

Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide Mr Wong with no notice and will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), within the first 12 months of Mr Wong's employment the Company will provide Mr Wong with 6 months' written notice or make a payment of 6 months' salary in lieu of the notice period, or thereafter provide Mr Wong with 3 months' written notice or make a payment of 3 months' salary in lieu of the notice period.

Mr Wong may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 6 months of his base salary during the first 12 months of his employment. Thereafter, Mr Wong may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent of 3 months' of his

base salary.

Restraint

After the termination of his employment with the Company, Mr Wong will be subject to a contractual restraint which may apply for up to 3 years after termination, and cover all of Australia, Malaysia and China.

9.4.2. JIA PENNY HE, PROPOSED CHIEF FINANCIAL OFFICER AND EXECUTIVE DIRECTOR

Terms of the Agreement

The Company has entered into an executive services and employment agreement with Ms Jia Penny He to act as Executive Director and Chief Executive Officer of the Company. The agreement will commence on Listing.

Remuneration Package

As set out in Table 9.2, Ms He will receive a base salary of \$120,000 per annum (plus superannuation or similar contributions). The company may, at its discretion, provide Ms He with a bonus. Ms He's remuneration will include director's fees for her position as a director of the Company.

For the financial year ending 30 June 2016, Ms will be eligible to receive a bonus in addition to her base salary if certain conditions are met, with the bonus structure to operate as follows:

Bonus mechanism for Jia Penny He

Minimum revenue achieved by the Company	Bonus
\$4.5 million	\$5,000
\$5 million	\$8,000
\$5.5 million	\$10,000

Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide Ms He with no notice and will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement) during the first 12 months, the Company will provide Ms He with 6 months' written notice or make a payment of 6 months' salary in lieu of the notice period, or thereafter provide Ms He with 3 months' written notice or make a payment of 3 months' salary in lieu of

the notice period.

Ms He may terminate the agreement at her sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 6 months of her base salary during the first 12 months of her employment. Thereafter, Ms He may terminate the agreement at her sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent of 3 months' of her base salary.

Restraint

After the termination of his employment with the Company, Ms He will be subject to a contractual restraint which may apply for up to 1 year after termination, and cover all of Australia, Malaysia and China.

9.4.3. TARUN KANJI, PROPOSED NON-EXECUTIVE DIRECTOR

Term of Agreement

The Company has entered into a services agreement with an entity related to Mr Tarun Kanji pursuant to which Mr Kanji will provide services as a non-executive Director. The agreement will commence on Listing.

Remuneration package

As consideration for the provision of Mr Kanji's services, Mr Kanji

(or his related entity) will receive a fee of \$40,000 per annum (excluding GST) for the first year of service and \$59,000 per annum (excluding GST) for every year thereafter.

This remuneration amount is inclusive of director's fees.

Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the current Director with no notice and will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide Mr Kanji with 3 months' written notice or make a payment of 3 months' salary in lieu of the notice period.

Mr Kanji may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 6 months of the base fees.

9.4.4. NAN (WENDY) ZHANG, CURRENT EXECUTIVE DIRECTOR

Ms Nan (Wendy) Shang is currently a director of the Company but will retire as a director on completion of the Listing.

9.5. LEAD MANAGER AGREEMENT

On or around 1 December 2015, the Company entered into a mandate with Sanlam Private Wealth (Sanlam), pursuant to which Sanlam has been engaged to act as an adviser in connection with the capital raising under the Prospectus, including acting as book runner and lead manager for the IPO.

In consideration for Sanlam acting as joint lead manager, N1 has agreed to pay Sanlam a management fee equal to 1% (plus GST) of total funds (i.e. the total amount of equity raised from cash subscriptions for new shares under the IPO), a success fee equal to 5% (plus GST) of funds raised (i.e. the amount of equity capital

raised from cash subscriptions for new shares under the IPO from investors introduced by Sanlam) and 1 million options in N1 to be issued to Sanlam or its nominees.

In the event of termination of the mandate with Sanlam, Sanlam will continue to be entitled to the fees and expenses that become payable prior to termination. The key terms of the agreement shall remain in full force until the sooner of the date on which N1 is listed on the Australian Securities Exchange, or the expiration of twelve months from the commencement date of the agreement.

9.6. CORPORATE ADVISER AGREEMENT

On or around 1 February 2015, N1 entered into a mandate with Aura Capital Pty Ltd (Aura), to perform corporate advisory services in connection with the IPO.

In consideration for Aura acting as a corporate adviser, N1 will pay to Aura a completion fee being the greater of (i) 1.6% of pre-money enterprise value or (ii) \$160,000 and a retainer fee of \$7,500 per

month, from the date of the Mandate until termination of the mandate.

N1 may, by giving 1 months' notice, terminate Aura's engagement under the mandate at any time two months after the date of the mandate.

