



**TWO WAY LIMITED
(ACN 007 424 777)**

PROSPECTUS

For Share Offer of up to 2,500,000 fully paid ordinary shares at an offer price of \$0.40 to raise up to \$1,000,000 (with the ability to accept oversubscriptions).

For the issue of Bonus Options to Eligible Shareholders on a 1 for 2 basis.

No application monies are payable for the grant of Bonus Options.

Directory

TWO WAY LIMITED

Current Board Members

Stuart James McGregor
Benedict Paul Reichel
Gerald Nicholas Eng Hoe Tan

Proposed Directors

Lim, Keong Yew
Benjamin Lim Keong Hoe
Mak, Siew Wei

Registered Office

Suite 2.05, 55 Miller Street
Pyrmont NSW 2009
Telephone: +61 2 9017 7000
Facsimile: +61 2 9017 7001

Company Secretary

Rointon Gerald Nugara

www.twowaytv.com.au

ADVISERS AND SHARE REGISTER

Investigating Accountant

William Buck Corporate Advisory (NSW) Pty Limited
Level 29, 66 Goulburn Street
Sydney NSW 2000

Share Registrar

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Auditor

William Buck Chartered Accountants
Level 29, 66 Goulburn Street
Sydney NSW 2000

Telephone: +1300 737 760 (Australia)
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www.boardroomlimited.com.au

Solicitors

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Level 13
50 Carrington Street
Sydney NSW 2000
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Important Notices

About this Prospectus

This Prospectus is dated 13 December 2012 and was lodged with the Australian Securities & Investments Commission (**ASIC**) and ASX on that date. It is issued by Two Way Limited (ACN 007 424 777) (**Company**) and is an invitation to apply for Shares at an issue price of \$0.40 per Share to raise up to \$1,000,000. The Company reserves the right to accept oversubscriptions of up to \$200,000. See Section 1 for further details.

In addition to the Share Offer, the Company is undertaking a Bonus Offer, on a 1 for 2 basis to Eligible Shareholders registered as at the Bonus Offer Record Date. See Section 2 for further details.

No responsibility for the contents of this Prospectus is taken by the ASIC and ASX or any of their officers.

This document is important and requires your immediate attention. It should be read in its entirety. You may wish to consult your professional adviser about its contents.

No Shares or Bonus Options will be issued on the basis of this Prospectus later than the expiry date of this Prospectus, being the date 13 months after the date of this Prospectus.

ASX Listing

The Company will apply within 7 days after the date of this Prospectus for Shares and Bonus Options to be issued pursuant to this Prospectus to be quoted on the ASX.

The fact that the Shares and the Bonus Options may be quoted on the ASX is not to be taken as an indication of the merits of the Company, the Shares or the Bonus Options. Neither the ASX nor its officers take any responsibility for the contents of this Prospectus. If granted admission to the ASX, quotation will commence as soon as practicable after holding statements are dispatched.

The Company does not intend to issue any Shares or Bonus Options unless and until the Shares and Bonus Options (as relevant) have been granted permission to be quoted on the ASX on terms acceptable to the Company.

If permission is not granted for the Shares to be quoted before the end of 3 months after the date of this Prospectus or such longer period permitted by the Corporations Act or with the consent of ASIC, all Application Monies received pursuant to the Prospectus will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

If permission is not granted for the Bonus Options to be quoted before the end of 3 months after the date of this Prospectus or such longer period permitted by the Corporations Act or with the consent of ASIC, no Bonus Options will be issued.

No Exposure Period

No exposure period applies to the Share Offer or the Bonus Offer.

Investment decision

Applicants should read this Prospectus in its entirety before deciding to apply for Shares under the Share Offer.

Eligible Shareholders who are issued Bonus Options should consider whether Shares to be issued and allotted on exercise of the Bonus Options are a suitable investment for before deciding to exercise the Bonus Options.

This Prospectus does not take into account your individual investment objectives, financial situation or any of your particular needs. You should seek independent legal, financial and taxation advice before making a decision whether to invest in the Company.

An investment in this Company carries risks. An outline of some of the risks that apply to an investment in the Company is set out in Section 9.

You are urged to consider this Section of the Prospectus carefully. If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser immediately.

Authorisation

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

Forward looking statements

This Prospectus contains forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. While the Company believes that the expectations reflected in the forward looking statements in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in Section 9, as well as other matters as yet not known to the Company or not currently considered material by the Company, may cause actual results or events to be materially different from

those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this Prospectus is qualified by this cautionary statement.

Electronic Prospectus

An electronic version of this Prospectus (**Electronic Prospectus**) can be downloaded from the Company's website at www.twowaytv.com.au.

If you download the Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. The Shares offered under the Share Offer to which the Electronic Prospectus relates will only be issued on receipt of a printed copy of the Application Form.

Requesting a paper copy of the Prospectus

The Company will send you a copy of the paper Prospectus and paper Application Forms free of charge if you ask during the application period.

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place outside Australia where, or to any person to whom, it would be unlawful to make such an offer or invitation.

No action has been taken to register this Prospectus or qualify the Shares or Bonus Options or to otherwise permit an offering of the Shares or Bonus Options outside Australia. Bonus Options are offered to Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. **If you accept this Prospectus outside of Australia, you represent and warrant that:**

- **you are entitled to receive the Prospectus and the invitation to participate in the Share Offer and/or Bonus Offer; and**
- **you will comply with any restrictions and limitations imposed on you under any applicable laws.**

United States

This document may not be released or distributed in the United States of America. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Bonus Options or Shares. The Bonus Options and the Shares may not be offered or made available for purchase in Malaysia except if an exemption from the prospectus and approval requirements of Securities Commission of Malaysia applies.

Singapore

This document and any other materials relating to the Shares and Bonus Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares or Bonus Options may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

Hong Kong

This Prospectus has not been delivered for registration to the Registrar of Companies in Hong Kong and its contents have not been reviewed by any regulatory authority in Hong Kong. Accordingly, this Prospectus must not be issued, circulated or distributed in Hong Kong other than in circumstances which do not constitute it as a "prospectus" as defined in the Companies Ordinance (Cap.32 of the law of Hong Kong) or which do not constitute an offer to the public within the meaning of that ordinance. Unless permitted by the securities laws of Hong Kong, no person may issue in Hong Kong, or have in its possession for issue in Hong Kong, this Prospectus or any other advertisement, invitation or document relating to the shares or securities in the Company.

How to Apply under the Share Offer

An Application for Shares under the Share Offer can only be made by completing and lodging the relevant Application Form attached at the back of this Prospectus. Applications for Shares under Share Offer are to be made using the Share Offer Application Form. Detailed instructions on completing the Application Form can be found on the back of the forms.

Shares issued in respect of Applications received by the Company will be issued at \$0.40 per Share.

Applications for Shares under the Share Offer must be for a minimum of 5,000 Shares and in multiples of 500 Shares thereafter.

Share Offer Application Forms

Applications and Application Monies for Shares under the Share Offer received after 5:00 p.m. (Sydney time) on the Closing Date will not be accepted and will be returned to potential investors.

Applications must be accompanied by payment.

You must pay by cheque in Australian dollars only. Your cheque must be made payable to “**Two Way Limited – Share Offer Account**” and crossed “Not Negotiable”.

No stamp duty is payable by Applicants.

Completed Application Forms, together with Application Monies, should be forwarded to the following address:

POSTAL

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

HAND DELIVERED

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

When to Apply under the Share Offer

Completed Applications under the Share Offer must be received by 5:00 pm (Sydney time) on the Closing Date. **The Directors may close the Share Offer at any time prior to the Closing Date without prior notice or extend the period of the Share Offer in accordance with the Corporations Act.**

The Directors reserve the right to allocate any lesser number of Shares than those for which the Applicant has applied. Where the number of Shares allotted is fewer than the number applied for, surplus Application Monies will be refunded without interest.

How to participate in the Bonus Offer

Eligible Shareholders do not need to take any action to receive the Bonus Options. They will be issued Bonus Options if they hold Shares on the Bonus Option Record Date.

Enquiries

Investors with questions on how to complete the Application Forms or who require additional copies of the Prospectus should contact Boardroom Pty Ltd on 1300 737 760 (Australia) or +61 2 9290 9600 (International).

Investors with questions regarding the terms of the Share Offer or Bonus Offer should contact Mr Rointon Nugara, Company Secretary, on +61 2 9017 7000.

Glossary of Terms

Defined terms and abbreviations included in the text of this Prospectus are set out in the Glossary in Section 12.

Chairman's letter

13 December 2012



Dear Investor

As Chairman of the Board of Directors, I am pleased to present this Prospectus on behalf of the Board and invite you to subscribe for new Shares in the Company and, if you are an existing Shareholder, participate in the Bonus Offer.

At the Company's AGM (to be convened on 19 December 2012) approval is being sought for a series of proposed transactions to be undertaken by the Company (together referred to as the **Corporate Restructure and Acquisition**). The Corporate Restructure and Acquisition will involve the following key steps:

- non-selective consolidation of the Company's issued securities, pursuant to which all of the issued capital in the Company will be consolidated on a 20 to 1 basis;
- the acquisition of 100% of the issued share capital in Donaco Singapore Pte Ltd (**Donaco**) by the Company in consideration for the issue of ordinary shares by the Company (**Consideration Shares**) to Donaco's current shareholders, Convent Fine Limited (**Convent**) and Slim Twinkle Limited (**Slim**);
- a change to the Company name, from "Two Way Limited" to "Donaco International Limited";
- the appointment of the Proposed Directors; and
- the Share Offer and the Bonus Offer.

