

E-Pay Asia Limited

ACN 089 227 887

Prospectus

Renounceable Rights Issue

A fully underwritten, renounceable rights issue of 1 New Share for every 1 Share held by Shareholders as at 7.00pm AEST on 3 August 2010 at an issue price of 9 (nine) cents per New Share to raise approximately \$2,561,864 before costs of the Offer.

Underwriter

Centurion Portfolio Sdn. Bhd. (Company No. 891687-K)

The Directors regard an investment in the Company's Shares as speculative.

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IMPORTANT INFORMATION

This Prospectus is dated 23 July 2010 and was lodged with ASIC on that date. No responsibility as to the contents of this Prospectus is taken by ASIC or ASX. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with Section 713 of the Corporations Act.

The Offer is made only to those Shareholders with registered addresses in Australia, New Zealand and Hong Kong on the Record Date and only those Eligible Shareholders will be offered New Shares. The Company has made arrangements for the Entitlements of Shareholders with registered addresses outside Australia, New Zealand and Hong Kong to be sold in accordance with the Corporations Act and the net proceeds to be paid to those Shareholders.

In making this Offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act Overseas Companies Exemption Notice 2002 (NZ)*, by virtue of which this Prospectus is not required to be registered in New Zealand.

The Company has not taken any steps to comply with the regulatory requirements that may apply in countries outside Australia, New Zealand and Hong Kong, in which the Company's Shareholders may reside. The distribution of this Prospectus in jurisdictions outside Australia, New Zealand and Hong Kong may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions.

Please read this document carefully before you make a decision to invest. An investment in the Company's Shares is speculative and has general and specific risks that you should consider before making a decision to invest, some of which are set out in Section 6.

Certain words and expressions used in this Prospectus are defined in the Glossary in Section 9.

The information in this Prospectus is not financial product advice and has been prepared without taking into account your personal investment objectives, financial circumstances or particular needs.

1. Chairman's Letter to Shareholders

23 July 2010

Dear Shareholders

On behalf of the Board of Directors of E-Pay Asia Limited, it is my pleasure to offer to you this opportunity to participate in a fully underwritten, 1 for 1 renounceable rights issue by the Company.

E-Pay operates in a tough business environment in its Asian markets, marked by strong competition, margin squeeze and reduced economic activity since the global financial crises.

During 2009, the Directors focussed attention on the Company's core business in Malaysia. The Malaysian business continues to generate positive cash flow and the Directors plan to continue measures designed to expand revenue streams to create a platform for sustainable growth.

The Directors procured an independent, strategic review of the Group's business in late 2009. Based on the outcome of this review, the Board has formulated a strategy to focus not only on reducing the Group's costs and reinvigorating organic growth in the core business, but also specifically to reduce debt and pursue strategic acquisition opportunities to compliment the Company's operations in the light of market conditions, including possibly by acquiring sole ownership of the Company's major operating subsidiary, E-Pay (M).

While at the date of this Prospectus the Board has not progressed in relation to any acquisition target sufficiently to include details in this Prospectus, the Board does intend to vigorously pursue acquisition opportunities in the near future with a view to achieving greater scale and thus opening up new opportunities and revenue streams that would otherwise be unavailable to the Company.

Historically, the Company has received and been reliant on a consistent dividend stream from its major operating subsidiary, E-Pay (M), to meet its corporate expenses. In the financial year ended 31 December 2009, the Company received dividends from E-Pay (M) in the amount of \$912,800. E-Pay (M) is a joint venture company, with the Company holding a 60% interest in it.

However, during the current financial year and looking ahead, based on measures recommended in the independent review, E-Pay (M)'s board is now implementing a strategy to preserve cash for expansion opportunities and as a result, E-Pay (M) will not be declaring dividends.

The Offer has, pursuant to the strategic decision made by the board following the strategic review, been undertaken to strengthen the financial position of the Company to enable it to meet its corporate expenses, drive measures designed to reinvigorate organic growth such as product diversification, reduce debt and debt funding costs and to position the Company to quickly capitalise on strategic acquisition opportunities seen as an essential element of the Company's revenue growth strategy.

This fully underwritten, 1 for 1 renounceable rights issue is being made to Eligible Shareholders at a discount of 10% to the Company's Share price on the last trading day before lodgement of this Prospectus, a 51% discount to the volume weighted average price of the Company's Shares over the 12 months before the

date of this Prospectus and a 75% discount to the Company's net tangible assets per Share as at 31 December 2009. For more information on the Company's Share price, please refer to Section 8.3.

Upon completion of the Offer, the Company will have raised approximately \$2,561,864 before costs of the Offer and after costs, will have approximately \$11,000,000 in consolidated cash reserves and will be fully funded to drive its growth strategies.

Information about the Offer and the key risks of investing in the Company are set out in this Prospectus. I encourage you to read it in its entirety before making your investment decision.

On behalf of the Directors, I commend the rights offer to you.

Yours Sincerely

A handwritten signature in black ink, appearing to be 'Simon Loh', with a stylized flourish at the end.

Simon Loh
Executive Chairman
e-pay Asia Limited

2. Investment Summary

The information set out in this Section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

2.1 The Offer

This Prospectus is for a fully underwritten, renounceable rights issue of approximately 28,465,160 New Shares at an issue price of 9 (nine) cents per New Share on the basis of one New Share for every one Share held by Eligible Shareholders as at 7.00 pm AEST on the Record Date of 3 August 2010, to raise \$2,561,864 before costs of the Offer. The Company anticipates that the costs of the Offer will be approximately \$200,000.

The Company intends to apply for quotation of the New Shares on ASX in accordance with the Listing Rules and the Corporations Act.

2.2 Minimum Subscription

There is no minimum subscription to the Offer.

2.3 New Share Terms

Upon issue, each New Share will rank equally with all existing Shares then on issue. Please refer to Section 8.4 for a summary of the rights and obligations attaching to all New Shares.

2.4 What should Shareholders do?

Eligible Shareholders may:

- take up all their Entitlement;
- take up all of their Entitlement and apply for Additional New Shares;
- take up some of their Entitlement and allow the balance to lapse;
- take up some of their Entitlement and sell the balance as Rights on ASX or sell them in a different way;
- allow all or part of their Entitlement to lapse;
- sell all or some of their Entitlement as Rights on ASX; or
- sell some or all of their Entitlement as Rights other than on ASX.

For more information about the above, refer to Section 3.

2.5 Acceptance

The number of New Shares each Eligible Shareholder is entitled to Accept by virtue of its Entitlement, is shown on the Entitlement and Acceptance Form accompanying this Prospectus.

Entitlements to New Shares can be Accepted in full or in part by completing and returning the Entitlement and Acceptance Form in accordance with the

instructions set out below and on the Entitlement and Acceptance Form itself, together with Acceptance Monies.

Fractional Entitlements will rounded up to the nearest whole number.

Subject to the Corporations Act, Additional New Shares will be available if Eligible Shareholders do not Accept all of their Entitlements under the Offer. Refer to Section 3.6 for detailed information.

2.6 Shortfall Facility

If there is a Shortfall, the Directors will apply the allocation procedure set out in Section 3.6.

The procedure involves allocation New Shares not Accepted by way of Entitlement by Eligible Shareholders, pro-rata to other Eligible Shareholders who have taken up their Entitlements in full and also applied for Additional New Shares. If there are still unallocated New Shares after that, the Directors will call on the Underwriter's commitment, details and the effect of which are set out in Section 7 of this Prospectus.

The Company has been advised that Mr Loh and entities Related to him who are Eligible Shareholders, will not apply for any Additional New Shares under the Shortfall Facility and will not acquire any Rights pursuant to Rights trading.

2.7 Purpose of the Offer

The Directors intend to apply the proceeds of the Offer to:

- (a) strengthen the financial position of the Company, which will enable the Company to continue implementing its business development, expansion and strategic acquisition strategies;
- (b) to boost working capital; and
- (c) meet other corporate and Offer costs.

While the Company has not yet identified any specific strategic acquisition targets, the Directors believe that strategic acquisition opportunities currently exist in the South-East Asian region and are likely to continue to exist for some time.

2.8 Directors' Intentions

The table below sets out the direct and indirect interests of Directors in the securities of the Company, the Entitlement of each Director and how they intend to treat their Entitlement:

Director	Shares	Voting Power*	Entitlement	Intentions
Simon Loh	12,125,999	42.69%	12,125,999	Intends to take up his entitlement in full
Chih Ming Yap	206,923	0.7%	206,923	Intends to take up his entitlement in full
Chun Year Chin	50,000	0.1%	50,000	Intends to take up his entitlement in full
Total	12,382,922		12,382,922	

* As at the date of this Prospectus. See Section 7 for further information relating to voting power in the Company.

2.9 Underwriting

The Offer is fully underwritten by Centurion Portfolio Sdn. Bhd. (Company No. 891687-K), a company registered in Malaysia that is a Related Party to the Company through Mr Simon Loh. Details of the terms and effect of the Underwriting Agreement are set out in section 7 of this Prospectus, including the effect of the underwriting arrangement on the voting power in the Company of Mr Simon Loh and entities controlled by him.

2.10 Risks

An investment in the Company is speculative and carries significant risks, some of which apply to all investments in shares, while others are specific to the Company. Although it is important that investors read and carefully consider this Prospectus in its entirety, investors are specifically directed to consider the risks set out in Section 6 and to seek and consider appropriate professional advice when considering whether or not to invest in the Company's Shares pursuant to the Offer.