9.7. LEGAL ADVISER AGREEMENT

Whittens & McKeough Pty Ltd acted as legal adviser to the Company in connection with the Offer (excluding in relation to taxation), has advised the Company in relation to admission to the Official List of ASX and has performed work in relation to legal due diligence enquiries in respect of the Offer. The Company has paid

or agreed to pay, approximately \$90,000 (excluding GST) for these services (as at the date of this Prospectus). Whittens will be paid additional fees in connection with the Listing at an hourly rate agreed with the Company.

9.9. OPERATING CONTRACTS – GENERAL

As an operating commercial business, N1 is a party to numerous standard business contracts, including but not limited to:

- (a) employee and contractor agreements;
- (b) finance arrangement and guarantees;
- (c) supply or purchase agreements; and

(d) lease agreements.

The terms and conditions of all of the above mentioned standard business contracts have not been disclosed as none are deemed to be material by the Company.

9.10. VOLUNTARY ESCROW AGREEMENTS

In addition to ASX imposed escrow for Restricted Securities, the Company has entered into voluntary escrow agreements with N1 Vendors (**Escrowed Shareholders**).

The Escrowed Shareholders will enter into voluntary escrow

arrangements in relation to 4,606,250 Shares until the date of the Company's release of its results to ASX for the financial year ending 30 June 2017.

**SECTION 10. RIGHTS AND LIABILITIES
ATTACHING TO SECURITIES**



10.1. RIGHTS ATTACHING TO THE SHARES

The following is a summary of the more significant rights attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice. Full details of the rights attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) Ordinary shares: The New Shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company. The rights attaching to Shares are set out in the Company's constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law.

(b) General meetings: Shareholders are entitled to be present in person or by proxy, attorney or representative to attend and to vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the constitution of the Company.

(c) 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 of 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 Share held by that person or in respect of which the person is appointed proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

(d) Dividend rights: The Board may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a Share, all dividends will be declared and paid according to the proportion of the amount paid on the Share to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Board as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the

Company.

The Board may from time to time grant to Shareholders or to any class of Shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may at their discretion resolve, in respect of any dividend which it is proposed to pay or to declare on any Shares of the Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions provided for in the Constitution. The Directors may set aside out of the profits of the Company such amounts as 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 properly be applied.

(e) Winding up: If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other New Shares in respect of which there is any liability.

(f) 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 and the Listing Rules.

(g) Future increase in capital: The allotment and issue of any new Shares is under the control of the Board. Subject to restrictions on the issue or grant of New Shares contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred upon the holder of an existing Share or class of Shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights: Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise

provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of at least

three quarters of the issued Shares of that class or, if authorised by a special resolution passed at a separate meeting, of the holders of the Shares of that class.

10.2. RIGHTS ATTACHING TO THE CONSIDERATION OPTIONS

Each Consideration Option (referred to as the "Option" in this section 11.2) entitles the holder of the Consideration Option (referred to as the "Optionholder" in this section 11.2) to subscribe for a Share in the Company on the following terms and conditions:

(a) Each Option gives the Optionholder the right to subscribe for one Share.

(b) The Options will expire at 5:00pm (AEDT) on 5 years after the date of issue of the Options (**Expiry Date**).

(c) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) The Options will vest on the date 3 years after the date of issue of the Options (**Vesting Date**).

(e) In the event that the Options are exercised prior to the Expiry Date, any remaining period of voluntary escrow imposed by the Company or mandatory escrow imposed under the Listing Rules will apply to the Shares issued on such exercise.

(f) The Options may not be exercised until they have vested on or after the Vesting Date.

(g) The amount payable upon the exercise of each Option will be twenty cents (\$0.20) (**Exercise Price**).

(h) The Optionholder may exercise its Options by lodging with the Company, on or before the Expiry Date:

- (i) a written notice of exercise specifying the number of Options being exercised; and
- (ii) a cheque or electronic funds transfer (to the bank account nominated by the Company) for the Exercise Price for the number of Options being exercised, (**Exercise Notice**).

(i) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds (**Effective Date**).

(j) Within 10 business days of the Effective Date, the Company

must allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(k) The Options are not transferrable or assignable.

(l) All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with the existing Shares on issue.

(m) The Company will not apply for quotation of the Options on ASX.

(n) The Company must apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX immediately after the allotment of those Shares.

(o) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction. The terms of the Options may be amended at the Company's absolute discretion to ensure compliance with the ASX Listing Rules.

(p) Optionholders will not have any participating rights or entitlements inherent in the Option to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time-to-time unless and until the Option is validly exercised and the resultant Shares allotted.