It is expected at completion of the Corporate Restructure and Acquisition that Donaco's sole assets will be assets associated with its ownership rights in Lao Cai International Hotel Joint Venture Company (**JV Company**). Donaco holds 75% of all of the ownership rights in the JV Company. No Shares or Bonus Options will be issued under this Prospectus unless:

- Shareholders approve the Corporate Restructure and Acquisition at the AGM on 19 December 2012; and
- ASX confirms in writing that the Company will satisfy the requirements of Chapters 1 and 2 of the Listing Rules (on terms acceptable to the Company) (**ASX Chapters 1 and 2 Confirmation**).

The Company is undertaking:

- the Share consolidation to ensure its Shares and Existing Options meet the minimum price requirements required under the Listing Rules; and
- the Share Offer to ensure it has the minimum number of Shareholders required under Chapters 1 and 2 of the Listing Rules.

Convent and Slim will not receive Options under the Bonus Offer.

New Investors who are issued Shares under the Share Offer will not receive Options under the Bonus Offer. If Corporate Restructure and Acquisition is not approved at the AGM, no Shares or Bonus Options will be issued under this Prospectus.

No Shares or Bonus Options will be issued unless the Company has received the ASX Chapters 1 and 2 Confirmation.

The timetable for the Share Offer and Bonus Offer depends on the date the Company receives the ASX Chapters 1 and 2 Confirmation. It is currently expected that the Bonus Offer Record Date will be the date that is 7 Business Days after the date the Company receives ASX Chapters 1 and 2 Confirmation and that the next Business Day after that the Consideration Shares will be issued to Slim and Convent and the Share Offer will close.

If the Company receives the ASX Chapters 1 and 2 Confirmation on 16 January 2013, the Bonus Offer Record Date will be 28 January 2013 and the Consideration Shares will be allotted, and the Share Offer will close, on 29 January 2013.

Under this Prospectus, the Company is inviting Shareholders and investors to apply for up to 2,500,000 Shares, at an issue price of \$0.40 to raise up to \$1,000,000. The Company reserves the right to accept up to \$200,000 in oversubscriptions under the Share Offer. See Section 1 for further details about the terms and conditions of the Share Offer.

The Company is also undertaking a Bonus Offer of Bonus Options to existing Shareholders on a 1 for 2 basis.

The Bonus Options will have an exercise price of \$0.30 per Bonus Option. This exercise price was determined having regard to the value attributed to the Company at the time the terms of the Corporate Restructure and Acquisition were agreed.

The Bonus Options will be exercisable at any time prior to 5.00 pm (Sydney time) on first business day that is 24 months after the Bonus Options are issued (based on the expected timetable, Bonus Options are expected to expire on 11 February 2015). If the Company receives the ASX Chapters 1 and 2 Confirmation on a different date, the Bonus Options' allotment date, and therefore their expiry date, will change.

Each Bonus Option issued gives Shareholders the opportunity, but not the obligation, to subscribe for one additional Share per Bonus Option on the date they are exercised (**Exercise Date**).

The Bonus Options will be listed on the ASX. This means that once the Bonus Options are issued, Bonus Optionholders will be able to trade them on the ASX.

No funds will be raised by the grant of Bonus Options.

It is intended that money raised from the exercise of Bonus Options (up to approximately \$2,138,980 assuming 7,129,936 Bonus Options are issued and all of those Bonus Options are exercised) will be used for working capital purposes.

See Section 2 for further details about the terms and conditions of the Bonus Offer.

This Prospectus provides details of the Share Offer, the Bonus Offer and an overview of the business and activities of the Company and Donaco.

The Board recommends that you read this Prospectus in its entirety.

On behalf of the Board of Directors, I would like to thank all Shareholders for their ongoing support.

The Board looks forward to welcoming you as a new Shareholder and thanks existing Shareholders for their continued interest and further investment in the Company.

Yours faithfully,



Stuart McGregor
Chairman

Investment Overview

The dates in this Investment Overview are indicative only and may vary, subject to the requirements of the Corporations Act.

No Shares or Bonus Options will be issued under this Prospectus unless the Corporate Restructure and Acquisition is approved at the AGM on 19 December 2012 and the Company receives ASX Chapters 1 and 2 Confirmation (on terms acceptable to the Company).

Key Dates

Lodgement of Prospectus with ASIC	13 December 2012
Annual General Meeting	19 December 2012
Trading in Shares is suspended	19 December 2012
Share Offer to open	20 December 2012
Receipt of ASX Chapters 1 and 2 Confirmation	16 January 2013
Last day to exercise existing options to ensure Shares are issued prior to Bonus Offer Record Date	25 January 2013
Bonus Offer Record Date	28 January 2013
Consideration Shares issue date	29 January 2013
Closing Date for Share Offer	5.00 pm (Sydney time), 29 January 2013
Expected allotment of Shares and Bonus Options	11 February 2013
Trading of Bonus Options and Shares expected to commence on ASX	13 February 2013
Despatch date of holding statements for Bonus Options and Shares	14 February 2013
Expiry Date for Bonus Options	5.00 pm (Sydney time), 11 February 2015

Key Share Offer Statistics

Share Offer Price	40 cents
Minimum proceeds available under the Share Offer	\$400,000
Maximum number of Shares to be issued and maximum funds raised by the Share Offer (if no oversubscriptions are taken up)	2,500,000 Shares [^] \$1,000,000
Maximum number of Shares to be issue and maximum funds raised by the Share Offer (if 100% oversubscriptions are taken up)	3,000,000 Shares [^] \$1,200,000

Key Bonus Offer Statistics

Maximum proceeds from the issue of the Bonus Options	\$0
Maximum proceeds from the exercise of the Bonus Options	\$2,138,989.80
Maximum number of Shares issued upon the exercise of the Bonus Options	7,129,936 [^]
Bonus Option Exercise Price	\$0.30
Bonus Option Expiry Date	5.00 pm (Sydney time), 11 February 2015

* This date is subject to change. Bonus Options will expire on first business day that is 24 months after the Bonus Options are issued.

[^] See Section 5.3 for details of the total number of Shares, Bonus Options and Existing Options on completion of the Share Offer and Bonus Offer.

Key Investment Highlights

Below is a summary of the key highlights of the Share Offer and Bonus Offer. This is a summary only and should be read in light of the other information in this Prospectus, particularly the risks that are summarised on the following pages.

Share Offer	The Company will offer for subscription up to 2,500,000 Shares. The Share Offer comprises an offer of Shares at \$0.40 per Share to raise up to \$1,000,000. The Company reserves the right to accept up to \$200,000 in oversubscriptions under the Share Offer.	See Section 1
Bonus Offer	The Company is undertaking a Bonus Offer of 1 Bonus Option for each 2 Shares held by Eligible Shareholders registered as at the Bonus Offer Record Date.	See Section 2
What is the Corporate Restructure and Acquisition?	<p>The Corporate Restructure and Acquisition refers to the acquisition of Donaco by the Company and each corporate transaction that is the inter conditional with this acquisition, including the Share Offer and the Bonus Offer (see the Chairman's letter for details of these corporate transaction).</p> <p>The key terms of the Corporate Restructure and Acquisition were agreed in the Sale Agreement (see Section 10.1 for details).</p> <p>At completion of the Sale Agreement, Convent and Slim will be issued in aggregate 261,724,250 Shares at an issue price of \$0.30 per Share (Consideration Shares).</p> <p>At completion of Share Offer, Convent and Slim will control between 93.98% (assuming \$1,000,000 is raised under the Share Offer) and 93.81% (if oversubscriptions are fully taken up and \$1,200,000 is raised under the Share Offer) of the total number of Shares on issue (calculated on an undiluted basis).</p>	See Sections 5.3 and 10.1
Business model of the Company	<p>The Company creates, develops and builds advanced interactive media and gambling applications for mobile, internet, TV and IPTV platforms.</p> <p>The Company's products are currently being deployed by leading wagering and interactive TV operators in Australia and New Zealand. Our clients include Tabcorp, RWWA, TattsBet, Centrebet, IAS Bet, Luxbet, Sportingbet, Betfair, Optus TV, LG, Samsung and Sky New Zealand.</p> <p>After completion of the Company's acquisition of Donaco (expected to occur immediately prior to the Closing Date), the Company's business will include the business operated by the JV Company (Donaco's sole asset).</p>	See Section 3
Overview of Donaco and Lao Cai	<p>Donaco owns a 75% interest in Lao Cai International Hotel Joint Venture Company (JV Company).</p> <p>The JV Company is the entity that owns the Lao Cai International Hotel, a boutique hotel in Lao Cai, Vietnam, located on the border with Yunnan Province in China (Lao Cai Province). The hotel is a fully operational casino with 36 slot machines, 8 gaming tables, 32 hotel rooms and restaurants.</p> <p>The JV Company's business includes the construction of a new hotel (referred to as the New Casino Project), which is expected to be opened to the public in 2014.</p>	See Section 4
What if the Corporate Restructure and Acquisition does not proceed?	No Shares or Bonus Options will be issued under this Prospectus unless the Corporate Restructure and Acquisition is approved on 19 December 2012 and the Company receives ASX Chapters 1 and 2 Confirmation.	Section 1

What are the Company's objectives?	<p>The objective is to create a cash-flow positive and profitable ASX-listed company:</p> <ul style="list-style-type: none"> ➤ in part through the acquisition of Donaco, the completion of the expansion of Donaco's business (through the construction of a new casino and hotel in Lai Cai Province) and by pursuing new licenses that will allow the Company to develop and operate hotels and casinos across Asia Pacific; and ➤ in part through new interactive media and gambling applications. 	See Section 3.4
Experienced Board	<p>At the date of this Prospectus the Board is comprised of Mr Stuart McGregor (Non-Executive Chairman), Mr Benedict Reichel (Non-Executive Director) and Mr Gerald Tan (Non-Executive Director) (Current Board Members).</p> <p>At completion of the Corporate Restructure and Acquisition (including the Share Offer and the Bonus Offer) the Board will be comprised of the Current Board Members together with Mr Lim, Keong Yew (as an Executive Director), Mr Benjamin Lim Keong Hoe (as a Non-Executive Director) and Mr Mak, Siew Wei (as a Non-Executive Director).</p>	See Sections 7.1 and 7.2
Are there any independent directors?	<p>Yes.</p> <p>Stuart McGregor is the Chairman and is an independent director.</p> <p>At completion of the Corporate Restructure and Acquisition, Mak, Siew Wei will join the Board as an independent director.</p>	See Sections 8.1, 8.2 and 8.5
Will the Company pay dividends and when can I expect them?	<p>The Company intends to pay dividends to Shareholders in the future subject to the availability of sufficient profits and franking credits and subject to the Company's then current working capital requirements and growth plans. Shareholders should note that the payment of dividends is not guaranteed.</p>	See Section 8.6

Key Investment Risks

The key risks highlighted below, together with other risks, are more particularly described in Section 9.

