



# INFORMATION MEMORANDUM

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## Investment Overview

- NE (Network Equity Limited) is a public company offering shares.
- NE will invest in “Goodwill Assets” by purchasing professional accountancy/business advisory practices around Australia.
- Horwood is engaged to service the clients (at a fixed cost) and return the profit to NE (the proprietor of the goodwill-clients)
- Shareholders of NE have the option to return the shares to the company in 18 months for the exact amount paid initially (capital guaranteed), if there isn't an open market at such time.
- When funding/Goodwill assets level reaches \$20 million the company will seek listing on the ASX.

## Capital Raising

- Capital raising of A\$20 million
- 4 stages:
  - \$0.10 per share for the first \$5 million
  - \$0.135 per share for the second \$5 million
  - \$0.16 per share for the third \$5 million
  - \$0.25 per share for the fourth \$5 million
- Expected returns of up to 14.5-22% p.a. over 3 years
- Aim to IPO the company within 24 months

## The Industry

- Accounting is an established industry in Australia
- Employs 136,000+ workers
- Over 130,000 accounting businesses
- Stable profit margins even in times of recession
- Generates \$17billion p.a. revenue
- Revenue forecast to grow 21.2% in next 5 years

## Market Opportunity

- The industry is changing:
  - Huge number of baby boomers retiring
  - Technology disruptions affecting the industry
- This presents opportunities for consolidation through acquisitions



## The Business

- Network Equity is an Australian public company with focus on investments in Active Business Assets and technology
- Currently invests A\$10 million
- Aims to deliver absolute returns to investors
- Alliance with Horwood Professional Group

# Business Strategy

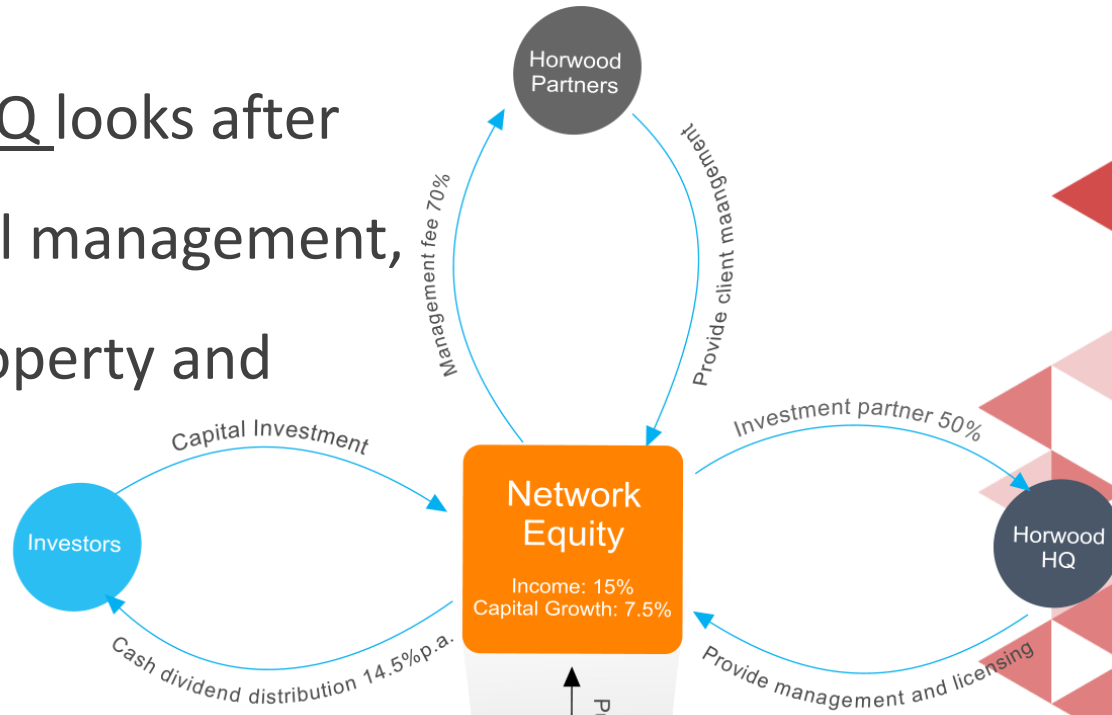
1. Exponential growth through acquisition
  - Align with Horwood Professional Group to identify target firms for acquisition
  - Extracting maximum value out of each client
2. Technology roadmap
  - Capitalise on digital trends by building a business platform which all advisors, clients and members will use
  - Employ disruptive technology to transform and market this platform to the masses