3. Details of the Offer

3.1 The Rights Issue

The Company is undertaking a pro-rata renounceable rights issue to Shareholders who are registered at 7:00 pm AEST on 3 August 2010 (**Record Date**) of New Shares at an issue price of 9 (nine) cents each to raise approximately \$2,561,864 (before costs of the Offer). The New Shares will be offered on the basis of 1 New Share for every 1 Share then held.

The maximum number of New Shares which may be issued under this Prospectus is 28,465,160. In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number.

The Rights offered are renounceable, meaning that any Eligible Shareholder who does not wish to take up the Offer in whole or in part may sell its Rights on ASX or privately. Rights trading commences on 27 July 2010 and ends on 17 August 2010.

If an Eligible Shareholder does not take up all its Rights, its shareholding in the Company will be diluted.

Eligible Shareholders who wish to take up more than their Entitlement may purchase Rights, subject to the provisions of the Corporations Act, or they may apply for Additional New Shares.

If not Accepted or traded by the Closing Date, Rights will lapse.

3.2 Costs of the Offer

The Company anticipates that the costs of the Offer will be approximately \$200,000. In this regard, please refer to Section 8.10 for more information.

3.3 Shortfall

In the event that there is a Shortfall under the Offer, the Directors will follow the procedure for allocation set out in Section 3.6.

3.4 Choices available to Eligible Shareholders in relation to the Offer

Each Eligible Shareholder's Entitlement to New Shares is shown on the Entitlement and Application Form at the end of this Prospectus. Each Eligible Shareholder may:

- take up all of its Entitlement;
- take up all of its Entitlement and apply for Additional New Shares;
- take up some of its Entitlement and allow the balance to lapse;
- take up some of its Entitlement and sell the balance as Rights on ASX;
- allow all or part of its Entitlement to lapse;
- sell all of its Entitlement as Rights on ASX; or

- sell some or all of its Entitlement as Rights other than on ASX.

3.5 Timetable and Important Dates

The following key dates are indicative only and may be subject to change without notice:

Event	Date
Announcement of issue	On or before market opens on Friday 23 July 2010
Lodgement of prospectus at ASIC (and giving a copy to ASX) and lodgement of Appendix 3B at ASX	Before market opens on Friday 23 July 2010
Despatch notice to Shareholders containing Appendix 3B information	Monday 26 July 2010
Shares quoted on a "EX" basis	Tuesday 27 July 2010
Rights trading commences	Tuesday 27 July 2010
Record Date for determining Entitlements	Tuesday 3 August 2010
Prospectus and Entitlement and Acceptance Forms sent to Shareholders and announcement that the despatch has been completed by 12 noon	Friday 6 August 2010
Rights trading ends	Tuesday 17 August 2010
Shares quoted on deferred settlement basis	Wednesday 18 August 2010
Acceptances close at 5pm AEST	Tuesday 24 August 2010
Notification to ASX of any under-subscriptions	Friday 27 August 2010
New Shares allotted and holding statements despatched, deferred trading ends, confirmation of Appendix 3B particulars	Wednesday 1 September 2010
Trading in New Shares commences	Thursday 2 September 2010

3.6 How to deal with Entitlements and applications for Additional New Shares

Entitlements

The number of New Shares to which each Eligible Shareholder is entitled by way of its Entitlement, is shown on the enclosed Entitlement and Acceptance Form.

Eligible Shareholders may Accept their Entitlement either in part or whole by following the instructions below.

Additional New Shares

Subject to the Corporations Act, Additional New Shares will be available to the extent that all Eligible Shareholders do not Accept their Entitlements under the Offer. In this event, the Directors will follow the allocation procedure set out below before calling on the Underwriter's commitment (Section 7 sets out the terms and effect of the Underwriting Agreement).

Shareholders who Accept their full Entitlement can apply for Additional New Shares by following the instructions in the Entitlement and Acceptance Form, but are not guaranteed to receive any Additional New Shares, the issue of which is subject to the allocation procedure set out below.

Shortfall allocation procedure

Applications from Shareholders for Additional New Shares will be dealt with as follows:

- (a) To the extent that Acceptances received for New Shares based on Entitlements are for fewer New Shares than the total number of New Shares to be issued under the Offer (**First Shortfall**), each Eligible Shareholder who has taken up its full Entitlement and also applied for Additional New Shares will be allocated its proportionate share of the First Shortfall (having regard to their Shareholdings as at the Record Date);
- (b) If an Eligible Shareholder applied for Additional New Shares but has specified a maximum number of Additional New Shares which is less than the amount of Additional New Shares which that Shareholder would otherwise be allocated under this process, that Shareholder will be allocated the lesser number of New Shares;
- (c) If, following allocation of the First Shortfall, there remain unallocated New Shares (**Second Shortfall**), the above allocation process will be repeated in respect of the Second Shortfall and any subsequent Shortfalls until either all the New Shares to be issued under the Offer have been allocated or all applications for Additional New Shares have been satisfied in full;
- (d) Eligible Shareholders who are successful applicants for Additional New Shares will be notified in writing of the number of New Shares (including Additional New Shares) allotted to them in accordance with Section 3.18; and
- (e) If a Shortfall remains after all applications for Additional New Shares have been satisfied in full in accordance with Sub-Sections (a) to (c), then subject to the Corporations Act and the ASX Listing Rules, the Directors will call on the Underwriter's commitment. Details of the Underwriting Agreement and its effect are set out in Section 7 of this Prospectus.

3.7 How to apply and pay for New Shares (and Additional New Shares)

If you are an Eligible Shareholder and you wish to take up your Entitlement in full (and if applicable, apply for Additional New Shares) you must complete the accompanying Entitlement and Acceptance Form in accordance with the

instructions set out in that form. You should follow the instructions relating to delivery of the completed Entitlement and Acceptance Form and payment of the Acceptance Monies.

If you apply for Additional New Shares, there is no guarantee that you will receive Additional New Shares in excess of your Entitlement.

If you are in doubt as to the course of action to be taken, you should consult your professional adviser.

Please carefully read all instructions on the reverse side of the accompanying Entitlement and Acceptance Form regarding Acceptance.

An Eligible Shareholder's Entitlement will lapse unless a completed Entitlement and Acceptance Form for both the Entitlement being accepted by the Eligible Shareholder and any Additional New Shares applied for, reach the Company's Share Registry by the Closing Date.

Payment of Acceptance Monies of 9 (nine) cents per New Share (including for any Additional New Shares applied for) pursuant to the Offer must be made in full on Acceptance and must accompany the duly completed Entitlement and Acceptance Form.

The Closing Date for the Offer is 5:00pm AEST on 24 August 2010 (**Closing Date**).

The Directors may extend the Closing Date by giving at least 6 Business Days' notice to ASX prior to the Closing Date. As a result, the date the New Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

Acceptances must be forwarded to the Company's Share Registry, the details of which are as follows:

Computershare Investor Services

Mail:

GPO Box 505
Melbourne VIC 3001

You can contact Computershare using the numbers below

Telephone:

1300 705 324 (inside Australia only) or +61 3 9415 4868

Facsimile:

+61 3 9473 2463

Cheques in respect of Acceptances for New Shares (including any Additional New Shares) must be in Australian currency drawn on an Australian bank, made payable to "**e-pay Asia Limited**" and crossed "Not Negotiable".

To the extent that there is any surplus Acceptance Monies because not all Additional New Shares applied for are allocated to Eligible Shareholders, the Company will refund the surplus Acceptance Monies without interest as soon as practicable after close of the Offer.

3.8 Part Acceptance and allowing the balance to lapse

If an Eligible Shareholder wishes to take up only part of its Entitlement and allow the balance to lapse, the Eligible Shareholder should complete the Entitlement and Acceptance Form for those Rights it wishes to Accept and do nothing in relation to the balance of its Entitlement, which will lapse on the Closing Date.

If an Eligible Shareholder decides not to take up all or part of its Entitlement, the Eligible Shareholder should consider selling the Rights rather than allowing the Rights to lapse, as the Rights may be valuable. Rights which are not Accepted, traded or transferred by the Closing Date, will lapse.

3.9 Selling Rights on ASX

If an Eligible Shareholder wishes to sell all of its Entitlement as Rights on ASX, it should provide instructions to its stockbroker regarding the number of Rights it wishes to sell on ASX. Trading of Rights will commence on 27 July 2010 and will cease on 17 August 2010.

If an Eligible Shareholder wishes to take up only some of its Entitlement and sell the balance as Rights on ASX, it should complete the Entitlement and Acceptance Form for the number of New Shares it wishes to take up and provide instructions to its stockbroker regarding the number of Rights it wishes to sell on ASX.

3.10 Selling Rights other than on ASX

An Eligible Shareholder on the issuer sponsored subregister may sell all or some of its Entitlement as Rights to another person other than on ASX by forwarding a completed standard Renunciation and Transfer Form (obtainable from the Share Registry) and the applicable buyer's cheque for the New Shares for which they wish to subscribe, to the Share Registry by 5.00PM AEST on the Closing Date.

An Eligible Shareholder whose Shares are on the CHESSE subregister may sell all or some of its Entitlement as Rights to another person on the CHESSE subregister by engaging its stockbroker for this purpose.

If the buyer wants to exercise some or all of those Rights, the Eligible Shareholder should follow its stockbroker's instructions as to the most appropriate way to take up those Rights on the buyer's behalf. The buyer's cheque for the New Shares it wishes to subscribe for must be received by the Share Registry by 5:00pm AEST on the Closing Date.