(q) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(r) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

10.3. RIGHTS ATTACHING TO THE DIRECTOR OPTIONS

Each Director Option (referred to as the "Option" in this section 10.3) entitles the holder of the Director Option (referred to as the "Optionholder" in this section 10.3) to subscribe for Share on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5:00pm (AEDT) 2 years after date of issue (**Expiry Date**).
- (c) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) In the event that the Options are exercised prior to the Expiry Date, any remaining period of voluntary escrow imposed by the Company or mandatory escrow imposed under the Listing Rules will apply to the Shares issued on such exercise.
- (e) The amount payable upon the exercise of each Option will be twenty cents (\$0.20) (**Exercise Price**).
- (f) The Optionholder may exercise its Options by lodging with the Company, on or before the Expiry Date:
 - (i) a written notice of exercise specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer (to the bank account nominated by the Company) for the Exercise Price for the number of Options being exercised, (**Exercise Notice**).
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds (**Effective Date**).
- (h) Within 10 business days of the Effective Date, the Company must allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (i) The Options are not transferrable or assignable.
- (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with the existing Shares on issue.
- (k) The Company will not apply for quotation of the Options on ASX.
- (l) The Company must apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX immediately after the allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction. The terms of the Options may be amended at the Company's absolute discretion to ensure compliance with the ASX Listing Rules.
- (n) Optionholders will not have any participating rights or entitlements inherent in the Option to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time-to-time unless and until the Option is validly exercised and the resultant Shares allotted.
- (o) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (p) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

10.4. RIGHTS ATTACHING TO THE LEAD MANAGER OPTIONS

Each Lead Manager Option (referred to as the "Option" in this section 10.4) entitles the holder of the Lead Manager Option (referred to as the "Optionholder" in this section 10.4) to subscribe for a Share on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5:00pm (AEDT) 2 years after date of issue (**Expiry Date**).
- (c) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) In the event that the Options are exercised prior to the Expiry Date, any remaining period of voluntary escrow imposed by the Company or mandatory escrow imposed under the Listing Rules will apply to the Shares issued on such exercise.

(e) The amount payable upon the exercise of each Option will be thirty cents (\$0.30) (**Exercise Price**).

(f) The Optionholder may exercise its Options by lodging with the Company, on or before the Expiry Date:

- (i) a written notice of exercise specifying the number of Options being exercised; and
- (ii) a cheque or electronic funds transfer (to the bank account nominated by the Company) for the Exercise Price for the number of Options being exercised, (**Exercise Notice**).

(g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds (**Effective Date**).

(h) If the Company is able to issue a notice complying with sections 708A(5)(e) and 708A(6) of the Corporations Act within 10 business days of the Effective Date, the Company must allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(i) If the Company is unable issue a notice complying with sections 708A(5)(e) and 708A(6) of the Corporations Act within 10 business days of the Effective Date, the Company must use reasonably endeavours to within 40 business days of the Effective Date, either:

- (i) lodge with ASIC a disclosure document (as defined in the Corporations Act) that satisfies the requirements of Part 6D.2 of the Corporations Act and that will allow the Shares issued on exercise of the Options to be quoted on ASX and freely tradeable in the ordinary course on ASX;
- (ii) obtain such other relief from ASIC, and comply with the terms of such relief such that will allow the Shares issued on exercise of the Options to be quoted on ASX and freely tradeable in the ordinary course on ASX; or
- (iii) issue a notice complying with sections 708A(5)(e) and 708A(6) of the Corporations Act that will allow the Shares issued on exercise of the Options to be quoted on ASX and

freely tradeable in the ordinary course on ASX.

(j) The Options are not transferrable or assignable.

(k) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with the existing Shares on issue.

(l) The Company will not apply for quotation of the Options on ASX.

(m) The Company must apply for quotation of all Shares allotted pursuant to the exercise of the Options on ASX immediately after the allotment of those Shares.