Single casino risk	<p>After the Corporate Restructure and Acquisition and pending completion of the New Casino Project the Company will be dependent upon its current business and the JV Company's single hotel, for its cash flow.</p> <p>As a result, the Company will be subject to greater risks than a gaming company with more operating properties.</p>	See Section 9.3
Human Resources risk	<p>The Company's business depends substantially on the continuing efforts of senior management employed by the Company, Donaco and the JV Company.</p> <p>The Company's business may be severely disrupted if their services are lost. The success of the Company will depend on its ability to attract and retain adequate qualified personnel</p>	See Section 9.3
Government and Regulation risk	<p>Conducting business in Vietnam and/or Lao Cai Province has certain political and economic risks that may lead to significant volatility and have a material adverse effect on results of operations.</p>	See Section 9.3
Casino winnings risk	<p>The winnings of the Lao Cai International Hotel patrons could exceed the casino winnings at particular times during our operations. Win rates for the Lao Cai International Hotel operations depend on a variety of factors, some beyond the control of the JV Company, Donaco or the Company. In addition, we note that all gaming business can be subject to cheating and counterfeiting</p>	See Section 9.3

Currency risk	Gaming operations in Lao Cai Province could be adversely affected by restrictions on the export of the Renminbi and limitations of the Vietnamese dong exchange markets.	See Section 9.3
Market Risk	Investment returns are influenced by market factors. As a result, future earnings of the Group and the earnings and capital appreciation of the Group's investments cannot be predicted with any certainty.	See Section 9.4
Industry Risk	There are a number of industry risk factors that may affect the future operation or performance of the Company. These factors are outside the control of the Company. Such factors include increased regulatory and compliance costs and variations in legislation and government policies generally.	See Section 9.4
Liquidity	Although the Company is listed on ASX, there may not always be a ready market for the Shares.	See Section 9.4
Regulatory Risk	The Company is exposed to the risk of changes to applicable laws or their interpretation which may have a negative effect on the Company, its investments or returns to Shareholders or the risk of non-compliance with reporting or other legal obligations.	See Section 9.4

Share Offer Summary

This is a summary only. This Prospectus should be read in full before making any decision to apply for Shares.

Who is the issuer of the Shares and this Prospectus?	Two Way Limited (ACN 007 424 777).	See Section 3
What is the Share Offer?	The Share Offer comprises an offer of Shares at \$0.40 per Share. The Company will offer for subscription up to 2,500,000 Shares. The Company reserves the right to accept up to \$200,000 in oversubscriptions in accordance with the Listing Rules and the Corporations Act.	See Section 1
What is the purpose of the Share Offer?	The purpose of the Share Offer is to ensure that the Company has the minimum number of Shareholders it requires for the purposes of Chapters 1 and 2 of the Listing Rules. In addition, the Share Offer will raise working capital for the purposes of the Company's business operations.	See Section 5.1
Will the Shares be quoted?	The Company is listed on the ASX. The Company will apply within 7 days after the date of this Prospectus for Shares to be issued pursuant to this Prospectus to be quoted on the ASX.	See Section 1.9
Will Slim and Convent participate in the Share Offer	None of Slim, Convent, the Proposed Directors or their respective Associates will participate in the Share Offer.	See Section 1
How do I apply for Shares?	The procedures for making an investment in the Company are described in Section 1. The Company may be required to obtain identification information from Applicants. The Company reserves the right to reject an Application if that information is not provided upon request.	See Section 1
What are the requirements of an Application?	Applications for Shares under the Share Offer must be for a minimum of 5,000 Shares and in multiples of 500 Shares thereafter.	See Section 1.8
How can further information be obtained?	Questions on how to complete the Application Form or requests for additional copies of the Prospectus should be directed to Boardroom Pty Ltd on 1300 737 760 (Australia) or +61 2 9290 9600 (International). Please contact Mr Rointon Nugara, Company Secretary on +61 2 9017 7000 if you have questions relating to the Share Offer. If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	

Bonus Offer Summary

This is a summary only. You should read this Prospectus in full.

Who is the issuer of the Bonus Options?	The Company.	See Section 3
What is the Bonus Offer?	The Bonus Offer is an offer of 1 Bonus Option (exercisable at \$0.30) for every two Shares held by Eligible Shareholders on the Bonus Option Record Date. The maximum number of Bonus Options which may be issued is 7,129,936.	See Section 2
Is the Bonus Offer conditional on anything?	The Bonus Offer is conditional on the Corporate Restructure and Acquisition. No Bonus Options will be issued if the Corporate Restructure and Acquisition does not proceed.	See Section 2.2
Will the Bonus Options be quoted?	The Company is listed on the ASX. The Company will apply within 7 days after the date of this Prospectus for Bonus Options to be issued pursuant to this Prospectus to be quoted on the ASX. There is no guarantee that ASX will agree to quote the Bonus Options. If permission is not granted for the Bonus Options to be quoted before the end of 3 months after the date of this Prospectus or such longer period permitted by the Corporations Act or with the consent of ASIC, Bonus Options will not be issued.	See Section 2.10
Who can participate in the Bonus Offer?	Bonus Options will be issued to all Eligible Shareholders registered at 5.00pm on 28 January 2013 (or such other date that is 7 Business Days after receipt of the ASX Chapters 1 and 2 Confirmation (on terms acceptable to the Company)) (Bonus Offer Record Date). The number of Bonus Options each Eligible Shareholder will be issued with will be equal to half the number of Shares they are the registered holder of at 5.00pm on the Bonus Offer Record Date (subject only to rounding).	See Section 2.1
Who is an Eligible Shareholder?	Eligible Shareholders are registered Shareholders as at 5.00 pm on the Bonus Offer Record Date with a registered address in Australia, New Zealand, or such other place determined by the Company in which it would be lawful to make the Bonus Offer. Slim, Convent and New Investors will not be Eligible Shareholders.	See Sections 2.4 and 2.5
How much will be raised under the Bonus Offer?	No funds will be raised by the grant of the Bonus Options. If all Bonus Options issued under this Prospectus are subsequently exercised, the Bonus Options issued would raise up to approximately \$2,138,980 (assuming 7,129,936 Bonus Options are issued). It is currently expected that funds raised will be used for working capital purposes.	See Section 5.2
What do I need to do?	If you are an Eligible Shareholder, you do not need to take any action to receive the Bonus Options.	See Sections 2.7 and 2.11
How can further information be obtained?	Please contact Mr Rointon Nugara, Company Secretary on +61 2 9017 7000 if you have questions relating to the Bonus Offer.	

1. Share Offer Details

1.1 Information for Investors

This is a summary only. This Prospectus should be read in full before making any decision to apply for Shares.

The Shares offered pursuant to the Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividend or the future value of the Shares.

1.2 The Share Offer

Under this Prospectus, the Company is inviting Shareholders and investors to apply for Shares at an issue price of \$0.40.

The Company will accept Applications for up to 2,500,000 Shares to raise up to \$1,000,000. The Company also reserves the right to accept oversubscriptions of \$200,000 and issue up to a further 500,000 Shares.

To participate in the Share Offer, your Application Form must be received by the Share Registry by 5:00 p.m. (Sydney time) on the Closing Date.

No Shares will be issued under this Prospectus unless the Corporate Restructure and Acquisition is approved at the AGM on 19 December 2012 and the Company receives the ASX Chapters 1 and 2 Confirmation (on terms acceptable to the Company). If these conditions are not met by the date that is 3 months after the date of this Prospectus, the Company will repay all money received from Applicants within 7 days after that date. Interest will not be paid on the refunded Application Monies.

1.3 Overseas Investors

The Share Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer.

1.4 Can Convent or Slim participate in the Share Offer

Convent and Slim will not be issued Shares under the Share Offer.

1.5 Use of Proceeds

The net proceeds of the Share Offer (after expected issue costs of \$135,200) will be applied by the Company to fund working capital requirements of the business. See Section 5 for further details.

1.6 Structure of Share Offer

Share Offer Price

The Share Offer price is \$0.40 per Share.

Ranking

All Shares issued under this Prospectus will rank equally with each other, and with the existing issued Shares from their date of issue.

See Section 11.3 for a summary of the rights attaching to Shares.

Scale-back

The Company reserves the right to accept oversubscriptions for up to \$200,000 and issue up to a further 500,000 Shares.

If the Share Offer closes oversubscribed and the Company elects to not to accept oversubscriptions or to accept less than \$200,000 in oversubscriptions, the Company can scale back Applications at its discretion and will send refund cheques, without the payment of interest, equivalent to the difference between the scale back and amount applied for.

Company's Discretion

The Company reserves the right not to proceed with the Share Offer at any time before the allocation of Shares to successful Applicants under the Share Offer. If the Share Offer does not proceed, Application Monies will be refunded in full (exclusive of interest).

1.7 Share Offer Underwritten

The Share Offer is not underwritten.

1.8 Minimum Subscription

The Minimum Subscription for the Share Offer is \$400,000 being receipt of valid Applications for not less than 1,000,000 Shares.

The Minimum Subscription has been set by the Company so that it can ensure it has the minimum number of Shareholders required for the purposes of Chapters 1 and 2 of the Listing Rules.