3.11 Dilution

The interest in the Company of any Eligible Shareholder that does not take up its full Entitlement, will be diluted, unless the Shareholder acquires more Shares on ASX. Eligible Shareholders who take up their full Entitlement will not have their interest diluted.

3.12 Terms and Conditions of Acceptances

All correctly completed Entitlement and Acceptance Forms accompanied by Acceptance Monies received by the Share Registry will be treated as an Acceptance of the Offer to acquire New Shares on the terms and conditions set out in this Prospectus and with the rights set out in the Constitution.

3.13 Minimum Subscription

There is no minimum level of subscription for the Offer. However, the Rights Issue is fully underwritten. Refer to Section 7 for details concerning the terms and effect of the Underwriting Agreement.

3.14 Oversubscriptions

Oversubscriptions will not be accepted. However, applications for Additional New Shares will be dealt with in accordance with this Prospectus.

3.15 BPay

Payment in respect of Acceptance Monies may also be made using the Company's BPAY facility, particulars of which are set out in the Entitlement and Acceptance Form. Eligible Shareholders should follow the instructions on the Entitlement and Acceptance Form if they decide to use the BPAY facility and should also ensure that their banking facilities can support use of BPAY. If you make payment by BPay, you do not need to return your Entitlement and Acceptance Form.

BPay payments will not be accepted after 5:00pm AEST on 24 August 2010 and no New Shares (or Additional New Shares) will be issued to you in respect of that application.

Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payments. You should therefore take this into consideration when making payment using the BPay facility. You may also have your own limit on the amount that can be paid via BPay. It is your responsibility to check that the amount you wish to pay via BPay does not exceed your limit.

If the amount of your payment is insufficient to pay in full for the number of New Shares you apply for, you will be taken to have applied for such whole number of New Shares as is covered in full by your payment. Alternatively, the Company may in its discretion reject your Application, in which case any payment will be refunded to you after the allotment date in accordance with the Corporations Act, without interest.

If you have multiple holdings, you will have multiple BPay reference numbers. To ensure you receive your Entitlement in respect of that holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form accompanying this Prospectus when paying for any New Shares (and Additional New Shares, if applicable) that you wish to apply for in respect of that holding.

3.16 Acceptance Monies

Acceptance Monies received from Eligible Shareholders will be held in a bank account established and held on trust by the Company solely for the purpose of depositing the Acceptance Monies until all New Shares are issued. If you have applied for Additional New Shares in excess of your Entitlement, any surplus Acceptance Monies received for more than your final allocation will be refunded (without interest) at the same time as the holding statements on the allotment of the New Shares are mailed to Shareholders, which is expected to be on or around 1 September 2010.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to cancel the Offer at any time, in which case all Acceptance Monies will be refunded (without interest) in accordance with the Corporations Act.

To the fullest extent permitted by law, each Eligible Shareholder agrees that such Acceptance Monies will not bear interest against the Company and that any interest earned in respect of the Acceptance Monies will belong to the Company, irrespective of whether or not all or any of the New Shares applied for by the Eligible Shareholder are issued to that Eligible Shareholder.

3.17 Overseas Shareholders

The Offer is not being made to any Shareholders with registered addresses outside Australia, New Zealand or Hong Kong at the Record Date (**Excluded Shareholders**). The Company has determined that it is unreasonable to extend the Offer to Excluded Shareholders, having regard to the number of Shareholders residing in such jurisdictions, the number and value of New Shares they would be offered and the costs of complying with the legal, governmental and other regulatory requirements in those jurisdictions.

The Company will send details of the Offer and advice to Excluded Shareholders that they will not be included in the Offer.

With respect to the Entitlements of Excluded Shareholders, the Company will appoint an ASIC approved nominee (**Nominee**) to sell their Entitlements. The net proceeds of sale (if any) of those Entitlements will be forwarded as soon as practicable to Excluded Shareholders for whose benefit the Entitlements have been sold, in proportion to their Shareholdings (after deduction of brokerage and other expenses).

The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Entitlements are sold and the manner in which any sales are made.

Any interest earned on the proceeds of the sale of these Entitlements will first be applied against expenses of such a sale, including brokerage and any balance will accrue to the Company.

Neither the Company nor the Nominee will be liable for a failure to sell Entitlements or to sell Entitlements at any particular price. If there is no viable market for the Entitlements of Excluded Shareholders, their Entitlements will be allowed to lapse and the relevant New Shares will revert to the Shortfall to be dealt with under the terms of this Prospectus.

3.18 Allotment

The New Shares will be allotted and issued as soon as practicable after the Closing Date. Statements of Holdings for the New Shares will be mailed as soon as possible after the Closing Date, subject to the ASX Listing Rules. No New Shares will be allotted and issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

3.19 Official Quotation on ASX

Application for official quotation of the New Shares on ASX will be made by the Company within seven days of the date of this Prospectus. Application for official quotation of New Shares allotted and issued as a result of the exercise of

Entitlements under this Prospectus will be made within three Business Days of allotment and issue of the New Shares.

If ASX does not grant official quotation of the New Shares within three months of the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the New Shares offered by this Prospectus will be issued. In that event, all Acceptances will be dealt with in accordance with Section 724 of the Corporations Act and Acceptance Monies will be refunded without interest.

3.20 Option Holders

The Company currently has no options on issue.

3.21 Electronic Prospectus

An electronic version of this Prospectus is available on the internet at www.epay-asia.com. The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of this Prospectus. The Company will not accept any completed Entitlement and Acceptance Form if the Company has reason to believe that the investor has not received a complete paper or electronic copy of this Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or an electronic copy of the Prospectus has been altered or tampered with in any way.

4. Company Overview

4.1 The Company's Business

The Company, having been admitted to ASX on 13 November 2000 under the name SkynetGlobal Limited, changed its name to e-pay Asia Limited in November 2005 and realigned its strategic focus to electronic reload services for prepaid mobile users in South East Asia.

The Company's business is now comprised of two segments, namely mobile prepaid top-up solutions and prepayment software solutions.

Mobile prepaid top-up solutions

The Company's prepaid top-up solutions business comprises provision of technology platforms and solutions for processing top-up payments for prepaid mobile airtime, phone calling cards, prepaid internet, mobile wallet, online games and prepaid transport cards, through retail distribution channels.

The Company started its prepaid operations in Malaysia in 1999 and has expanded its operations to Thailand and Pakistan. The Company has more than 16,000 points of sale for its pre-paid top-up solutions across these countries, through a regional sales network that includes convenience stores, mobile phone dealers, petrol stations and pharmacies. The Company's offering is now supported by 11 mobile operators in Malaysia, Pakistan and Thailand. On an annual basis, the Company, through its retail distributors, processes more than 100 million reload transactions.

The mobile phone market in Malaysia, the Company's core market, is relatively mature, having reached an estimated 106.1% average penetration in December 2009 and is expected to reach 120% by 2011.

The mobile phone industry in Malaysia is dominated by the prepaid segment, which accounts for about 79.4% of the market, due to lower costs and competitive pricing and promotions. In Malaysia, the Company, seeking to tap into new growth areas, now not only carries all mobile operators' top-up products, but has also diversified by offering top-up services for calling cards, prepaid internet, mobile wallet, online games and prepaid transport cards, and is expanding into processing credit card transactions and bill collection services.

Prepayment Software Solutions

Since 2006, the Company has offered software solutions in the areas of mobile and internet community platforms, mobile prepaid reload infrastructure and application development, as well as end-to-end support services for its pre-paid mobile customers.

More information concerning the Company's business and operations can be found in its announcements on ASX, particularly its Annual Reports to Shareholders, the most recent of which was lodged with ASX on 30 April 2010. For more information on the Company's continuous disclosure to ASX, please refer to Section 8.

4.2 Opportunities for growth

While the mobile phone market in Malaysia is relatively mature and trading conditions tough, the Company has identified opportunities for growing its prepaid top-up solutions business and revenue, including:

- Continuing to expand the number of points of sale by expanding its distribution network;
- Strengthening relationships with major telecommunications service providers;
- Focussing on regional areas in Malaysia where mobile phone penetration is lower and scope for growth is higher, for example Sabah and Sarawak in east Malaysia;
- Introducing value-added services and products to open new markets and increase revenue;
- Diversification of the Company's service offering out of the mobile phone airtime segment, leveraging off the Company's existing infrastructure;
- Increasing market share through targeted loyalty programs and promotions; and
- Strategic acquisition opportunities.

Following the recent strategic review commissioned by the Company, the Board now considers strategic acquisitions as an essential element in the Company's growth strategy, which aims to secure new revenue streams for the Company, to gain access to new markets and to give the Company scale essential to expanding its business. Although the Board has identified potential near-term strategic acquisition targets, including possibly acquiring sole ownership of the Company's major operating subsidiary, E-Pay (M), from its joint venture partner, none of the proposals is sufficiently advanced to permit disclosure in this Prospectus. However, the Directors believe that the cash reserves that will become available to the Company on completion of the Offer will strengthen the Company's ability to bargain and will enable it to progress these proposals quickly.

4.3 Directors

The following persons are Directors of the Company as at the date of the Prospectus:

Simon Loh – Executive Chairman

Simon Loh was appointed as Managing Director on the 23 December 2005. He relinquished the Managing Director position in July 2007 and became a Non-Executive Director. Mr Loh was then appointed as Chief Executive Officer in 17 October 2008 and continues to serve in that role. In May 2010, Mr Loh was appointed as Executive Chairman. Mr Loh was awarded Ernst & Young Entrepreneur of the Year Malaysia 2006 Award under the Technology Category, in December 2006. Mr. Loh is one of the founder members of the e-pay business. Before this, Mr. Loh gained valuable experience in forming Telemas Corporation Sdn. Bhd. in 1989, a mobile phone retailer and master distributor for Ericsson. Mr. Loh is a Malaysian citizen and has Australian Permanent Resident status.