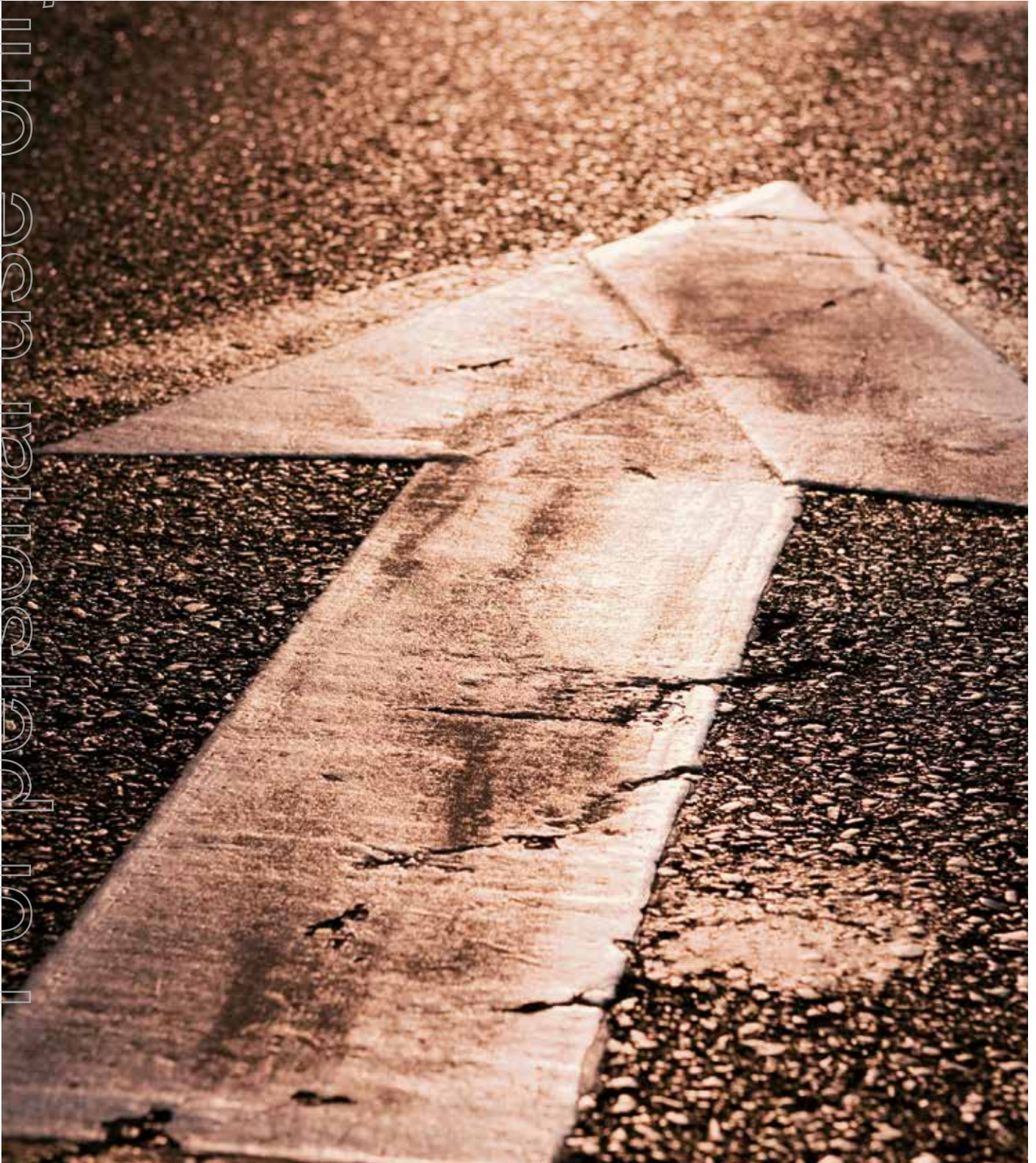
(n) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction. The terms of the Options may be amended at the Company's absolute discretion to ensure compliance with the ASX Listing Rules.

(o) Optionholders will not have any participating rights or entitlements inherent in the Option to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time-to-time unless and until the Option is validly exercised and the resultant Shares allotted.

(p) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(q) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

SECTION 11. **ADDITIONAL INFORMATION**



11.1. REGISTRATION

The Company was registered in Victoria on 24 November 2015 as a public company limited by shares.

11.2. DEEDS OF INDEMNITY, INSURANCE AND ACCESS

The Company has entered into deeds of indemnity and access with each of its appointed Directors. Under these deeds, the Company has agreed to indemnify each Director to the extent permissible by the Corporations Act against any liability arising as a result of that Director acting in the capacity as an officer of the Company. Further, the Company has agreed to maintain director and officers indemnity insurance during each Director's tenure and for a further period of seven years after they cease to be a Director.

The Company will be entering into deeds of indemnity and access with each of the proposed Directors (subject to their appointment). Under these proposed deeds, the Company will be agreeing to indemnify each of the proposed Directors to the extent permissible by the Corporations Act against any liability arising as a result of that proposed Director acting in the capacity as an officer of the Company.

11.3. COMPANY TAX STATUS AND FINANCIAL YEAR

The Company will be taxed in Australia as a public company. The financial year of the Company ends on 30 June annually.

11.4. TAXATION CONSIDERATIONS

The following is intended only as a general summary and does not purport to be a complete statement of all tax consequences that may be relevant to the Shareholders in the Company. The Australian taxation implications of investing in the Company may vary depending on the individual circumstances of the Shareholders.

This summary is based on the Australian taxation laws in force and the administrative practices of the Australian Taxation Office generally accepted as at the date of this Prospectus. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated.

Generally, the Company is taxed at a flat rate of 30%, regardless of whether the Company is controlled by resident or non-resident shareholders.

The following summary is only applicable for Australia tax resident shareholders.

Dividend distributions

The Australian tax treatment of dividends received by Australian tax resident Shareholders will vary depending on the extent the dividend is franked and the type of Shareholder receiving the dividend (i.e. individual, superannuation fund, company, trust or partnership).

If the Company pays a dividend to the Shareholders out of "taxed profits", the dividend will include a credit for taxes already paid by the Company (i.e. a franking credit).

Where a franking credit is included in a Shareholder's assessable income, the Shareholder will generally be entitled to a corresponding tax offset against tax payable.