If this Minimum Subscription is not achieved and the Application Monies for these Shares are not received by the Company by the date that is 3 months after the date of this Prospectus, the Company will repay all money received from Applicants within 7 days after that date. Interest will not be paid on the refunded Application Monies.

1.9 ASX quotation of the Shares

Within 7 days after the date of this Prospectus application will be made to the ASX for the Shares to be issued under the Prospectus to be quoted on the ASX.

If the ASX does not give permission for quotation of new Shares within 3 months after the date of this Prospectus (or a later date permitted by ASIC), no Shares will be issued and if any have been issued, the issue will be void, unless ASIC grants an exemption permitting the issue.

1.10 Issue and allotment of Shares

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

It is expected that Shares will be issued under this Prospectus on or before 11 February 2013. Holding statements in relation to the Shares will be despatched as soon as practicable after the issue of the Shares.

1.11 Applications

An Application Form is attached for use by Applicants under the Share Offer for Shares at \$0.40 per Share. Applications under the Share Offer must be made and will only be accepted on the Application Forms issued with and attached to this Prospectus.

Applications under the Share Offer must be for a minimum of \$2,000 (for 5,000 Shares) and in multiples of 500 Shares thereafter.

Applications and Application Monies for Shares under the Share Offer received after 5:00 p.m. (Sydney time) on the Closing Date will not be accepted and will be returned to potential investors.

The Directors may extend the Closing Date. The Directors may close the Share Offer at any time prior to the Closing Date without prior notice or extend the period of the Share Offer in accordance with the Corporations Act.

Applications Forms must be accompanied by payment in Australian currency.

You must pay by cheque in Australian dollars only. Your cheque must be made payable to **"Two Way Limited – Share Offer Account"** and crossed "Not Negotiable".

No brokerage or stamp duty is payable by Applicants.

Completed Application Forms, together with Application Monies, should be forwarded to the following address:

POSTAL

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

HAND DELIVERED

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

1.12 Allotment

No allotment of Shares will be made until the Minimum Subscription has been received. It is expected that allotment of the Shares under the Share Offer will take place by 11 February 2013. Application Monies will be held in a separate account until allotment.

The Application constitutes an offer by the Applicant to subscribe for Shares on the terms and subject to the conditions set out in this Prospectus.

A binding contract to issue Shares will only be formed at the time Shares are allotted to Applicants.

Where the number of Shares allotted is less than the number applied for or where no allotment is made, the surplus Application Monies will be returned by cheque within 7 days of the Closing Date. Interest will not be paid on the refunded Application Monies.

1.13 Privacy

When you apply to invest in the Company, you acknowledge and agree that:

- (a) you are required to provide the Company with certain personal information to:
 - (i) facilitate the assessment of an Application;
 - (ii) enable the Company to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and
 - (iii) carry out appropriate administration;
- (b) the Company may be required to disclose this information to:
 - (i) third parties who carry out functions on behalf of the Company, including marketing and administration functions, on a confidential basis; and
 - (ii) third parties if that disclosure is required by law; and
- (c) related bodies corporate (as that term is defined in the Corporations Act) which carry out functions on behalf of the Company.

Under the Privacy Act 1988 (as amended), Applicants may request access to their personal information held by (or on behalf of) the Company.

2. Bonus Offer Details

2.1 Bonus Offer

The Bonus Offer is a 1 for 2 bonus issue of Bonus Options exercisable at \$0.30 per Bonus Option.

2.2 Conditions

No Bonus Offer will be issued under this Prospectus unless the Corporate Restructure and Acquisition is approved the AGM on 19 December 2012 and the Company receives ASX Chapters 1 and 2 Confirmation (on terms acceptable to the Company).

If these conditions are not met by the date that is 3 months after the date of this Prospectus, no Bonus Options will be issued.

2.3 Terms

The Bonus Offer is made to all Eligible Shareholders registered at 5.00 pm on the date that is 7 Business Days after the Company receives the ASX Chapters 1 and 2 Confirmation, currently expected to be 28 January 2013 (**Bonus Offer Record Date**).

Eligible Shareholders will be issued 1 Bonus Option for every 2 Shares they are the registered holder of as at 5.00 pm on the Bonus Offer Record Date. Fractional entitlements will be rounded down to the nearest whole number of Bonus Options and holdings on different registers or sub-registers will not be aggregated to calculate entitlements.

2.4 Will Convent, Slim or New Investors receive Bonus Options?

Convent and Slim will not receive Bonus Options under the Bonus Offer.

New Investors (who are issued Shares under the Share Offer) will not receive Bonus Options under the Bonus Offer.

2.5 Treatment of Overseas Shareholders

The Bonus Offer is made only to Eligible Shareholders with a registered address in Australia, New Zealand, or such other place in which, or to any person to whom, it would be lawful to make such an offer. The Company is of the view that it is unreasonable to make the Bonus Offer to other overseas Shareholders (**Excluded Shareholders**) having regard to:

- (a) the number of Excluded Shareholders;
- (b) the number and value of shares held by the Excluded Shareholders; and
- (c) the cost of complying with overseas legal requirements.

This Prospectus does not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or to make the Bonus Offer. Where the Prospectus has been despatched to persons domiciled in a country other than Australia or New Zealand, and where that country's securities code or legislation prohibits or restricts in any way the making of the Bonus Offer, the Prospectus is provided for information purposes only.

2.6 Maximum number of Bonus Options

The maximum number of Bonus Options which may be issued is approximately 7,129,936. The exact number of Bonus Options which will be issued under the Bonus Offer will be equal to half the number of Shares on issue held by Eligible Shareholders at 5.00pm on the Bonus Offer Record Date (subject only to rounding). The maximum number will not exceed 7,129,936.

If you are an Eligible Shareholder, the number of Bonus Options which you will be issued with will be equal to half the number of Shares you are the registered holder of at 5.00pm on the Bonus Offer Record Date.

2.7 How to participate

You do not need to take any action to receive the Bonus Options.

2.8 How much will be raised?

No funds will be raised by the grant of the Bonus Options.

If 7,129,936 Bonus Options are issued under this Prospectus and are all subsequently exercised, the Bonus Offer would raise up to approximately \$2,138,980.

2.9 Rights attaching to Bonus Options

On exercise the Bonus Options will be converted to fully paid ordinary Shares in the Company. There will be no liability on the part of Shareholders for any calls.

Detailed provisions relating to the rights attaching to Shares are set out in the Company's constitution and the Corporations Act. A copy of the Company's constitution can be inspected during office hours at the registered office of the Company.

See Section 11.4 for a summary of the rights attaching to the Bonus Options and Section 11.3 for the rights attaching to the Shares.

2.10 ASX quotation of the Bonus Options

Within 7 days after the date of this Prospectus application will be made to the ASX for the Bonus Options to be quoted on the ASX.

If the ASX does not give permission for quotation of the Bonus Options within 3 months after the date of this Prospectus (or a later date permitted by ASIC), none of the Bonus Options will be issued and if any have been issued, the issue will be void, unless ASIC grants an exemption permitting the issue.

2.11 Issue and allotment of Bonus Options

No Bonus Options will be issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date 13 months after the date of this Prospectus.

It is expected the issue of the Bonus Options will all occur on the same day as the issue of Shares under the Prospectus. It is currently expected that this issue will occur on or before 11 February 2013. Holding statements in relation to the Bonus Options will be despatched as soon as practicable after the issue of the Bonus Options.

It is the responsibility of Shareholders to determine their allocation prior to trading in Bonus Options.

Eligible Shareholders who sell any Bonus Options before they receive their holding statements will do so at their own risk.

2.12 Investor Considerations

Before deciding to exercise your Bonus Options, you should consider whether the Shares to be issued and allotted on exercise of the Bonus Options are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser immediately.

The potential tax effects relating to the Issue will vary between Shareholders. Shareholders are urged to consider the possible tax consequences of exercising Bonus Options by consulting a professional tax adviser.

3. Company

3.1 Overview of the Company

As at the date of the Prospectus, the business activities of the Company have focused on four key areas.

- Tab Active;
- Way2Bet;
- Internet Protocol Television and development work; and
- Games.