Chih Ming Yap – Chief Financial Officer

Mr Yap joined e-pay (M) Sdn Bhd in 1999 as Head of the Finance Department. He was appointed Director of Finance of the Group in 2006 and was appointed to the Board as Chief Financial Officer on 31 July 2007. He is a Chartered Accountant with considerable experience in mergers and acquisitions and joint venture transactions, both in Malaysia and offshore and has in-depth knowledge of South-East Asian accounting practices. He was previously Head of Accounts at Telemas Corporation Sdn. Bhd., a leading mobile phone distributor based in Malaysia. Mr. Yap has been an Associate Member of the Chartered Institute of Management Accountants, United Kingdom, since 2000. He is a Malaysian citizen and resides in Kuala Lumpur.

Chun Yean Chin – Non-Executive

Mr Chin has served at Executive and Board positions with prominent companies throughout Asia. He started his career with Shell and spent 24 years with them, mainly in sales, distribution, marketing and technical services. His last posting in Shell was in London, at the Shell Centre, where he spent three and a half years as shareholder representative and/or functional representative for 26 Shell operating companies in the Asia Pacific Coast, Indo-China, South East Asia, South Asia, the Middle East and also French Africa. He subsequently joined Maxis in 1997 as Executive Director of Sales, Distribution and Marketing and helped drive the Maxis' (the largest mobile operator in Malaysia) telecommunications brand to the number 1 market position in Malaysia. He was seconded to Astro Satellite Broadcast Services ("Astro") as Executive Director of Sales, Distribution and Marketing in 1999. He was instrumental in building Astro to become the biggest satellite operator in the region, with services in Malaysia, Brunei and now expanding into India. He was head hunted to join Celcom (2nd largest mobile operator in Malaysia) in 2002 as Head of the Customer Facing Unit and was part of the new management team tasked to restructure the company. He also served in the sales, distribution and marketing functions until 2004. Upon retirement from Celcom, he rejoined Usaha Tegas Sdn Bhd (major shareholder of Maxis and Astro) in 2005. Until 2009, he was in International Projects for market entries and was a director of Aircel Limited (a subsidiary of Maxis in India) from 2006 - 2007. Currently, he is Chairman of Australian Wood Panels.

Chun Yean holds an Honours and Masters degree in Mechanical Engineering. He was a Colombo Plan Scholar (1962-1968) in Canada and a recipient of both the Ford and McAlister Foundation Fellowship and the Imperial Oil Fellowship of Canada Award, in 1967.

Robert Lees

Robert Lees was appointed Company Secretary on 7 March 2008. He holds a Bachelor of Business (Accounting) degree from the University of Technology, Sydney and a Graduate Diploma in Corporate Governance. He is an Associate of the Institute of Chartered Accountants in Australia and Chartered Secretaries Australia. He has served as a Company Secretary on a number of ASX listed entities since 1998.

5. Effect of the Offer on the Company

5.1 Summary

To assist investors' assessment of the Offer, the Directors have prepared a consolidated pro forma balance sheet as at 31 December 2009 in respect of the Company.

The consolidated pro forma balance sheet illustrates the financial effect of certain significant events and proposed transactions on the Group's 31 December 2009 financial position. The Group comprises the Company and its controlled entities.

In summary, the principal effects of those significant events and proposed transactions will be to:

- Increase consolidated cash balances by an estimated \$3,484,599.
- Increase the number of Ordinary Shares from 28,465,160 to 56,930,320.

The increase in the cash balances available to the Company should provide the Company with sufficient working capital to proceed with the objectives outlined in this Prospectus.

5.2 Consolidated Pro Forma Balance Sheet

	Reviewed 31 December 2009	Pro Forma Adjustments		Pro Forma 31 December 2009
	\$	\$	\$	\$
		Prospectus (notes 2 (a) and (b))	Trading (note 2 (c))	
Current Assets				
Cash & cash equivalents	7,723,220	2,361,864	1,122,735	11,207,819
All other	15,316,092		(3,573,092)	11,743,000
Total	23,039,312			22,950,819
Non-current Assets				
All other	1,427,338		(133,702)	1,293,636
Total	1,427,338			1,293,636
Total assets	24,466,650			24,244,455
Current liabilities				
Trade and other payables	7,221,783		(3,342,803)	3,878,980
All other	6,922,413		(2,191,351)	4,731,062
Total	14,144,196			8,610,042
Non-current liabilities				
All other	70,327		43,010	113,337
Total	70,327			113,337
Total liabilities	14,214,523			8,723,379
Net Assets	10,252,127			15,521,076
Equity				
Issued capital	12,163,687	2,361,864	60,000	14,585,551
Reserves	786,159		722,489	1,508,648
Accumulated losses	(6,617,427)		955,889	(5,661,538)
Parent interest	6,332,419			10,432,661
Minority equity interest	3,919,708		1,168,707	5,088,415
Total equity	10,252,127			15,521,076

Note 1 - Basis of preparation of the consolidated pro forma balance sheet.

The consolidated pro forma balance sheet illustrates the financial effect on the economic entity's 31 December 2009 financial position of certain significant events and proposed transactions occurring subsequent to 31 December 2009 (see note 2 below).

The consolidated pro forma balance sheet of the Company is a special purpose financial report which has been prepared from the consolidated balance sheet

included in the Company's annual financial report for the year ended 31 December 2009.

The accounting policies adopted in preparation of the pro-forma consolidated balance sheet are consistent with the policies adopted and as described in the Company's financial report for the year ended 31 December 2009. The consolidated pro forma balance sheet has been prepared in accordance with the recognition and measurement requirements (but not all the disclosure requirements) of Australian Accounting Standards.

Note 2 - Pro forma transactions

The pro forma transactions included in the consolidated pro forma balance sheet are:

- (a) *Pursuant to this Prospectus, on 1 September 2010, the issue of 28,465,160 New Shares at \$0.09 each to raise \$2,561,864 cash.*
- (b) *Pursuant to this Prospectus, on 1 September 2010, the payment of \$200,000 for the estimated costs relating to this Prospectus.*
- (c) *Transactions entered into in the ordinary course of business in the 6 months since 31 December 2009, with a net financial effect of \$1,122,735 cash increased.*

5.3 Effect of the Offer – Capital Structure

The Share Capital Structure of the Company, immediately following the Offer, will be as follows:

Shares on issue as at 31 December 2010	28,165,160
Shares issued on 5 March 2010	300,000
Maximum number of New Shares to be issued under this Prospectus	28,465,160
Total Shares on issue after the Offer	56,930,320

6. Risk Factors

6.1 Introduction

This section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Shareholders should be aware that an investment in the Company, a company operating in various locations such as Malaysia and looking to expand into developing markets such as China, involves many risks, which may be higher than the risks associated with an investment in other companies. Shareholders should read the whole of this Prospectus 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. 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. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware.

6.2 General Risks

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally.

Stock Market Investments

Shareholders considering exercising their Entitlement or acquiring Rights should be aware that there are risks associated with investments in companies listed on ASX. The price of the securities of a publicly traded company can be highly volatile and the value of the Company's securities can be expected to fluctuate depending on various factors. Therefore the price of the Company's securities may trade below or above the offer price. Various factors that may affect the market price of the Company's securities include general worldwide economic conditions, changes in government policies, investor perceptions, movements in global interest rates and global stock markets, variations in the operating costs and costs of capital replacement that the Company may require in the future and all market conditions that are specific to the particular industry in which the Company operates. As a result, neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

General Economic Conditions

Changes in the general economic climate in Australia, Malaysia, Thailand, Pakistan and globally, may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation and other economic factors. The Company's performance may be influenced by changes in inflation, interest rates, exchange rates, business cycles and taxation.

National Economic Conditions

It is possible that a general downturn in the economies of Malaysia, Pakistan or Thailand, or other territories in which the Company does business, including the downturn being experienced as a result of the global financial crises, will affect the performance of the Company and as such, the market value of securities in the Company. Alterations in government fiscal, monetary and regulatory policies and changes in interest rates may also affect the performance of the Company.

Ongoing Financial Requirements

The Company anticipates that its existing resources, together with the net proceeds of the Offer, will enable it to maintain its currently planned operations. However, further funding, either debt, equity or both, may be required for the ongoing expansion and implementation of the Company's strategy.

The Company's future financial requirements will depend upon various factors, including ongoing working capital needs, specific funding needs in expanding into new business ventures, merger and acquisition opportunities and general business conditions. Should the Company need to raise additional funds in future, there can be no assurance that additional funds would be available on a timely basis, on favourable terms or at all, or that such funds, if raised, would be sufficient to enable the Company to continue to implement its business strategy. If adequate funds are not available, the Company's business will be materially and adversely affected.

Government Policy and Legislative Changes

Capacity to deliver the Company's services, as well as industry profitability generally, can be affected by changes in governments' policies affecting the Company's operations that are beyond the control of the Company. Changes in government regulations and policies in countries where the Company operates, including but not limited to taxation, telecommunications regulation and transnational payments, may adversely affect the financial performance of the Company. The Company is not aware of any current or proposed material changes in relevant regulations or policy. Since the Company currently operates across Malaysia, Thailand and Pakistan and may expand into other markets, including China, the risk of an adverse change in government policy in one of the Company's markets, is increased.

Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected with a consequent adverse effect on the performance of the Company.

Political risk

Some of the areas in which the Company operates, may be affected by political events that may have an adverse effect on the Company's operations and as a result, its performance. An example is the possible impact of separatist violence in Thailand.

Foreign Exchange

Since 1996 the AUD\$/US\$ has traded in a range from a low of around 48 cents to near parity, with recent sharp increases generally associated with the current global financial crises. During the same period, the Malaysian Ringgit (RM) has also fluctuated against the \$US, ranging from RM3.052 to RM 3.792 to US\$1. Fluctuating exchange rates have a direct effect on dividends and reporting in operating costs, cashflows and profits expressed in \$A. The Company does not currently have any formal currency hedging facility in place.

Adverse weather risk

Some of the Company's markets could be affected by adverse weather events, earthquakes or other natural disasters. These can adversely affect the Company's operations or those of its upstream or downstream suppliers and as a result, its performance.

6.3 Specific Risks

Shareholders considering exercising their Entitlement 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.

In this section, the Directors have considered and identified what they believe to be the key areas of risk associated with investing in the Company. Some of these risks are general business risks, while others are risks specific to an investment in the Company. However, all of them may impact the Company's future performance and some are outside the control of the Company and the Directors.

The risks identified in this section are not exhaustive and potential investors should read this Prospectus in full. These risks and others not referred to in this document, may in the future materially and adversely affect the business, results of operation, financial performance and prospects of the Company. This will have a consequential negative impact on the value of the Shares offered pursuant to this Prospectus.

Company revenue

The Company has historically been dependent on dividends from its operating subsidiary E-Pay (M) to meet its corporate expenses. Since the end of the financial year ended 31 December 2009 however, the board of E-Pay (M) has adopted a strategy involving preserving cash for expansion opportunities and as a result, E-Pay (M) will not be declaring dividends. The Company has therefore undertaken the Offer partially to assist in meeting the Company's expenses, as well as to fund organic growth and gaining access to new sources of revenue. There is no guarantee that the Company will succeed in gaining access to new sources of revenue sufficient to meet the Company's expenses and in this event, the Company will be required to raise additional capital, the availability of which is not guaranteed and in which event the Company and its operations could be materially adversely affected.

Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate and increase income from its operations, the Company may require further financing in addition to amounts raised under this Prospectus. In particular, the Company wishes to undertake strategic

acquisitions in the future, which may require the Company to raise additional capital. Any additional equity financing may dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its growth programmes, including its strategic acquisition strategy. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and such circumstances will adversely affect the Company.

Merger and Acquisition Risk

The Company wishes to expand by means of mergers or acquisitions in the future. These involve complex legal and regulatory factors and while the Company believes that these opportunities can generate value for Shareholders, there is the risk that the synergies or other benefits expected by the Company from a merger or an acquisition may not meet the Company's expectations, adversely affecting the Company's performance and the performance of its Shares.

Competition

The Company is aware that there are competitors in the mobile phone reload and electronic payment market. These competitors may impede the Company's commercial success by engaging in damaging price competition, employing new technology or otherwise outperforming the Company, adversely affecting the profitability of the Company. While the Company believes it has a relative market advantage over its competitors at present, because of proprietary technology and market share, the Company operates in markets that are characterised by rapidly changing technology, evolving industry standards and frequent product innovations and enhancements. There may be third parties with greater resources and/or superior technologies that may produce products or services that are more sought after in the marketplace and if this were to occur, it would reduce or eliminate some market opportunities for the Company and could reduce its market share. There can be no assurance that the Company will retain its market share or be competitive in any or all of the market sectors that it has entered, or intends to enter, or that it will be able to win a share of the market in key or new markets. If the Company is not effective in competing against existing or future competitors, there will be material adverse consequences on its operating and financial performance.

Contracts and distribution arrangements

The Company intends to carry out its market expansion plans and operations through a series of contractual relationships with third party service delivery entities who distribute the Company's service products on behalf of the Company. Moreover, the Company's service offering is directly linked to the service offering of its upstream suppliers, to which the Company has access by virtue of various contractual arrangements. All contracts carry risks associated with the parties' ability or willingness to perform under the contracts, including meeting agreed deadlines, capacity, service levels and targets. From time to time, the Company may be involved in litigation or dispute resolution in relation to issues involving its contracts, intellectual property, employees or other disputes that may arise in the ordinary course of business. There can be no assurance that claims made against the Company or brought by the Company against a contract party will result in a positive outcome for the Company. A negative outcome may adversely impact the Company's operational and financial performance (including its Share price). Furthermore, even if the Company is successful in any of its claims, it

may not be able to recover the claim in full if the other party does not have the financial resources to meet the claim.

Foreign Investment Risk

The Company has operations, interests and assets located in foreign jurisdictions. The Company is subject to political, economic and other uncertainties, including but not limited to cancellation or modification of contractual rights, foreign exchange restrictions, currency exchange rate fluctuation, royalty and tax increases and other risks arising out of foreign government sovereignty over the areas in which the Company's operations are conducted. The Company's Malaysian, Thailand and Pakistani based business activities are subject to the risks associated in operating in a foreign country, including economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange control, repatriation of income or return of capital. The legal systems operating in Malaysia, Thailand and Pakistan are governed by local law and accordingly, legal rights may differ between those jurisdictions themselves and from Australia, which may result in risk such as:

- (a) difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute;
- (b) a higher degree of discretion on the part of governmental agencies;
- (c) the lack of political or administrative guidance on implementing applicable rules and regulations; and
- (d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions.

Reliance on Key Personnel

In implementing its business strategy, the Company relies to a significant extent upon the experience and expertise of the executive Directors and key personnel located in Malaysia and Australia. These persons possess knowledge of many of the Company's business operations. The loss of one or more of these key personnel may adversely affect the Company's prospects of pursuing its business strategy within the timeframes and within the cost structure currently envisaged. Although key personnel have a considerable amount of experience, there is no guarantee or assurance that they will be successful in their objectives described in this Prospectus.

Employees

The ability of the Company to achieve its objectives depends on being able to retain certain key employees and skilled operators. Whilst the Company has entered into employment contracts with key employees, the retention of their services cannot be guaranteed. The loss of key employees could significantly affect the performance of the Company's operations.

Interest Rates

To the extent that the Company procures debt finance to fund its operations, the Company may be subject to adverse movements in interest rates, increasing the Company's costs of debt, adversely affecting the Company's performance.

Intellectual Property

The Company's business is based on Intellectual Property in various forms. As a technology based business, the Company is heavily dependent not only on being able to exploit the rights to its technology, but also on keeping abreast of developments in its market by competitors in order to retain its competitive position. As a result, if the Company were prevented from exploiting its technology by a person successfully asserting superior rights to that technology, or if the Company's technology were superseded by superior technology in the hands of the Company's competitors, the Company's operations and performance could be materially adversely affected.

Dividends Policy

The Company did not declare dividends for the years ending 31 December 2008 or 31 December 2009. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of profits, the legal regime regulating payment of dividends, operating results, the financial position of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends, or the franking credits attached to such dividends, can be given.

List not exhaustive

The above list of risk factors is not exhaustive of the risks faced by the Company or by Shareholders. The above factors and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Accordingly, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns, returns of capital or the market value of those New Shares. Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to take up their Entitlement.

7. Underwriting Arrangements and their Effect on Control of the Company

7.1 Context of the Underwriting Agreement

The Company and the Underwriter have entered into an underwriting agreement as at the date of this Prospectus (**Underwriting Agreement**). The Directors believe that the terms of the Underwriting Agreement are arm's length and commercial.

Prior to entering into the Underwriting Agreement, the Company procured an independent strategic review of the Company's business and operations. The Directors have adopted the proposals made during that review, including reducing the Group's debt levels and debt funding costs and embarking on staged strategic acquisitions to increase the Company's scale, access to markets and sources of revenue.

The Directors believe the Company needs to increase its scale through staged strategic acquisitions to leverage effectively off its existing platform to generate future growth. At the same time, the Company requires access to new revenue streams to fund its expenses, due to pressure to reinvest revenue in its Malaysian operating subsidiary E-Pay (M) resulting from market conditions and a strategy to drive growth.

The Directors considered alternative means of raising funds required by the Company to meet its expenses and pursue its strategic plan. Bank debt is not available to the Company, as it has no assets in Australia capable of serving as collateral. The Company's major operating subsidiary in Malaysia, E-Pay (M), is a joint venture company, which does not lend itself to further debt funding which, in any event, the Company's strategic advisor has recommended be reduced.

Being left with equity finance, the Directors consider that the optimal equity funding structure available in all the circumstances, is a rights issue structured as the Offer, which gives existing Shareholders an opportunity to avoid dilution and to participate in the Company's strategic growth plan. While the Directors have structured the Offer to be attractive to Eligible Shareholders, the Directors believe that having the Offer fully underwritten will increase Shareholder confidence and lead to greater Shareholder participation, while also giving the Company assurance that the cost of the Offer will be justified.

The Company approached independent professional underwriters prior to executing the Underwriting Agreement and those professional underwriter declined to underwrite or sub-underwrite the Offer.