To be eligible for the franking credit and tax offset, a Shareholder must satisfy the "holding period" rules, which require that a Shareholder holds the shares "at risk" for a specified period of not less than 45 days (not including the date of acquisition and the date of disposal).

The holding period rule will not apply to a Shareholder who is an individual and whose tax offset entitlement (for all franked distributions received by the Shareholder in the income year) does not exceed AU\$5,000 for the income year in which the franked dividend is received.

Generally Shareholders who are Australian tax resident individuals or complying superannuation entities should be entitled to a refund to the extent the franking credits attached to a dividend exceeds the Shareholder's income tax liability for the relevant income year.

Shareholders who are Australian tax resident companies may be entitled to convert the excess of franking credits which cannot be offset against their income tax liability for the relevant year, to a carry forward tax loss. The company must also satisfy the "holding period" rule. Additionally, for Shareholders who are companies and who receive franked dividends, a franking credit may arise in the Shareholders franking account (subject to satisfaction of the holding period rules).

Shareholders are advised to seek their own professional advice in

assessing the consequences of receiving franking credits in their specific circumstances.

Sale of Shares

The Australian income tax implications for the Shareholders on the sale of the Shares will be dependent on whether the shares are held on capital or revenue account by the Shareholders. For the purposes of this document, we have only addressed the Australian tax issues associated where the shares are held on capital account.

Where a Shareholder holds Shares on capital account, the Capital Gains Tax ("CGT") rules should be applicable in determining the tax consequences of acquiring and disposing of Shares.

If Shareholders choose to dispose of their Shares in the future, a capital gain should arise to the extent the capital proceeds received in respect of the disposal exceeds the cost base of the Shares.

A capital loss will arise to the extent the capital proceeds received are less than the reduced cost base of the Shares. Capital losses can be carried forward and offset against any future capital gains, subject to the satisfaction of various carry forward loss integrity rules.

The cost base of Shares subscribed for should broadly be equal to the money paid or required to be paid in respect of acquiring the Shares plus any incidental costs incurred by the Shareholder in respect of acquiring (or disposing) of the Shares.

If the Shareholder is an Australian tax resident individual, complying superannuation entity, or trust, they may be eligible to reduce their capital gain (net of any available capital losses) by a CGT discount if they have held their Shares for at least 12 months prior to the disposal. For individuals and trusts the discount is one half and for complying superannuation entities one third. Shareholders that are companies (including limited partnerships or trusts that are taxed under a corporate model in Australia) are not entitled to a CGT discount.

Shares held by trustees of trusts that have held the Shares for at least 12 months may be eligible to flow through the CGT discount to non-company Australian tax resident beneficiaries of the trust. Shareholders should seek their own professional advice in this regard.

Tax File Numbers

An Australian tax resident Shareholder is not required to quote a tax file number ("TFN") to our Company. However, if an Australian tax resident Shareholder's TFN or relevant exemption details are not provided, Australian tax may be required to be deducted by our Company from certain distributions (other than fully franked dividends) at the maximum marginal tax rate plus Medicare levy.

A Shareholder that holds Shares as part of an enterprise may quote their Australian Business Number ("ABN") instead of their TFN.

Australian GST implications

There should be no Australian goods and services tax ("GST") payable by Shareholders in respect of the acquisition or disposal of Shares.

The extent to which a Shareholder may be entitled to recover Australian GST included in costs relating to the acquisition or disposal of Shares will depend on the particular circumstances of the Shareholder and whether the acquisition / disposal may be classified as being 'GST-free' for Australian GST purposes. Shareholders should seek separate advice from their financial advisers to confirm their position.

No Australian GST should be payable by Shareholders as a result of dividends distributed by us.

Australian Stamp Duty implications

Shareholders acquiring Shares should not bear any stamp duty liability on the acquisition.

11.5. LITIGATION

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.6. GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of Applications and bids under this Prospectus are governed by the laws applicable in New South Wales and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales.

11.7. INTERESTS, FEES AND BENEFITS

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

- (a) Director of the Company; or
- (b) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation and distribution of this Prospectus; or
- (c) promoter of the Company; or
- (d) stockbroker or underwriter to the Offers under this Prospectus,

has or had within two years before lodgement of this Prospectus with ASIC any interest in:

- (e) the formation or promotion of the Company; or
- (f) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers under this Prospectus; or
- (g) the Offers under this Prospectus;

and no amounts have been paid or agreed to be paid and no amounts have been given or agreed to be given to any of those persons as an inducement to become or to qualify as a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the Offers of Securities under this Prospectus.

Persons and entities who have interests, fees and benefits

- (a) The Company has entered into various agreements with third parties that will have an effect on the Company, further details of which are set out in section 9 of this Prospectus.
- (b) Current and projected interests on completion of Listing and remuneration of current and proposed Directors of the Board and the Company Secretary are outlined in Section 6.4 of this Prospectus.
- (c) Crowe Horwath has been (or will be) paid a fee of approximately \$18,000 (exclusive of GST) for preparing the Investigating Accountant's Report in Section 8 of this Prospectus.