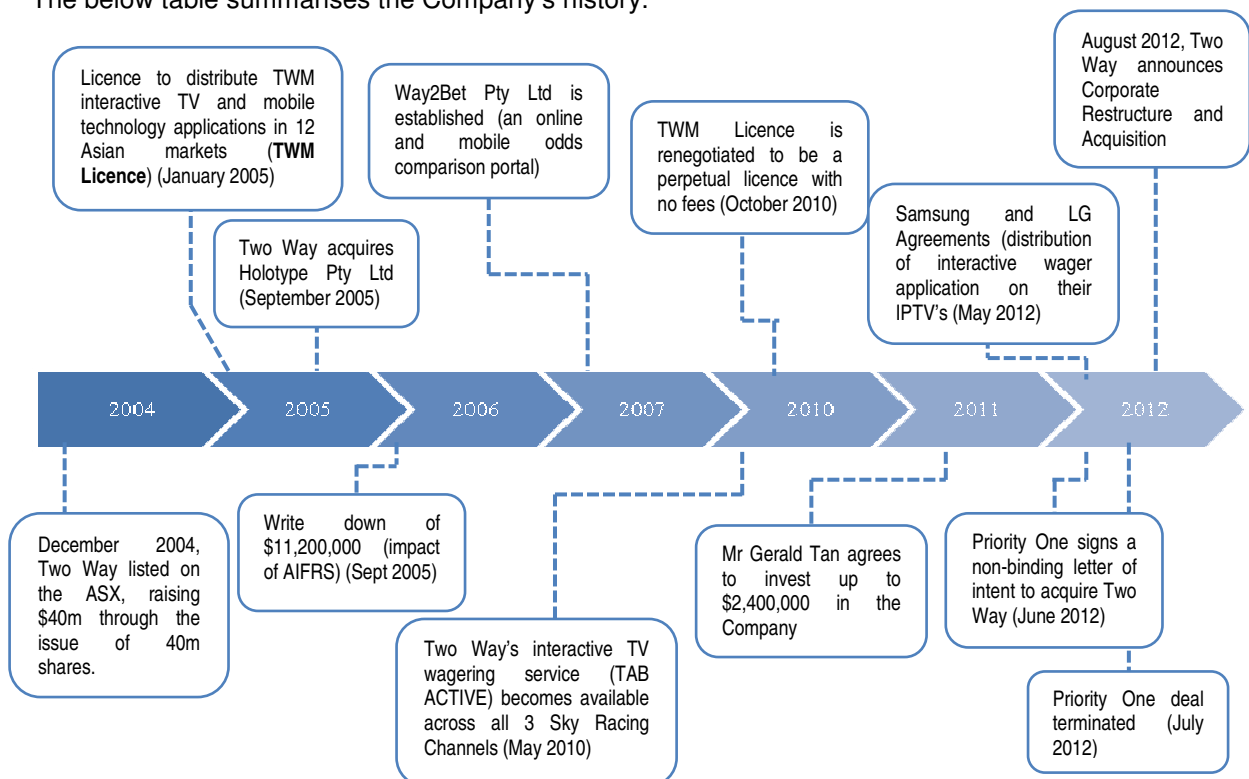
The Tab Active Service has now been rolled out nationally with the deployment of the service in Western Australia through its TAB operator, Racing and Wagering Western Australia in July 2011. Work continues to focus on consolidating and promoting the service throughout the mainland States, with the real prospect of major progress arising out of the merger of Foxtel and Austar, together with the enhanced capacity that will come from improvements to the Foxtel platform.

The Way2Bet online and mobile wagering portal has gained significant momentum during the 2012 financial year, with commercial agreements completed with all major corporate bookmakers, together with the roll out of specialist gaming websites. This resulted in significant revenue growth of 22% during the year, along with enhanced exposure aided by a successful search engine optimisation and social media strategy.

Internet Protocol Television development work resulted in agreements with both Samsung and LG during the year, introducing applications for smart TVs in relation to Belfair and Sportingbet. Further development work is continuing.

3.2 History of the Company

The below table summarises the Company's history.



3.3 Corporate Restructure and Acquisition

The business activities of the Company are being expanded through the acquisition of Donaco Singapore Pte Ltd (**Donaco**).

As announced on 24 August 2012 and 9 October 2012, the Company has entered into an agreement with Donaco and subsequently, its two shareholders, Convent Fine Limited (**Convent**) and Slim Twinkle Limited (**Slim**), companies associated with the Lim family, under which the Company will acquire all of the shares of Donaco from Convent and Slim (**Sale Agreement**). A summary of the Sale Agreement is set out in Section 10.1.

See Section 4 for information about Donaco and the Lim family.

At the time of completion of the Sale Agreement, it is expected that Donaco's sole assets will be:

- 75% of the ownership rights in Lao Cai International Hotel Joint Venture Company (**JV Company**); and
- 75% stake in the licence under which JV Company operates the Lao Cai International Hotel, an exclusive casino and hotel located in Lao Cai Province, Vietnam.

At completion of the Sale Agreement, Convent and Slim will be issued in aggregate 261,724,250 fully paid ordinary shares in the Company at an issue price of \$0.30 per Share (**Consideration Shares**).

As part of the Corporate Restructure and Acquisition, Lim, Keong Yew, Benjamin Lim Keong Hoe and Mak, Siew Wei (each a **Proposed Director**) will be appointed as Directors of the Company.

The Sale Agreement is conditional on a number of things, including:

- Shareholders approving the Corporate Restructure and Acquisition the AGM on 19 December 2012; and
- the Company receiving the ASX Chapters 1 and 2 Confirmation (on terms acceptable to the Company).

The Company is undertaking:

- the Share consolidation to ensure its Shares and Existing Options meet the minimum price requirements required under the Listing Rules; and
- the Share Offer to ensure it has the minimum number of Shareholders required under Chapters 1 and 2 of the Listing Rules.

It is expected that the Sale Agreement will complete 8 Business Days after the Company receives the ASX Chapters 1 and 2 Confirmation (on terms acceptable to the Company).

Full details regarding the resolutions to be considered by Shareholders at the AGM are set out in a Shareholders Booklet dated 19 November 2012 and released to the ASX on the same date.

3.4 Merged Company

After completion of the Corporate Restructure and Acquisition, the Company's business will also include Donaco. See Section 4 for details regarding Donaco and its business.

The Directors believe that the Corporate Restructure and Acquisition will, if approved, provide a solid financial foundation for the future, as well as a capital base that will allow the Company to take advantage of a wider range of attractive investment opportunities in the Asia-Pacific market. See Section 6 for details about the merged entity.

4. Donaco and Lao Cai

4.1 Overview of the Donaco

Donaco is a Singapore registered company involved in the gaming, entertainment and trading industries.

Donaco was incorporated in 2002 to hold the Lim family's investment in the JV Company. Donaco was co-founded by the late Tan Sri Lim Goh Tong. Donaco has also served as an investment holding company for several of the Lim Family's investments. Donaco owns 75% of the JV Company, with the remaining 25% owned by Sapa Petrol Tourism Joint Stock Company, an entity associated with the Government of Vietnam.

At the time of completion of the Corporate Restructure and Acquisition it is expected that the Lao Cai Interest will be Donaco's only asset and that there will be no outstanding debts or encumbrances (other than those associated with the Lao Cai Interest). Convent and Slim, Donaco's sole shareholders, are entities associated with the Lim family.

Lim, Keong Yew and Benjamin Lim Keong Hoe are the grandsons of the late Tan Sri Lim Goh Tong, the founder of the Genting Group of companies. The Genting Group is a Malaysian conglomerate comprising five listed entities (namely holding company Genting Berhad (MY:3182) and its member companies Genting Malaysia Berhad (MY:4715), Genting Plantations Berhad (MY:2291), Genting Singapore Plc (SG:G13) and Genting Hong Kong Limited (HKEX:678).

Genting Berhad, which operates and manages Malaysia's only casino resort was founded in 1965, together with its member company Genting Malaysia Berhad, are both members of the Kuala Lumpur Composite Index.

Lim, Keong Yew is the managing director and chief executive officer of Donaco, Benjamin Lim, Keong Hoe is the executive director of Donaco.

4.2 Overview of JV Company

The JV Company is the entity that owns the Lao Cai International Hotel, a boutique hotel in Lao Cai, Vietnam, located on the border with Yunnan Province in China (**Lao Cai Province**).

The JV Company is a joint venture company established in Vietnam by and between Sapa Tourism Petrol JSC and Donaco under an investment licence issued by the Ministry of Planning and Investment in Vietnam.

The JV Company was initially established for the purposes of investing, constructing and upgrading a pre-existing hotel, then known as the "Duyen Hai Hotel". The Duyen Hai Hotel is now called the Lao Cai International Hotel and is an international hotel and entertainment centre. Duyen Hai Hotel was reopened under the name of Lao Cai International Hotel JVC in January 2003 and is a fully operational casino with 36 slot machines, 8 gaming tables, 32 hotel rooms and restaurants. The casino facilities at the Lao Cai International Hotel are only available to foreign patrons or Vietnamese nationals who reside outside of Vietnam.

To further benefit the tourism and entertainment development in the Lao Cai Province, the JV Company is expanding its business operations through the construction of a 4-star hotel, casino and amusement park (**New Casino Project**). The New Casino Project is currently being constructed 3.5 km from the existing Lao Cai International Hotel. As such it is close to the international border with China and the centre of Sapa tourism, it is also close to the local railway station.

The land on which the New Casino Project is being developed is licensed to the JV Company from the Lao Cai local Government for a term of 50 years (rent free for first 11 years).

Construction of the New Casino Project started in 2011. It is currently estimated that the New Casino Project will be operational at the beginning of year 2014. Once construction is complete, the intention is that the casino operations of the Lao Cai International Hotel be moved from their current premises to the new location.

Donaco has informed the Company that the New Casino Project is unique; there is currently no (geographically located) direct competition for a casino of the size and offering the same services and facilities as those of the New Casino Project. The established brand and casino licence (the only casino licence in Lao Cai Province) are expected to be advantageous for the New Casino Project.

4.3 Lao Cai Province and market

Lao Cai Province is located in the North of Vietnam, bordering with Ha Giang, Yen Bai, Son La, Lai Chau and China. The Lao Cai Province is known for its scenery, landscapes and marketplaces.

Lao Cai Province is developing its tourism and hospitality capabilities, which in turn is feeding the need for more improved accommodation options.

In the Lao Cai Province there are currently approximately 9 hotels, representing a total of 1000 rooms. Most hotels fall into the 2 – 3 star category. None of these hotels have licences to operate casinos.

Most of the competing hotels are located within 3km of the New Casino Project. Donaco has stated that the New Casino Project has a competitive advantage as other properties do not have fully functional hotel/resort facilities. The majority of hotels only offer basic accommodation options.

4.4 Shareholders Booklet

Full details of the Corporate Restructure and Acquisition are contained in the Shareholders Booklet dated 19 November 2012 and released to the ASX on the same date.

Attached to the Shareholder Booklet is an independent expert's report prepared by Leadenhall Corporate Advisory Pty Ltd. Investors seeking further information in relation to Donaco, JV Company and Lao Cai should refer to Sections 3 and 4 of this report.

5. Use of Proceeds and Effect

5.1 Use of funds raised under the Share Offer

A maximum of \$1,000,000 will be raised under the Share Offer (ignoring oversubscriptions). The Directors intend to use the funds raised under the Share Offer to fund the costs associated with this Prospectus and for working capital purposes.