7.2 Interests of Underwriter in the securities of the Company

The Underwriter is a Related Party through Mr Simon Loh, who controls the Underwriter. While the Underwriter does not currently hold any Shares in the Company, Mr Simon Loh directly or indirectly holds the following interests in securities of the Company as at the date of this Prospectus:

Shares	% of all Shares on issue and voting power before the Offer	Entitlement under the Offer	Options
12,125,999	42.69%	12,125,999	Nil

7.3 Sub-Underwriting

The Underwriter has advised the Company that it does not intend to sub-underwrite the Offer. As a result, New Shares acquired by the Underwriter will not be dispersed to any sub-underwriters.

7.4 Mr Loh intends to take up his full Entitlement

Mr Simon Loh has advised the Company that he and entities controlled by him respectively intend to take up their full Entitlements, but will not apply for Additional New Shares under the Shortfall Facility and will not acquire Rights pursuant to Rights trading.

7.5 The Effect of Underwriting Agreement on control of the Company

The table below sets out the effect of the Offer and the Underwriting Agreement on voting power and control in the Company, by Mr Simon Loh and entities controlled by him.

The table shows the effect of various scenarios based on varying degrees of Shareholder participation in the Offer and their effect on Mr Simon Loh (and the Underwriter's) direct or indirect interests in securities of and voting power, in the Company:

Scenario	Shareholding	
	Loh and Underwriter % voting power at completion of Offer	Others % voting power at completion of Offer
<ul style="list-style-type: none"> • Mr Loh and his Related entities subscribe for their full Entitlements; • Other Shareholders collectively take up 100% of all their Entitlements; and • No Shares acquired by Underwriter 	42.69%	57.4%
<ul style="list-style-type: none"> • Mr Loh and his Related entities subscribe for their full Entitlements; • Other Shareholders collectively take up 70% of all their Entitlements; and • Underwriter subscribes for the balance 	51.21%	48.79%
<ul style="list-style-type: none"> • Mr Loh and his Related entities 	56.95%	43.05%

<ul style="list-style-type: none"> subscribe for their full Entitlements; Other Shareholders collectively take up 50% of all their Entitlements; and Underwriter subscribes for the balance 		
<ul style="list-style-type: none"> Mr Loh and his Related entities subscribe for their full Entitlements; Other Shareholders collectively take up 40% of all their Entitlements; and Underwriter subscribes for the balance 	59.82%	40.18%
<ul style="list-style-type: none"> Mr Loh and his Related entities subscribe for their full Entitlements; No other Shareholders take up or trade any of their Entitlements; and Underwriter subscribes for the full number of New Shares 	71.3%	28.7%

It is possible that Mr Simon Loh and entities controlled by him (including the Underwriter) may increase their voting power in and control over the Company up to a maximum of 71.3% at completion of the Offer, depending on which of the above scenarios regarding Shareholder participation in the Offer, occurs. However, the Directors believe that the Offer will be attractive to Shareholders.

7.6 Underwriter's intentions in relation to its interests in the Company after the Offer

The Underwriter has advised that it currently intends to hold any Shares it acquired pursuant to its underwriting obligation, subject to normal commercial and financial considerations.

If Mr Simon Loh and his related entities (including the Underwriter) acquire further voting power in the Company as a result of the Offer and the Underwriting Agreement, the Company has been advised that Mr Loh intends to operate the business of the Company in the manner in which it is currently operated and to follow the strategy outlined in this Prospectus and the Company's other public documents (in regard to the Company's public documents, please refer to Sections 8.1 and 8.2).

7.7 Terms of the Underwriting Agreement

Underwriting

Pursuant to the Underwriting Agreement, the Company has appointed the Underwriter to underwrite the subscription of all New Shares the subject of the Offer.

To the extent that there is any Shortfall in Acceptances for New Shares by Eligible Shareholders after application of the Shortfall Facility, the Underwriter will, subject to the terms and conditions of the Underwriting Agreement, subscribe for those New Shares.

Fees

The Company must pay to the Underwriter an underwriting commission of 5% of the amount underwritten pursuant to the Offer. Accordingly, the commission payable by the Company to the Underwriter is \$128,093.20.

In addition to the fees described above, the Company has agreed to pay the Underwriter for certain agreed costs and expenses incurred by the Underwriter in relation to the Offer (including legal advice), with the Company's consent needed for expenses in excess of \$2,000 per instance and capped in aggregate, to \$4,000.

Conditions Precedent

The obligation of the Underwriter to underwrite the Offer is dependent on the fulfilment or waiver by the Underwriter of certain conditions precedent, namely:

- (a) The Company procuring the provision of a legal opinion to the Underwriter in relation to the Prospectus and the Offer, which is addressed to, and expressed to be for the benefit of the Company and the Underwriter, in terms satisfactory to the Underwriter in its absolute discretion;
- (b) ASX indicating that it will grant permission for the official quotation of the New Shares in accordance with the ASX Listing Rules; and
- (c) The Company providing the Underwriter various notices during the course of the Offer concerning the status of the Offer.

General Obligations on the Company

The Underwriting Agreement imposes a number of obligations on the Company, including that the Offer and allotment of New Shares must be carried out in accordance with the timetable (the timetable is set out in Section 3.5), this Prospectus, the Corporations Act, the Listing Rules, the Constitution of the Company and any other applicable law. The Company must also give certain information to the Underwriter at prescribed times and comply with strict deadlines.

Termination

The Underwriter may terminate the Underwriting Agreement upon the occurrence of a number of circumstances, including:

- (a) If any of the following occur:
 - (i) approval for official quotation of all of the New Shares on ASX is refused or not granted by the date set in the timetable or if approval is granted, the approval is granted on conditions other than customary conditions or subsequently withdrawn, qualified or withheld before the issue of the New Shares; or
 - (ii) the S&P/ASX 200 Index is at any time prior to the date set in the timetable for allotment, more than 10% below the level of that index at the close of trading on the trading day before the date of execution of the Underwriting Agreement (which was 22 July 2010); or

- (iii) any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company, including:
 - A. any change in the earnings, cash position, future prospects or forecasts of the Company;
 - B. any change in the nature of the business conducted by the Company; or
 - C. the insolvency or voluntary winding up of the Company or the appointment of any receiver, receiver and manager, liquidator or other external administrator;
 - (iv) the Company withdraws or terminates the Offer; or
 - (v) any circumstance arises after lodgement of the Prospectus that results in the Company either repaying the money received from applicants or offering applicants an opportunity to withdraw their acceptances for New Shares and be repaid their application money; or
 - (vi) the issue or release by the Company of any Public Information which is prejudicial to the prospects of the Offer; or
 - (vii) ASX announces or makes a statement to any person that the Company will be removed from the official list of ASX or removes the Company from the official list; or
 - (viii) other than as contemplated by the Prospectus, the Company or any Related Body Corporate of the Company takes any steps to alter its capital structure without the prior written consent of the Underwriter; or
 - (ix) the Company or a Related Body Corporate passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter; or
 - (x) the Company or a Related Body Corporate of the Company suspends payment of its debts generally; or
 - (xi) the Company or a Related Body Corporate of the Company is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act or is presumed to be insolvent under the Corporations Act; or
 - (xii) the Company or a Related Body Corporate of the Company enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them; or
 - (xiii) the Company or a Related Body Corporate of the Company ceases or threatens to cease to carry on business; or
- (b) if any of the following occur:

- (i) a statement in the Prospectus is misleading or deceptive, or a matter required by the Corporations Act is omitted from the Prospectus (having regard to the provisions of Part 6D.2 of the Corporations Act) and not rectified by lodging a supplementary prospectus;
- (ii) the Company fails to lodge a supplementary or replacement prospectus in a form acceptable to the Underwriter in circumstances where the Underwriter reasonably believes that the Company is prohibited by section 728(1) of the Corporations Act from offering Shares under the Prospectus;
- (iii) a new circumstance occurs or arises after the Prospectus is lodged that would, in the reasonable opinion of an Underwriter, have been required to be included in the Prospectus if it had arisen before the Prospectus was lodged;
- (iv) any material contract of the Company is terminated or materially amended adversely to the Company;
- (v) hostilities, political or civil unrest not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities, political or civil unrest occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, Japan, Thailand, Malaysia, Russia, the United States of America, the United Kingdom, Canada, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (vi) any material adverse change or disruption to the existing financial markets as at the date of the Underwriting Agreement (22 July 2010), political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or in the international financial markets or any material adverse change occurs in national or international political, financial or economic conditions, in each case the effect of which is that, in the reasonable opinion of the Underwriter, it is impracticable to market the Offer or to enforce contracts to issue and allot the Underwritten Shares or that the success of the Offer is likely to be adversely affected;
- (vii) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia, a new law, or the Reserve Bank of Australia, or any Commonwealth, State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement, being 22 July 2010), any of which does or is likely to have a material adverse effect on the success of the Offer;
- (viii) a change in the board of Directors or senior management of the Company occurs;
- (ix) any of the following occurs:

- A. a Director is charged with an indictable offence;
 - B. legal proceedings are commenced against any Director; or
 - C. any Director is disqualified from managing a corporation under section 206A of the Corporations Act;
- (x) prior to the Allotment Date, a change to the Constitution of the Company or the Company's capital structure occurs without the prior written consent of the Underwriter;
 - (xi) the Company or any Related Body Corporate of the Company contravenes the Corporations Act, the Listing Rules, its Constitution or any other applicable law or regulation;
 - (xii) the Prospectus or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation;
 - (xiii) any of the following occurs in relation to the Company or the Offer:
 - A. ASIC gives notice of an intention to hold a hearing under section 739(2) of the Corporations Act or issues an order under sections 739(1) or (3) of the Corporations Act;
 - B. ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Prospectus or commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Prospectus;
 - C. any person gives a notice under section 733(3) of the Corporations Act or any person who has previously consented to the inclusion of its name in the Prospectus (or any Supplementary Prospectus) or to be named in the Prospectus withdraws that consent;
 - D. any person gives a notice under section 730 of the Corporations Act in relation to the Prospectus; or
 - E. the Company or an entity in the Group issues a public statement concerning the Offer which has not been approved by the Underwriter; or
 - (xiv) the Company materially breaches any of its obligations under the Underwriting Agreement and fails to remedy that breach within 14 days of written notice from the Underwriter requesting that the breach be remedied;
 - (xv) the Company commits a substantial breach of a material contract;
 - (xvi) any representation or warranty in the Underwriting Agreement on the part of the Company is materially not true or correct;
 - (xvii) an event specified in section 652C(1) or section 652C(2) of the Corporations Act, but replacing "target" with "Company"; or

- (xviii) an event specified in the Timetable is delayed for more than three Business Days other than as the direct result of actions taken by the Underwriter (unless those actions are requested by the Company) or the actions of the Company (where those actions are taken with the Underwriter's prior consent).