11.8. EXPENSES OF THE OFFERS

The estimated expenses (exclusive of GST) connected with the Offers that are payable by the Company, based on the **minimum** being raised under the Offers is as follows:

Description of expenses	Amount of expenses (AUD \$ 000's)
Brokerage costs	\$221,000
Legal fees	\$90,000
Corporate advisory fee	\$170,000
Investigating Accountant's fees	\$18,000
Printing, mailing, marketing and other fees	\$10,000
ASIC fees	\$4,820
ASX fees	\$68,500
Registry fees	\$2,500
Total	\$548,820

The estimated expenses (exclusive of GST) connected with the Offers that is payable by the Company, based on the **maximum** being raised under the Offers is as follows:

Description of expenses	Amount of expenses
Brokerage costs	\$311,000
Legal fees	\$90,000
Corporate advisory fee	\$170,000
Investigating Accountant's fees	\$18,000
Printing, mailing, marketing and other fees	\$10,000
ASIC fees	\$4,820
ASX fees	\$70,000
Registry fees	\$2,500
Total	\$676,320

11.9. CONSENTS

The follow persons have given their written consent to be named in this Prospectus and for the inclusion of statements made by those persons (as described below), and have not withdrawn such consent before lodgement of this Prospectus with ASIC:

- (a) each current and proposed Director and Company secretary of the Company;
- (b) each member of the N1 Executive Team set out in section 6.2 of this Prospectus, who have consented to being named in this Prospectus as members of the N1 Executive Team, in the form and context in which they are named;
- (c) Sanlam Private Wealth, who have consented to being named in this Prospectus as the Lead Manager to the General

Offer;

- (d) Aura Capital Pty Ltd, who have consented to being named in this Prospectus as corporate adviser to the Company;
- (e) Whittens & McKeough Pty Ltd, who have consented to being named in this Prospectus as legal advisers to the Offers and the Company;
- (f) Crowe Horwath, who have consented to being named in this Prospectus as investigating accountant and auditor; and
- (g) Link Market Services, who have consented to being named as the Registry.

**SECTION 12. CORPORATE GOVERNANCE
STATEMENT**



12.1. CORPORATE GOVERNANCE STATEMENT

Board of Directors

The Company's Board of Directors is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of Shareholders in general meeting. The Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisers (if required), has been committed to by the Board.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of Non-Executive Directors is set by the Company's Constitution and can be varied via an ordinary resolution at a Shareholder's meeting. Any increases will be the subject of a Shareholder resolution in accordance with the Company's Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director.

The Board may award additional remuneration to Non-Executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company does not have a separately constituted audit committee.

Identification of risk and management

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Trading Policy

The Company's trading policy ensures that unpublished price sensitive information about the Company is not used in an unlawful manner. The main provisions of this policy are:

- (a) compliance with the specific requirements of the Corporations Act;
- (b) prohibition of short term trading by directors, officers, employees and contractors in the Company's securities; and
- (c) prior notification by directors, officers, employees and contractors of their intention to deal in the Company's securities.

SECTION 13. DEFINITIONS

The following terms used in this Prospectus have the following meanings.

ACL means Australian Credit Licence.

ADST means Australian Eastern Standard Time as observed in Sydney, New South Wales.

AFS Licence means Australian financial services licence.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it.

ASX Listing Rules or Listing Rules means the official listing rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the Official List, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Applicants means a person who submits a valid Application Form accompanied by Application Monies under this Prospectus.

Application means an application for New Shares under this Prospectus.

Application Form means the application form accompanying this Prospectus.

Application Monies means application monies received from Applicants.

Acquisition Agreement means the acquisition agreement between the Company and the Vendors pursuant to which the Company will acquire all of the securities in N1 Loans. A summary of the Acquisition Agreement is contained in section 9.1 of this Prospectus.

Board means the Board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

CAGR means compound annual growth rate.

CHESS means the Clearing House Electronic Sub-register System.

Closing Date means the closing date for the Offer specified in the indicative timetable in this Prospectus, or such other date determined by the Board.

CN Shares means the 6,043,750 Shares to be issued to the N1 Convertible Noteholders at a 20% discount to the Issue Price pursuant to the Vendor Offer.

Company means N1 Holdings Limited ACN 609 268 279, and, where the context requires, N1 Loans and the business it operates.

Consideration Options means the 4,977,500 unlisted options in the Company, which are being offered and issued to N1 Employees under the Vendor Offer. Terms of the Consideration Options are contained in section 10.2 of this Prospectus.

Consideration Shares means the 50,000,000 Shares which are being offered and issued to Ren Hor Wong under the Vendor Offer.

Constitution means the constitution of the Company as amended or replaced from time to time.