If the Share Offer is fully subscribed for the effect on the Company would be as follows (assuming the Consideration Shares have been issued to Slim and Convent):

- the number of Shares on issue should increase by 2,500,000 Shares to approximately 278,484,120 Shares; and
- the cash reserves of the Company would increase by approximately \$1,000,000. These cash reserves would be utilised to meet the costs of the Share Offer and Bonus Offer and as working capital.

The Company reserves the right to accept up to \$200,000 in oversubscriptions.

5.2 Use of funds raised under the Bonus Offer

No funds will be raised by the grant of Options.

If all of the Bonus Options are exercised (assuming 7,129,936 Bonus Options are issued), the effect on the Company would be as follows (assuming that there are 278,484,120 Share on issue at completion of the Share Offer and no further Shares are issued before the Exercise Date):

- the number of Shares on issue should increase by 7,129,936 Shares to approximately 285,614,056 Shares; and
- the cash reserves of the Company would increase by approximately \$2,138,980. It is currently expected that these cash reserves would be utilised as working capital.

The number of Bonus Options issued will not exceed 7,129,936 Bonus Options. The exact number will be to half the number of Shares on issue held by Eligible Shareholders at 5.00pm on the Bonus Offer Record Date (subject only to rounding where Eligible Shareholders hold an uneven number of Shares). The Directors do not guarantee that the Bonus Offer will proceed, nor do they guarantee that any Bonus Options will be exercised or that any funds will be raised.

5.3 Effect of the Share Offer and the Bonus Offer

The capital structure of the Company as at the date of this Prospectus, and assuming completion of the Corporate Restructure and Acquisition is set out below:

	After Completion of the Corporate Restructure and Acquisition (assumes no oversubscriptions and \$1,000,000 is raised)		After Completion of the Corporate Restructure and Acquisition (assumes oversubscriptions are fully subscribed)	
	Number	Percentage	Number	Percentage
Shares				
Slim and Convent	261,724,250	93.98%	261,724,250	93.81%
Existing Shareholders	14,259,870 ¹	5.12%	14,259,870 ¹	5.11%
New Shares	2,500,000	0.89%	3,000,000	1.07%
Total Shares	278,484,120	100%	278,984,120	100%
Options				
Slim and Convent	0	0%	0	0%
Existing Optionholders	849,166 ²	10.65%	849,166 ²	10.60%
Bonus Optionholders	7,129,936	89.41%	7,129,936	89.40%
Total Options	7,973,864	100%	7,973,864	100%

Notes:

1. This assumes the number of Shares on issue as at the date of this Prospectus, being 285,197,427 Shares, have been consolidated on a 20 to 1 basis.
2. This assumes the number of Existing Options on issue as at the date of this Prospectus, being 16,983,320 Existing Options, have been consolidated on a 20 to 1 basis.

6. Pro-Forma Financial Information

6.1 Introduction

This section of the Prospectus contains a summary of the pro-forma financial information of Two Way that the Directors consider relevant to potential investors. All financial information presented in Sections 6.2 and 6.3 should be read in conjunction with the assumptions and pro-forma transactions set out in Section 6.5, the summary of significant accounting policies set out in Section 6.6, the Investigating Accountant's Report set out in Section 7 and other information contained in this Prospectus.

The pro-forma financial information comprises the following:

- the pro-forma statement of comprehensive income for the years ended 30 June 2011 and 30 June 2012; and
- the pro-forma statement of financial position as at 30 June 2012.

6.2 Pro-Forma Statement of Comprehensive Income

The pro-forma statement of comprehensive income set out below has been prepared to illustrate the effect of the Corporate Restructure and Acquisition on the historical results of Two Way for the years ended 30 June 2011 and 30 June 2012.

The pro-forma statement of comprehensive income for the years ended 30 June 2011 and 30 June 2012 is based on the aggregation of Two Way's audited historical statements of comprehensive income for the years ended 30 June 2011 and 30 June 2012, which have been extracted from Two Way's 30 June 2012 Financial Report, and the un-audited management accounts of Donaco, which where possible have been reconciled to the audited accounts of Donaco for the years ended 31 December 2010 and 31 December 2011. The Directors have determined that no normalisation adjustments are required.

Australian Dollars	Year Ended 30 June 2012	Year Ended 30 June 2011
Revenue	12,763,099	7,519,673
Cost of sales	547,637	332,233
Gross Profit	12,215,462	7,187,440
Employee benefits expense	3,215,766	2,624,478
Depreciation and amortisation	219,043	251,853
Finance costs	5,077	47,769
Professional and consulting fees	242,057	191,848
Licence fees	0	284,154
Marketing and promotions	284,172	131,657
Telecommunications and hosting	480,643	482,779
Administration expenses	362,319	212,823
Other expenses from ordinary activities	607,830	444,640
Foreign Exchange (Gain)/Loss	(607,110)	(691,239)
Profit/(Loss) for the year	7,405,664	3,206,678
Income tax expense	(2,249,442)	(1,141,825)
R&D tax offset	202,016	207,289
Total comprehensive income	5,358,239	2,272,142
Total comprehensive income attributable to:		
Owners of the Company	3,696,765	1,446,807
Non-controlling interests	1,661,474	825,335
Total comprehensive income	5,358,239	2,272,142

6.3 Pro-Forma Statement of Financial Position

The pro-forma statement of financial position set out below has been prepared to illustrate the financial position of the Company following completion of the Corporate Restructure and Acquisition and expenditure of funds in relation to the costs of the Share Offer.

The pro-forma statement of financial position has been based on Two Way's audited statement of financial position as at 30 June 2012, together with the unaudited pro-forma statement of financial position of Donaco as at 30 June 2012, adjusted for the events and transactions set out in Section 6.5, with the assumption they had occurred as at 30 June 2012.

This pro-forma statement of financial position is intended to be illustrative only and will not reflect the actual position and balances as at the date of this Prospectus or at the conclusion of the Issue.

Australian Dollars	Two Way Audited	Donaco Pro Forma	Proceeds of the Share Placement 24 August 2012	Acquisition Adjustments	Consolidation Adjustments	Proceeds of the Share Offer	Pro Forma Consolidated
	As At 30 June 2012	As At 30 June 2012					As At 30 June 2012
Cash	426,000	6,098,800	250,000	-	-	864,800	7,639,600
Receivables	128,000	4,515,690	-	-	-	-	4,643,690
Inventories	-	110,283	-	-	-	-	110,283
Short term investments	401,000	1,859,187	-	-	-	-	2,260,187
Other financial assets	36,000	-	-	-	-	-	36,000
Current Assets	991,000	12,583,959	250,000	-	-	864,800	14,689,759
Receivables	-	-	-	-	-	-	-
Property & Equipment	6,000	1,027,487	-	-	-	-	1,033,487
Construction in progress	-	2,990,692	-	-	-	-	2,990,692
Investment	-	-	-	3,373,783	(3,373,783)	-	-
Intangibles	-	40,346	-	-	2,801,783	-	2,842,128
Other financial assets	-	191,000	-	-	-	-	191,000
Non-Current Assets	6,000	4,249,524	-	3,373,783	(572,000)	-	7,057,307
Payables	219,000	5,249,159	-	-	-	-	5,468,159
Amounts owing to Directors	-	-	-	-	-	-	-
Tax	-	3,589,879	-	-	-	-	3,589,879
Provisions	168,000	-	-	-	-	-	168,000
Current Liabilities	387,000	8,839,038	-	-	-	-	9,226,038
Provisions	38,000	-	-	-	-	-	38,000
Non-Current Liabilities	38,000	-	-	-	-	-	38,000
Net Assets	572,000	7,994,445	250,000	3,373,783	(572,000)	864,800	12,483,028
Share capital ⁴	50,581,000	1,623	250,000	3,373,783	(50,581,000)	864,800	4,490,206
Share options reserve	47,000	-	-	-	(47,000)	-	-
Foreign currency translation reserve	-	(344,051)	-	-	-	-	(344,051)
Retained earnings	(50,056,000)	6,349,976	-	-	50,056,000	-	6,349,976
Non-controlling interests	-	1,986,897	-	-	-	-	1,986,897
Total Equity	572,000	7,994,445	250,000	3,373,783	(572,000)	864,800	12,483,028

Notes:

1. This pro-forma statement of financial position has been prepared in accordance with AASB 3 - Business Combinations, showing the effect of the proposed acquisition by the Company of all the issued shares of Donaco Singapore Pte Ltd.
2. The Share Offer and the issue of Bonus Options are dependent on the Corporate Restructure and Acquisition being approved by shareholders at the Company's Annual General Meeting to be held on 19 December 2012, and the Company re-complying with Chapters 1 and 2 of the Listing Rules.
3. The pro-forma statement of financial position assumes the issue of 2,500,000 new fully paid ordinary shares to applicants under this Prospectus at an Offer Price of \$0.40 per share to raise \$1 million before costs of the Share Offer and \$864,800 net of Share Offer costs of \$135,200.

Under the Minimum Subscription, 1,000,000 new fully paid ordinary shares will be issued to applicants under this Prospectus at an Offer Price of \$0.40 per share to raise \$400,000 before costs under the Minimum Subscription of \$105,200. Under the Minimum Subscription, the pro-forma consolidated balance of cash will be \$7,069,600 and the pro-forma consolidated balance of share capital will be \$3,920,206.

⁴ Share Capital

A reconciliation of the Share Capital balance in the pro-forma statement of financial position is as follows:

	Pro-Forma as at 30 June 2012	
	(\$)	Qty
Historical balance at 30 June 2012 (Two Way)	50,581,000	268,530,760
Share placement on 24 August 2012	250,000	16,666,667
	50,831,000	285,197,427
Acquisition of Donaco	3,373,783	5,234,485,000
Consolidation of Two Way & Donaco	(50,579,377)	-
Subtotal	3,625,406	5,519,682,427
Non-selective consolidation of the Company's issued securities (20 to 1 basis)	3,625,406	275,984,120
Shares issued under Share Offer	1,000,000	2,500,000
Costs of the Share Offer	(135,200)	-
Pro-forma balance at 30 June 2012	4,490,206	278,484,120

6.4 What this Statement of Comprehensive Income and Financial Position demonstrates

Historically, the Company has not been a profitable and it has relied on share issuances to fund deficiencies in its working capital requirements.