Representations and warranties in the Underwriting Agreement

The Company has provided certain representations and warranties to the Underwriter in relation to this Prospectus, the Company and the Offer. Any breach of those warranties may entitle the Underwriter to terminate the Underwriting Agreement.

Company indemnity

The Company indemnifies the Underwriter against claims, demands, damages, losses, costs, expenses and liabilities which the Underwriter suffers, incurs or is liable for in relation to the Offer, this Prospectus, the Underwriting Agreement (including breach of the Underwriting Agreement) and in certain other related circumstances.

8. Additional information

8.1 Transaction Specific Prospectus

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under these obligations the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

The Prospectus is issued under Section 713 of the Corporations Act. The section enables disclosing entities to issue a prospectus in relation to the securities in a class of securities which have been quoted on ASX at all times during the 12 months before the date of the Prospectus. Apart from formal matters, this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares.

Copies of the documents lodged by the Company with ASIC or ASX may be obtained from or inspected at an office of ASIC.

The Company will provide a copy of the any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) audited annual financial report for the Company for the year ended 31 December 2009;
- (b) reviewed half yearly financial report for the Company for the half year ended 30 June 2009; and
- (c) any other financial reports lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX in the period starting immediately after the lodgement of the audited financial report for the Company for the year ended 31 December 2010 and ending on the date of lodgement of this Prospectus with ASIC.

8.2 ASX Announcements

A list of the ASX Announcements the Company has made since filing its last Annual Financial Report on 30 April 2010, is set out in Appendix A.

8.3 Market Prices of Ordinary Shares

Official quotation of the Company's Shares commenced on 15 November 2000.

The highest and lowest recorded market sale prices of the Company's Shares quoted on ASX during the 6 month period before the date of this Prospectus are set out below:

Price		Date
Highest	\$0.25	13 May 2010
Lowest	\$0.10	09 July 2010

The last market sale price of the Company's Shares on ASX on 22 July 2010, the last trading day before the date of this Prospectus, was \$0.10.

8.4 Rights and liabilities attaching to New Shares

Full details of the rights attaching to New Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

There is only one class of share on issue in the Company, being fully paid ordinary Shares. The rights attaching to Shares are:

- (a) set out in the Constitution of the Company; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASTC Settlement Rules (formerly the SCH Business Rules) and the general law.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares, including New Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Share Capital

All issued Shares rank equally in all respects.

Voting Rights

At a general meeting of the Company, every shareholder present in person, by an attorney, representative or proxy, has one vote on a show of hands and on a poll, one vote for every Share held, and for every partly paid Share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing Share. Where there is an equality of votes, the chairperson does not have a casting vote.

Dividend Rights

Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company which the directors of the Company may from time to time determine to distribute by way of dividend, are divisible among the Company's shareholders in proportion to the Shares held by them respectively, according to the amount paid up or credited as paid up on them.

Rights on Winding-Up

Subject to the rights of holders of shares in the Company with special rights in a winding-up (at present there are none), on a winding-up of the Company, all assets which may be legally distributed amongst the members of the Company will be distributed in proportion to the Shares held by them respectively, according to the amount paid up or credited as paid up on the Shares.

Transfer of Shares

Generally, Shares may be transferred in accordance with ASX Listing Rules and the ASTC Settlement Rules. The directors of the Company may refuse to register

a transfer of Shares only in those circumstances permitted by the Company's Constitution, ASX Listing Rules and ASTC Settlement Rules.

Sale of Small Holdings

The Company may take steps in respect of non-marketable holdings of shares ('small holdings') in the Company to effect an orderly sale of those shares in the event that holders do not take steps to retain their holdings. The Company may only take steps to small holdings in accordance with the Company's Constitution and the ASX Listing Rules.

Calls on Shares

Where shares are issued as partly paid, the directors of the Company may make calls upon the holders of those shares to pay the whole of or a portion of the balance of the issue price. If a shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act and ASX Listing Rules, the shares the subject of the call may be forfeited and interest and expenses may be payable in accordance with the Company's Constitution, the Corporations Act and ASX Listing Rules or proceedings taken to recover the amount unpaid.

No Calls on Shares

As all Shares are fully paid, they are not subject to any calls for money by directors of the Company and will therefore not become liable to forfeiture.

Further Increases in Capital

The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Company's Constitution, ASX Listing Rules or the Corporations Act, the directors of the Company may allot, issue or grant options over or otherwise dispose of those shares to such persons, with such rights or restrictions as they may from time to time determine.

Variation of Rights Attaching to Shares

Where shares of different classes are issued, the rights attaching to the Shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or with the written consent of the holders of at least three quarters of the issued shares of that class.

General Meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and ASX Listing Rules.

Alteration of Constitution

The Constitution of the Company can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at a general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution, must first be given to Shareholders.

ASX Listing Rules

For so long as the Company is admitted to the Official List of ASX, then despite anything in the Constitution of the Company, if the ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Company's Constitution prevents an act being done if the ASX Listing Rules require the act to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If a provision of the Company's Constitution becomes inconsistent with the ASX Listing Rules, the Company's Constitution is deemed not to contain that provision to the extent of that inconsistency.

8.5 Expenses of the Offer

The expenses of the Offer are estimated to be \$200,000, including the Underwriter's commission.

8.6 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

8.7 Interests of Directors

The nature and extent of the interest (if any) that any of the Directors of the Company holds or held during the last two years in the formation of the Company, property acquired or to be acquired by the Company in connection with its formation or promotion, or the Offer, is set out below.

Shareholdings

The interest of the Directors in the securities of the Company at the date of this Prospectus are as follows:

Directors	Number of Shares	Number of Options
Simon Loh	12,125,999	None
Chih Ming Yap	206,923	None
Chun Yean Chin	50,000	None
Total	12,382,922	None

Fees

The remuneration paid to the Directors of the Company and their associated entities during the last two years, is set out below:

Period 1 January 2008 to 31 December 2008

Director	Fees \$	Other Benefits \$	Superannuation \$	Total \$
Simon Loh	106,388	-	7,486	113,874
Chih Ming Yap	102,440	5,556	11,643	119,639
Chun Yean Chin	-	-	-	-

Period 1 January 2009 to 31 December 2009

Director	Fees \$	Other Benefits \$	Superannuation \$	Total \$
Simon Loh	202,645	-	14,934	217,579
Chih Ming Yap	138,471	6,550	10,113	155,134
Chun Yean Chin	-	-	-	-

Period 1 January 2010 to 30 June 2010

Director	Fees \$	Other Benefits \$	Superannuation \$	Total \$
Simon Loh	142,130	-	6,976	149,106
Chih Ming Yap	75,387	-	4,847	80,234
Chun Yean Chin	1,500	-	-	1,500

Period 1 July 2010 to 31 July 2010

Director	Fees \$	Other Benefits \$	Superannuation \$	Total \$
Simon Loh	18,200	-	1,224	19,424
Chih Ming Yap	9,893	-	827	10,720
Chun Yean Chin	3,000	-	-	3,000

Interests of Mr Loh

Mr Simon Loh and/or his associates have a material personal interest in the Offer, as the Underwriter is a Related Party through Mr Loh and Mr Loh is a controller of the Underwriter. Refer to Section 7 for details of the terms and effect of the Underwriting Agreement.

Directors' and Officers' Indemnity

Pursuant to the Constitution but subject to the Corporations Act, each Director is entitled to be fully indemnified by the Company in respect of all loss and liability incurred by the Director in performing his duties as director of the Company, including but not limited to a liability arising from negligence and for reasonable costs and expenses in successfully defending any civil or criminal proceedings relating to performance of those duties. Liability arising from conduct involving lack of good faith is excluded from the indemnity. The Company maintains a Directors and Officers Insurance Policy to cover these risks.

No other interests

Other than as set out above or elsewhere in this Prospectus, no person has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any Director or proposed director:

- to induce them to become, or to qualify as, a Director of the Company; or
- for services provided by a Director in connection with the formation of the Company or the Offer.

8.8 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the New Shares. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the New Shares in the Company or dealing with an entitlement in the Rights Issue.

8.9 Subsequent Events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company;
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

8.10 Interests of Experts and Advisers

This Section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers to the Offer (collectively **Prescribed Persons**). Other than as set out in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation of the Company;
- (b) any property acquired or proposed to be acquired in connection with:

- (i) the formation or promotion of the Company; or
- (ii) the Offer of New Shares under this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the formation or promotion of the Company or the Offer of New Shares under this Prospectus.