Convertible Notes means the convertible notes issued by N1 to the N1 Convertible Noteholders which will be converted into CN Shares.

Corporations Act means the Corporations Act 2001 (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Director Options means the 1,000,000 unlisted options, which are being offered pursuant to the Director Options Offer.

Director Options Offer means the offer of the Director Options to Mr Tarun Kanji.

Dollar or "\$" means Australian dollars, unless otherwise noted.

Escrowed Shareholders means the Shareholders subject to voluntary escrow agreements as described in section 9.9.

Existing Shareholders means the holders of existing Shares.

Exposure Period means the period specified in section 723(3) of the Corporations Act, being a minimum of seven days from the date of lodgement of this Prospectus with ASIC, during which an Application must not be accepted. ASIC may extend this period by a further seven days after the end of this period.

Finsure means Finsure Finance & Insurance Pty Ltd.

FIRB means Foreign Investment Review Board.

FY2013 means the financial year ended 30 June 2013.

FY2014 means the financial year ended 30 June 2014.

FY2015 means the financial year ended 30 June 2015.

General Offer means the offer of New Shares to investors who are invited to subscribe for New Shares under this Prospectus, to raise a minimum of \$3.5 million and a maximum of \$5 million, at an issue price of twenty cents (\$0.20) per New Share.

Issue Price means twenty cents \$0.20 per New Share.

Lead Manager Options means the 1,000,000 unlisted options, which are being offered pursuant to the Lead Manager Options Offer.

Lead Manager Options Offer means the offer of the Lead Manager Options to Sanlam Private Wealth.

Listing means admission of the Company to the official list of ASX.

Listing Rules means the listing rules of ASX.

Material Contracts means any one or combination of the contracts that are material to the Company, as outlined in section 9 of this Prospectus.

NCCP means National Consumer Credit Protection Act 2009 (Cth).

N1 means N1 Holdings Limited ACN 609 268 279 and, where the context requires, N1 Loans and the business it operates.

N1 Convertible Noteholders means the investors who currently hold Convertible Notes issued by N1 Loans, and who will receive CN Shares as part of the Acquisition Agreement and under the Vendor Offer.

N1 Employees means the employees of N1 Loans who currently hold employee incentive options issued by N1 Loans, and who will receive Consideration Options as part of the Acquisition Agreement and under the Vendor Offer.

N1 Loans means N1 Loans Pty Ltd ACN 609 268 279 which operates the mortgage brokering business described in the Prospectus and which will be acquired pursuant to the Acquisition Agreement on Listing.

N1 Vendors means any one of or all of Mr Ren Hor Wong, the N1 Convertible Noteholders and the N1 Employees, as the context requires.

New Shares means up to 25,000,000 Shares to be issued to investors generally under the General Offer.

SWA means Spectrum Wealth Advisers Pty Ltd ACN 134 661 706 (AFS Licence number 334 400).

Offers means collectively the General Offer, Vendor Offer, Director Options Offer and Lead Manager Offer offered pursuant to this Prospectus.

Offer Period means the period from the Opening Date to the Closing Date.

Official List means the official list of the ASX.

Opening Date means the opening date for the General Offer specified in the indicative timetable in this Prospectus, or such other date determined by the Board.

Original Prospectus means the prospectus lodged with ASIC dated 5 January 2016.

Options means Consideration Options, the Director Options and the Lead Manager Options.

Overseas Applicants means Applicants who are not residents of Australia.

Potential Applicants means potential investors who may invest in the Company by subscribing for Securities under this Prospectus.

Prospectus means this replacement prospectus lodged with ASIC dated 13 January 2016.

Quotation means the quotation of the Shares on the ASX.

Registry means Link Market Services.

Securities means the New Shares, the Consideration Shares, the Consideration Options, the CN Shares, the Director Options and the Lead Manager Options.

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

Shareholder means a holder of a Share.

Vendor Offer means the offer of up 50,000,000 Consideration Shares, 4,977,500 Consideration Options and 6,043,750 CN Shares to the N1 Vendors in consideration for the acquisition of the entire issued capital of N1 Loans.

STATEMENT OF DIRECTORS

This Prospectus is authorised by each of the Directors and the persons proposed as Directors of the Company in the event that the acquisition of N1 Loans completes, who consents to its lodgement with ASIC and its issue.

This Prospectus is signed in accordance with section 351 and section 720 of the Corporations Act.



Ren Hor Wong
Executive Chairman and Chief Executive Officer

APPLICATION FORM

N1 Holdings Limited ACN 609 268 279

The New Shares to which this application form (**Application Form**) relates are fully paid ordinary shares (**New Shares**) in the capital of N1 Holdings Limited (**Company**). A Prospectus containing information regarding investment in New Shares was lodged with the Australian Securities and Investments Commission (**Prospectus**). While the Prospectus is current, the Company will send paper copies of the Prospectus, any supplementary documents and the Application Form, free of charge to any person upon request. You should read the Prospectus in its entirety before applying for New Shares under the General Offer. A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the Prospectus and any supplementary document. The Corporations Act prohibits any person from passing onto another person an application form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus.