Donaco has historically been profitable and applied cash generated from its casino operations to fund working capital requirements and the development of the new casino in Lao Cai Province. Whilst no guarantee can be given that this will continue to be the case, it is expected that the Company (following the Corporate Restructure and Acquisition) will continue to invest cash generated by the business into the existing and new gaming opportunities. To the extent that new gaming opportunities are identified which require funding in excess of the cash generated by the business, additional funds may be raised.

6.5 Assumptions and Pro Forma Transactions

The pro-forma financial information has been based on the audited results of Two Way, together with the management and unaudited pro-forma accounts of Donaco, adjusted for the following events and transactions:

- (a) On 24 August 2012, the Company completed a capital raising by way of a placement to professional and sophisticated investors of 16,666,667 Shares at an issue price of 1.5 cents, to raise \$250,000 (equivalent to a post-consolidation price of \$0.30).
- (b) The Corporate Restructure and Acquisition previously disclosed to the ASX on 19 November 2012, is approved by the Shareholders. At the completion of Corporate Restructure and Acquisition Convent and Slim, will be issued in aggregate 261,724,250 Shares.

Under the terms of the Corporate Restructure and Acquisition, Two Way, the legal acquirer, will acquire 100% of the issued share capital of Donaco, the legal acquiree. Under ASX Guidance Note 12, the Corporate Restructure and Acquisition is described as a reverse acquisition.

In a reverse acquisition, the legal acquiree is acquired by the legal acquirer. However, after the transaction, the owners of the legal acquiree have obtained control of the legal acquirer. From an accounting perspective, the legal acquiree is identified as the accounting acquirer and the financial reporting reflects the accounting from the perspective of the accounting acquirer.

Per the terms of the Corporate Restructure and Acquisition, Eligible Shareholders will be granted one Bonus Option for every two Shares held. A maximum of 7,129,936 Bonus Options will be issued (subject to rounding). The value of these Bonus Options is included in the acquisition adjustments shown in the pro-forma statement of financial position as at 30 June 2012.

- (c) It has been assumed that 2,500,000 new Shares will be issued to applicants under this Prospectus at an Offer Price of \$0.40 per share to raise \$1 million before costs of the Share Offer (\$864,800 net of Share Offer costs of \$135,200). Minimum funds to be raised under the Share Offer are \$400,000 (before costs of the Share Offer).
- (d) All costs of the Share Offer as outlined in Section 11.10 of this Prospectus will be settled in cash and offset against equity.

6.6 Notes to the Pro-Forma Financial Information

The financial information has been prepared in accordance with the measurement, but not all of the disclosure requirements, of Australian Accounting Standards and Urgent Issues Group Consensus Views. In the view of the Directors the omitted disclosure would not provide further relevant information to potential investors.

Principles of Consolidation

A controlled entity is any entity controlled by Two Way. Control exists where Two Way has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Two Way to achieve the objectives of Two Way.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Revenue Recognition

Revenue from the rendering of a service or delivery of goods is recognised upon the delivery of the service or goods to the customers, which is the date of transfer of risks and rewards.

Sale at gaming centres

Revenue at the playing table is recognised upon differences between chips at the closing and chips at the opening in each playing table plus chips transferred from the playing table to cage minus chips transferred from the cage to the playing table.

Revenue from business activities by slot machines represents the amount received over the exchange counter less the amount returned to customers.

Interest Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted at the end of a reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical and pro forma financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation is recognised so as to write off the cost of assets other than properties under construction. The depreciable amount of all fixed assets is depreciated using the straight line method over their useful lives to the economic entity commencing from the time the asset is held ready for use.

Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are carried at face value of the amounts deposited or drawn.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Impairment of Non-Financial Assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Financial Assets

Financial assets are divided into the following categories:

- loans and receivables;
- financial assets at fair value through profit or loss – none of these assets held at 30 June 2012;
- available-for-sale financial assets; and
- held-to-maturity investments (none of these assets held at 30 June 2012 and 30 June 2011).

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or directly in equity.

Generally, the Group recognises all financial assets using settlement day accounting. An assessment of whether a financial asset is impaired is made at least at the end of each reporting period. All income and expenses relating to financial assets are recognised in the statement of comprehensive income line item “interest received” or “finance costs” respectively.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. The Group’s trade and most other receivables fall into this category of financial instruments. Discounting is omitted where the effect of discounting is considered immaterial. Significant receivables are considered for impairment on a case-by-case basis when they are past due at the end of the reporting period, or when objective evidence is received that a specific counterparty will default.

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Financial Liabilities

Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss’ or other financial liabilities depending on the purpose for which the liability was incurred. The Group’s financial liabilities are trade and other payables, which are measured at amortised cost using the effective interest rate method.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included in the statement of comprehensive income line items, “finance costs”.

Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign Currency Transactions and Balances

Functional & presentation currency

The functional currency of each of the Group’s entities is measured using the currency of the primary economic environment in which that entity operates. The pro forma statements included in this prospectus are presented in Australian dollars which is the parent entity’s functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of comprehensive income.

Employee Benefits

Provision is made for the economic entity's liability for employee benefits from services rendered by employees up to the end of the reporting period. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

6.7 No Forecast

The Company has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation the Company following completion of the Corporate Restructure and Acquisition.

The Board has concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the diversity of the businesses proposed to be acquired and factors outside the control of the Company that may have an effect on the future financial position of the Company following the Corporate Restructure and Acquisition.

6.8 Dividend Policy

The Company intends to pay dividends to Shareholders in the future subject to the availability of sufficient profits and franking credits and subject to the Company's then current working capital requirements and growth plans. Shareholders should note that the payment of dividends is not guaranteed.

7. Investigating Accountant's Report



13 December 2012

The Directors
Two Way Limited
Level 2, Suite 2.05
55 Miller Street
PYRMONT NSW 2009

Dear Sirs

Two Way Limited Investigating Accountant's Report

1. Introduction

This Report has been prepared by William Buck Corporate Advisory Services (NSW) Pty Limited ("**William Buck**") for inclusion in a prospectus to be dated on or about 13 December 2012 (the "**Prospectus**") relating to the Share Offer by Two Way Limited ACN 007 424 777 ("**Two Way**" or the "**Company**") for the issue of up to 2,500,000 fully paid ordinary shares at an issue price of \$0.40 per share to raise \$1,000,000 before the costs of the Share Offer.

The Company reserves the right to accept oversubscriptions in accordance with the Listing Rules and the Corporations Act and the right not to proceed with the offer at any time prior to the allotment of shares to applicants. If the Share Offer does not proceed, application monies will be refunded and interest will not be paid on this money.

The Share Offer is not underwritten.

All terms used in this Report have the same meaning as the terms used and defined in the Prospectus unless otherwise defined in this Report.

2. Background

Two Way is a public company listed on the Australian Securities Exchange ("**ASX**") that develops media and gambling applications for mobile, internet, television and internet protocol television platforms. Two Way has not generated a profit since its listing in 2004. Its board has therefore been looking for ways to restructure the company to build scale, generate profit and provide a return for shareholders.

At the Company's AGM (to be convened on 19 December 2012) approval is being sought for a series of proposed transactions to be undertaken by the Company (together referred to as the "**Corporate Restructure and Acquisition**").

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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The Corporate Restructure and Acquisition will involve the following key steps:

- non-selective consolidation of the Company's issued securities, pursuant to which all of the issued capital in the Company will be consolidated on a 20 to 1 basis;
- the acquisition of 100% of the issued share capital in Donaco Singapore Pte Ltd ("**Donaco**") by the Company in consideration for the issue of ordinary shares by the Company to Donaco's current shareholders, Convent Fine Limited and Slim Twinkle Limited;
- a change to the Company name, from "Two Way Limited" to "Donaco International Limited";
- the appointment of new directors; and
- the Share Offer and the Bonus Offer.

Donaco Singapore Pte Ltd ("**Donaco**") is a Singaporean company that is controlled by the Lim family, which also controls the Genting group of companies that owns and operates hotels and casinos worldwide. Donaco owns a 75% interest in the Lao Cai International Hotel, which is located in Lao Cai, Vietnam. Lao Cai Hotel operates as a casino, primarily catering to Chinese tourists and is 25% owned by a state-owned corporation of the Vietnamese Government.

It is expected that at completion of the Corporate Restructure and Acquisition, Donaco's sole assets will be assets associated with its ownership rights in Lao Cai International Hotel Joint Venture Company ("**JV Company**"). Donaco holds 75% of all of the ownership rights in the JV Company.

3. Financial Information

This Report deals with the financial information included in Section 6 of the Prospectus (the "**Financial Information**") which comprises:

- Pro-forma historical statements of comprehensive income for the years ended 30 June 2011 and 30 June 2012;
- Pro-forma statement of financial position as at 30 June 2012, including a reconciliation of the key asset and liability account balances contained in the pro-forma statement of financial position to the audited statement of financial position of Two Way as at 30 June 2012;
- Assumptions underlying the pro-forma statement of financial position; and
- Accounting policies adopted in the preparation of the Financial Information.

The pro-forma statement of financial position as at 30 June 2012 has been prepared to illustrate the financial position of the Company on completion of the Share Offer and the Corporate Restructure and Acquisition and has been prepared on the basis of the assumptions and material accounting policies as set out in Section 6 of the Prospectus.

The Directors of the Company are responsible for the preparation and presentation of the Financial Information including the assumptions and material accounting policies on which they are based. We disclaim any responsibility for any reliance on this Report or the Financial Information to which it

relates for any purpose other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus.