The Underwriter, Centurion Portfolio Sdn. Bhd. (Company No. 91687-K), a company Related to Mr Simon Loh, will receive fees of \$128,093.20 pursuant to the Underwriting Agreements set out in section 7.

Hemming+Hart Lawyers are acting as solicitors to the Offer and have performed services in relation to the Prospectus. In doing so, it has placed reasonable reliance upon the information provided to them by the Company. Hemming+Hart does not make any statement in this Prospectus. In respect of these services, the Company estimates that it will pay approximately \$15,000 (excluding GST and disbursements) to Hemming+Hart and further amounts may be payable to Hemming+Hart in accordance with its normal time based charges.

8.11 Consents and Disclaimers

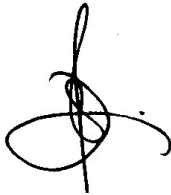
Written consents to the issue of this Prospectus have been given and up to the lodgement of this Prospectus, have been not withdrawn by the following parties and each of the named parties consents to being named in this Prospectus in the form and context in which their name appears:

- (a) Hemming+Hart Lawyers (Solicitor to the Offer)
- (b) Hall Chadwick (Company Auditors)
- (c) Computershare Investor Services (Share Registry)
- (d) Centurion Portfolio Sdn. Bhd (Underwriter).

8.12 Directors' Statement

Each of the Directors of e-pay Asia Limited has consented to the lodgement of this Prospectus with ASIC.

Signed on the date of this Prospectus.

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a vertical line and a small flourish.

Simon Loh
Executive Chairman

9. Glossary

\$	Australian dollars. All amounts in this Prospectus are in Australian dollars unless otherwise stated.
Acceptance or Accept	The completion and return by Eligible Shareholders, as directed in the Entitlement and Acceptance Form, of the Entitlement and Acceptance form, together with Acceptance Monies, for a portion or all of the Eligible Shareholder's Entitlement and any Additional New Shares applied for (as the case may be), by the Closing Date.
Acceptance Monies	The amount of money required in accordance with this Prospectus to subscribe for New Shares and if applicable, Additional New Shares.
Additional New Shares	The New Shares applied for by Eligible Shareholders in addition to their Entitlement, in accordance with the Shortfall Facility.
AEST	Australian Eastern Standard Time
Applicant	A person who submits an Entitlement and Acceptance Form under this Prospectus.
ASIC	The Australian Securities and Investments Commission.
ASTC Settlement Rules	The settlement rules of the operating facility provided by ASX Settlement and Transfer Corporation Pty Limited, which provides settlement processing facilities for ASX's market.
ASX	ASX Limited (ABN 98 008 624 691).
Company	e-pay Asia Limited (ABN 99 089 227 887).
Board	The Board of Directors of the Company.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Closing Date	5.00pm AEST on 24 August 2010.
Constitution	The Constitution of the Company.
Corporations Act	The Corporations Act 2001 (Cth)
Directors	The directors of the Company.
Eligible Shareholder	A Shareholder who is entitled to subscribe for New Shares pursuant to the Offer by being registered as

	the holder of Shares having an address in Australia, New Zealand or Hong Kong at 7pm AEST on the Record Date.																										
Entitlement	The Right of an Eligible Shareholder to subscribe for New Shares under the Offer equal to 1 New Share for every 1 Share held as at the Record Date.																										
Entitlement and Acceptance Form	The personalised entitlement and acceptance form which accompanies this Prospectus.																										
E-Pay Asia Limited	e-pay Asia Limited (ABN 99 089 227 887).																										
E-Pay (M)	e-pay (M) Sdn Bhd																										
Group	Means the controlled entities of the Company as set out below																										
	<table border="1"> <thead> <tr> <th>Entity</th> <th>Interest</th> </tr> </thead> <tbody> <tr> <td>e-pay Asia Holdings Limited</td> <td>100.0</td> </tr> <tr> <td>e-pay Asia Consulting Limited</td> <td>100.0</td> </tr> <tr> <td>e-pay (M) Sdn Bhd</td> <td>60.0</td> </tr> <tr> <td>PT e-pay Indonesia (i)</td> <td>68.48</td> </tr> <tr> <td>e-pay Thailand Co. Limited (i)</td> <td>29.7</td> </tr> <tr> <td>Mobiepay Sdn Bhd</td> <td>100.0</td> </tr> <tr> <td>Mobiepay LLC</td> <td>100.0</td> </tr> <tr> <td>SkyNetGlobal (South-East Asia) Pte Limited</td> <td>79.0</td> </tr> <tr> <td>SkyNetGlobal Communications Pty Ltd</td> <td>100.0</td> </tr> <tr> <td>W Home Communications Pty Ltd</td> <td>100.0</td> </tr> <tr> <td>Mobiepay Pty Ltd (ii)</td> <td>100.0</td> </tr> <tr> <td>OGL Solutions Sdn Bhd (ii)</td> <td>100.0</td> </tr> </tbody> </table>	Entity	Interest	e-pay Asia Holdings Limited	100.0	e-pay Asia Consulting Limited	100.0	e-pay (M) Sdn Bhd	60.0	PT e-pay Indonesia (i)	68.48	e-pay Thailand Co. Limited (i)	29.7	Mobiepay Sdn Bhd	100.0	Mobiepay LLC	100.0	SkyNetGlobal (South-East Asia) Pte Limited	79.0	SkyNetGlobal Communications Pty Ltd	100.0	W Home Communications Pty Ltd	100.0	Mobiepay Pty Ltd (ii)	100.0	OGL Solutions Sdn Bhd (ii)	100.0
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	(i) These entities are consolidated since they are controlled by e-pay (M) Sdn Bhd.																										
	(ii) These companies were incorporated in 2008.																										
Listing Rules	The official listing rules of ASX.																										
New Shares	The Shares offered under this Prospectus.																										
Offer	The offer to Eligible Shareholders of the Rights made in this Prospectus.																										
Offer Period	The period commencing from the Opening Date and ending on the Closing Date.																										
Official Quotation	Official Quotation on ASX.																										
Opening Date	6 August 2010																										
Options	Options issued by the Company entitling holders to subscribe for Shares in the Company.																										

Prospectus	This Prospectus dated 23 July 2010.
Record Date	3 August 2010 (at 7.00 pm AEST).
Register	The Register of Shareholders of e-pay Asia Limited.
Related	A person is a Related Party.
Related Party	Means a person is a related party as defined in section 228 of the Corporations Act.
Related Body Corporate	A related body corporate as defined in section 9 of the Corporations Act.
Rights	The right to subscribe for New Shares pursuant to an Entitlement under the Offer in this Prospectus.
Section	A numbered section of this Prospectus.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A person registered in the Register as the holder of Shares.
Shortfall Facility	The facility provided by the Company under which Eligible Shareholders who accept their full Entitlement can apply and receive, subject to availability, a pro-rata proportion of Additional New Shares, as set out in Section 3.6.
Underwriter	Centurion Portfolio Sdn. Bhd. (Company No. 91687-K) of 29A, 1st Floor, Jalan SS2/67, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Underwriting Agreement	The Agreement between the Company and the Underwriter, particulars of which are set out in section 7.

Appendix A - ASX Announcements

Date	Details
15/06/2010	Initial Director`s Interest Notice
15/06/2010	Final Director`s Interest Notice
15/06/2010	Director Appointment/Resignation
31/05/2010	Director Appointment/Resignation
28/05/2010	Final Director`s Interest Notice
27/05/2010	Results of Meeting
24/05/2010	Sale of business Heads of Agreement expires
14/05/2010	Extension of time to 21 May 10 to finalise Sale Agreement
07/05/2010	Takeover offer announcement
30/04/2010	Annual Report to shareholders

CORPORATE DIRECTORY

Directors	Company Secretary
<p>Simon Loh – Executive Chairman</p> <p>Chih Ming Yap – Chief Financial Officer</p> <p>Mr Chun Yean Chin – Non Executive Director</p>	<p>Mr Robert Lees</p> <p>Suite 605, Level 6 50 Clarence Street Sydney NSW 2000 GPO Box 4492 Sydney 2001 Phone: +61 2 9299 9580 Fax: +61 2 9299 9501 E-mail: robert@coysec.com.au</p>
Registered Office	Underwriter
<p>Level 28, St Martins Tower, 31 Market Street Sydney NSW 2000 Phone: +61 2 9283 8835 Fax: +61 2 9283 2955 Email: investor@epay-asia.com Website: www.epay-asia.com</p>	<p>Centurion Portfolio Sdn. Bhd. (Company No. 91687-K)</p> <p>29A, 1st Floor, Jalan SS2/67, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia</p>
Share Registry	Auditors
<p>Computershare Investor Services</p> <p>GPO Box 505 Melbourne VIC 3001 Phone: 1300 705 324 (from within Australia only) or +61 3 9415 4868 Fax: +61 3 9473 2463 Website: www-au.computershare.com</p>	<p>Hall Chadwick</p> <p>Level 29, St Martins Tower, 31 Market Street Sydney NSW 2000 Phone: +61 2 9263 2600 Fax: +61 2 9263 2800 Email: sydney@hallchadwick.com.au Website: www.hallchadwick.com.au</p>
Lawyers	
<p>Hemming+Hart Lawyers</p> <p>Level 2, 307 Queen Street, Brisbane QLD 4000 Phone: +61 7 3002 8700 Fax: +61 7 3221 3068 Email: mail@hemhart.com.au Website: www.hemhart.com.au</p>	