PLEASE READ ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

Full name (PLEASE PRINT) Title, Given Name(s) & Surname or Company Name	
<div></div>	
Joint Applicant #2 or <designated account>	
<div></div>	
Joint Applicant #3 or <designated account>	
<div></div>	
Postal Address (PLEASE PRINT) Street Number Street	
<div></div>	
Suburb/Town	State Post Code
<div></div>	<div></div>
ABN, Tax File Number or Exemption (Applicant)	
<div></div>	
ABN, Tax File Number or Exemption (Joint Applicant #2)	
<div></div>	
ABN, Tax File Number or Exemption (Joint Applicant #3)	
<div></div>	
CHESS HIN or Existing SRN (where applicable)	
<div></div>	

Number of New Shares applied for	Application Money enclosed at \$0.2 per New Share
	A\$

I/We whose full name(s) and address appear above hereby apply for the number of Shares shown above (to be allocated to me/us by the Company in respect of this Application) under the Prospectus on the terms set out in the Prospectus.

PAYMENT BY EFT: Please deposit payment for New Shares to **N1 Holdings Limited BSB: 032000 / Acc: 944526**. Please use shareholding name as a reference and forward a copy of the transmission with your Application Form.

PAYMENT BY CHEQUE:

Please enter cheque details:	Drawer	Bank	BSB or Branch	Amount

My/Our contact numbers in the case of inquiry are:
Telephone () Fax ()

Cheques should be made payable to **"N1 Holdings Limited"**, crossed **"NOT NEGOTIABLE"**. Cheques (if applicable) and completed Application Form should be forwarded, **to arrive no later than 5:00pm AEST on the Closing Date** (or such other date as is determined by the Directors) to the following address: **Attention: Amanda Roberts, N1 Holdings Limited IPO, Sanlam Private Wealth, Level 7, 100 Collins Street, Melbourne VIC 3000**

GUIDE TO THE APPLICATION FORM

Questions on how to complete this Application Form, please telephone the Lead Manager on +61 3 8640 5555

A Application for New Shares

The Application Form must only be completed in accordance with instructions included in Prospectus. The Application must be for a minimum of 10,000 New Shares. You may be issued all of the New Shares applied for or a lesser number.

B Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

C Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

D Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

E Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

F CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the Applicant is an Existing Shareholder with an Issuer Sponsored account, the

SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

E EFT Details

Make EFTPOS payments to "N1 Holdings Limited" using the Applicant's shareholding name as a reference and forward a copy of the transmission with an Application Form. The payment details are: **BSB: 032000 / Account No: 944526**. The amount paid should agree with the amount shown on the Application Form.

F Cheque Details

Make cheques payable to "N1 Holdings Limited" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

G Declaration

This Application Form does not need to be signed. By lodging this Application Form and a cheque for the application money this Applicant hereby:

- (1) applies for the number of New Shares specified in the Application Form or such lesser number as may be allocated by the Directors;
- (2) agrees to be bound by the Constitution of the Company;
- (3) authorises the directors of the Company to complete or amend this Application Form where necessary to correct any errors or omissions;
- (4) acknowledges that he/she has received a copy of the Prospectus attached to this Application Form or a copy of the Application Form before applying for the New Shares; and
- (5) acknowledges that he/she will not provide another person with this Application Form unless it is attached to or accompanied by the Prospectus.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold New Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, wnot abbreviations	ABC Pty Ltd	ABC P/L; or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith; or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson- Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith. <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

CORPORATE DIRECTORY

Current Board of Directors

Mr Ren Hor Wong, Executive Chairman and Chief Executive Officer
Ms Penny Jia He, Executive Director and Chief Financial Officer
Ms Nan (Wendy) Zhang, Executive Director and Digital Strategy Manager

Proposed Board of Directors

Mr Ren Hor Wong, Executive Chairman and Chief Executive Officer
Ms Penny Jia He, Executive Director and Chief Financial Officer
Mr Tarun Kanji, Independent Non-Executive Director

Company Secretary

Anand Sundaraj

Registered Office

Suite 502, 77 King Street
Sydney NSW 2000

Website

www.n1holdings.com.au

Corporate adviser

Aura Capital Pty Limited
Level 24, 52 Martin Place
Sydney NSW 2000
AFSL 366230

Lead Manager to the General Offer

Sanlam Private Wealth
Level 7, 100 Collins Street
Melbourne VIC 3000
AFSL 337927

Legal adviser

Whittens & McKeough Pty Ltd
Level 5, 137-139 Bathurst Street
Sydney NSW 2000

Investigating Accountant

Crowe Horwath
Level 15, 1 O'Connell Street
Sydney NSW 2000

Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

n1loans

Registered Office
Suite 502, 77 King Street
Sydney NSW 2000

Website
www.n1holdings.com.au