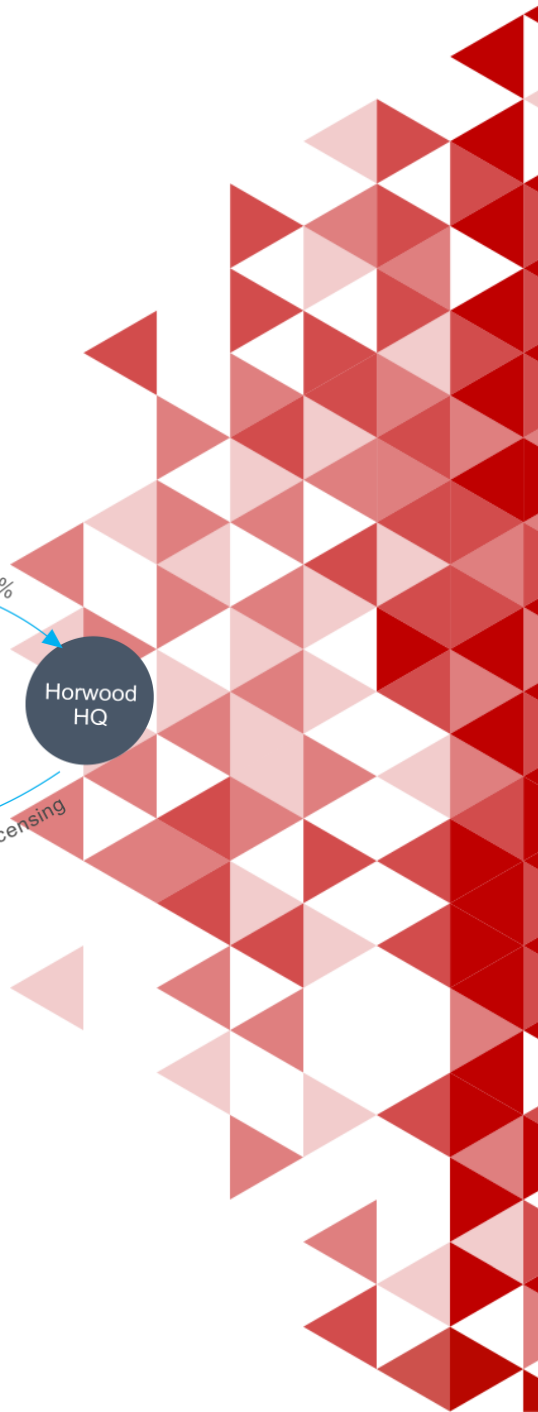
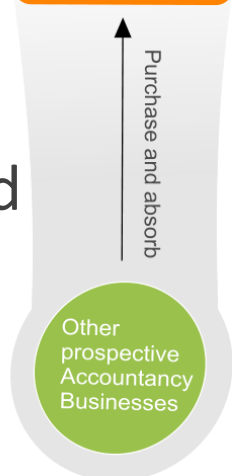


# The Operations

Horwood HQ looks after professional management, intellect property and licensing

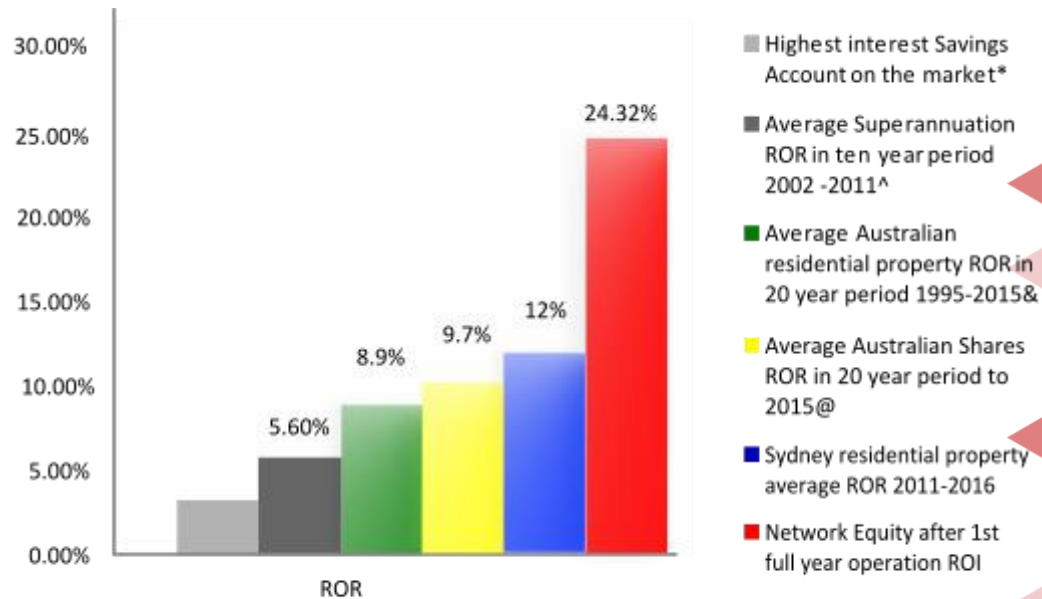


Horwood Partners appointed as agent in all professional management operations



# The Financials

## Rate of return (ROR)



- Please use Return calculator on our website

<http://www.networkequity.com.au/investing/return-calculator/>

## Exit Strategy

- Primary – List on the Australian Stock Exchange (IPO)
- Secondary – Share buyback after 16 month lockout period



# The Team

Board of Directors are:

- Mr Alexander Le – Chief Executive Officer, Director
- Mr Alan Suy – Chief Operating Officer, Director
- Dr Liang Liang – Chief Liaison Officer, Director

## The Advisors

- Mr Simon Chhoeu - Senior Partner of Horwood Partners
- Prof Thomas Chiu - Strategist, Asia Pacific Region
- Mr Paramjit Bindra - Advisor
- Dr Serena Tan - Advisor
- Ms Lili Su – Advisor

## Investment Details

Investment vehicle	Unlisted public company
Total capital raised	A\$20 million
Min. investment (per investor)	A\$100,000
Max. investment (per investor)	A\$500,000
Dividend distribution	11.7% for the first year; 17.05% for the second year, and 21.75% in the third year.
Dividend distribution frequency	At the end of every six months after the first year.
Capital growth	Capital gain on investment is on average 17.37% p.a. over the first 3 years
Return on investment (ROI)	Expected aggregate return would be approx. 26.6% after the first year (9.32% annual cash dividends and 15% in capital growth)

## The Risks

- General economic conditions
- Limited liquidity
- Access to further capital
- Scaling
- Competitors and other third parties
- Intellectual property
- Key personnel



## For More Information

- Contact our office for appointment

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- Read Information Memorandum (IM)
- Fill in Application for Shares





Thank You