The Directors are not making any forecasts with respect to the future earnings of the Company.

4. Scope

We have conducted an independent review of the Financial Information included in Section 6 of the Prospectus in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the Financial Information is not presented fairly in accordance with the assumptions and material accounting policies adopted and summarised in Section 6 of the Prospectus.

Our review has been conducted in accordance with Australian Auditing Standards on Review Engagements (“ASRE”) 2405 “Review of Historical Information other than a Financial Report” and guidance provided in Auditing and Assurance Guidance Statement (“AGS”) 1062 “Reporting in Connection with Proposed Fund Raisings”. We have made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, which were limited primarily to:

- a) Analytical procedures on the pro forma statement of financial position;
- b) A review of working papers, accounting records and other documents;
- c) A review of relevant working papers detailing the pro forma adjustments, the assumptions on which they were made and other supporting documentation, as appropriate;
- d) A comparison of consistency in application of the recognition and measurement principles prescribed in Australian Accounting Standards, Australian Accounting Interpretations, other mandatory or authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 and the accounting policies adopted by the Company as disclosed in Section 6 of the Prospectus; and
- e) Enquiries with the Company’s Directors, management and advisors.

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

5. Review Statement on Financial Information

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

- a) The historical Financial Information is not presented fairly in accordance with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards, Australian Accounting Interpretations, other mandatory or authoritative

pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 and the accounting policies adopted by the Company;

- b) The pro forma Financial Information has not been properly prepared on the basis of the pro forma transactions so as to present fairly the pro forma financial position of the Company; and
- c) The assumptions and material accounting policies adopted and summarised at Section 6 of the Prospectus do not form a reasonable basis for the preparation of the pro forma statement of financial position set out in Section 6 of the Prospectus.

6. Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comments on, or adjustments to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Sources of Information

We have made enquiries of the Directors of the Company and other parties as considered necessary during the course of our review. We have also referred to the Prospectus and material documents which relate to the operations of the Company.

We have no reason to believe that the information supplied is not reliable.

8. Declarations

William Buck has prepared this Report for inclusion in the Prospectus. We have not acted in any other capacity in relation to the Prospectus, and have not been involved in the preparation of any part thereof.

William Buck Chartered Accountants, an entity associated with William Buck, has provided audit services to the Company for which professional fees at standard market rates are received.

Apart from that noted above, William Buck does not have any interest in the outcome of the Share Offer other than a fee in connection with the preparation of this Report and participation in due diligence procedures for which normal professional fees will be received. No pecuniary or other benefit, direct or indirect, has been received by William Buck for or in connection with the making of this Report.

This Report has been prepared by Manda Trautwein and Leo Tutt of William Buck.

Other than as disclosed above, Manda Trautwein, Leo Tutt, the other Directors of William Buck and the staff involved with the preparation of this Report have, at the date of this Report, no interest in or financial relationship with Two Way.



William Buck has consented to the inclusion of this Report in the Prospectus in the form and context it appears. At the date of this Report, the consent has not been withdrawn. William Buck has not authorised this issue of the Prospectus and accordingly makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Yours faithfully

William Buck Corporate Advisory Services (NSW) Pty Limited

ABN 50 133 845 637

Authorised Representative No. 333393

AFSL 240769

A handwritten signature in black ink, appearing to read 'M Trautwein'.

Manda Trautwein

Director

A handwritten signature in black ink, appearing to read 'Leo Tutt'.

Leo Tutt

Director

Financial Services Guide

Dated 13 December 2012

William Buck Corporate Advisory Services (NSW) Pty Ltd ABN 50 133 845 637 ("William Buck" or "we" or "us" or "our" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of general financial product advice and to ensure that we comply with our obligations as an authorised representative of a financial services licensee.

The FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide as an Authorised Representative of William Buck Financial Services (NSW) Pty Ltd (Licence No: 240769);
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial Services We are Licensed to Provide

We are an authorised representative of William Buck Financial Services (NSW) Pty Ltd who holds an Australian Financial Services Licence, which authorises us to provide financial product advice in relation to:

- deposit and payment products limited to:
 - basic deposit products;
 - deposit products other than basic deposit products;
- derivatives limited to old law securities options contracts and warrants;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- life products including:
 - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
 - life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

- interests in managed investment schemes including investor directed portfolio services;
- retirement savings accounts products (within the meaning of the Retirement Savings Account Act 1997);
- securities; and
- superannuation.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as an authorised representative of a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits That We May Receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither William Buck, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or Other Benefits Received by Our Employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.



Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are authorised to provide.

Associations and Relationships

From time to time William Buck may provide professional services including financial advisory services to financial product issuers in the ordinary course of its business.

Complaints Resolution

Internal Complaints Resolution Process

As an authorised representative of a holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Compliance Officer, William Buck, Level 29, 66 Goulburn Street, Sydney NSW 2000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry.

Further details about the Financial Ombudsman Service are available at the website www.fos.org.au or by contacting them directly at: the Financial Ombudsman Service, GPO Box 3, Melbourne VIC 3001, or by telephone on 1300 780 808 or by facsimile on (03) 9613 6399.

Professional Indemnity Insurance

William Buck has professional indemnity insurance in place which covers any work done by us, as an authorised representative of William Buck Financial Services (NSW) Pty Ltd and by representatives / employees after they cease to work for us. The compensation arrangements we have in place comply with sec.912B of the Corporations Act.

Contact Details

You may contact us at William Buck, Level 29, 66 Goulburn Street, Sydney, NSW 2000 or by telephone on (02) 8263 4000

8. Directors & Corporate Governance

8.1 Directors of the Company

Stuart James McGregor – Non – Executive Chairman

Stuart McGregor was educated at the Melbourne University and the London School of Business Administration, gaining degrees in Commerce and Law. He also completed a Masters of Business Administration at the Melbourne University.

Over the last 30 years, Stuart has had a wide-ranging business career with active involvement across the Australasian and Asian Region. In business, he has been Company Secretary of Carlton United Breweries, Managing Director of Cascade Brewery Company Ltd in Tasmania and Managing Director of San Miguel Brewery Hong Kong Ltd, a publicly listed Hong Kong based company with subsidiary businesses in China. In the public sector, he served as Chief of Staff to a Minister for Industry and Commerce in the Federal Government and as Chief Executive of the Tasmanian Government's economic development agency. Mr McGregor was formerly a director of Primelife Limited from 1 December 2001 to 31 March 2004.

Stuart currently holds the position of chairman of the following companies: Symbion Pty Ltd, C B Norwood Pty Ltd, and Powerlift Australia Pty Ltd and is an executive director of Holdsworth Australasia Pty Ltd.

Stuart is a member of Two Way's Audit & Risk Management Committee and Nominations, Remunerations & Corporate Governance Committee.

Ben Reichel – Non-Executive Director

Ben Reichel is a company director and adviser in the media, gaming and technology sectors, with more than twenty years experience in major Australian listed public companies and law firms.

Ben Reichel held the position of Chief Executive Officer and Managing Director of the Company from July 2007 to January 2012, at which point he stepped down to pursue the next phase of his career. During his tenure as CEO and Managing Director, he improved the Company's bottom line by 85%. Ben also previously held the positions of Chief Operating Officer, General Counsel and Company Secretary.

Before joining the Company, Ben was General Counsel of Tab Limited (ACN 081 765 308), a \$2 billion ASX listed company with operations in wagering, gaming and media. Prior to that, he was General Counsel of racing broadcaster Sky Channel Pty Limited, and held a number of executive positions at Publishing and Broadcasting Limited.

Ben was educated at the University of Sydney and the University of California, Berkeley. He holds a Bachelor of Arts, Bachelor of Laws with First Class Honours and Master of Laws with First Class Honours.

Gerald Nicholas Eng Hoe Tan – Non-Executive Director

Gerald Tan is a serial entrepreneur who has founded numerous companies in the digital and interactive media space. Gerald is the Managing Partner of Nuetree Capital, with over 19 years of experience on both the sell and buy side of the venture capital and private equity business.

Prior to joining Nuetree, Gerald was the Group Managing Director and Co-Founder of Phoenix Investment Global Limited, a leading pan-Asian interactive new media company. Phoenix was a regional leader in interactive TV solutions as well as branded content creation, with exclusive partnerships with Chelsea Football Club. Prior to Phoenix, he founded N-Visio Ltd, an interactive television technologies company that developed Asia's first real time 3-D interactive TV system. This solution was used extensively in Malaysia, Indonesia and China. Gerald has a Bachelor of Economics from the University of Western Australia and an MBA from the Graduate School of Business, The University of Sydney.

8.2 Proposed Directors

Mak, Siew Wei – Proposed Non-Executive Director

Mak, Siew Wei holds a Bachelor Degree in Management Information Systems. Mak, Siew Wei served as a Business Development Manager of Marvic International (NY) Ltd. from 1998 to 2000. He was an independent non-executive director of Jotech Holdings Bhd from August 2006 until June 2012 and Auto V Bhd from April 2006 and June 2012.

Mak, Siew Wei is currently an independent non-executive director of Nakamichi Corp. Bhd (appointed in August 2008), executive director of Advance Information Marketing Berhad (appointed in September 2010) and an executive director of SCAN Associates Berhad (appointed in August 2012).

Mak, Siew Wei served as manager of Low Yat Holdings Sdn Bhd from 2001 to 2002.

Lim, Keong Yew – Proposed Executive Director

Lim, Keong Yew is the grandson of the late Tan Sri Lim Goh Tong, founder of the Genting Group of companies.

Lim, Keong Yew is of Malaysian nationality and has a Bachelor Degree in Computer Science from Queen Mary and Westfield College, University of London.

Lim, Keong Yew is currently acting as the managing director and chief executive officer of Donaco. Lim, Keong Yew is also a director of Malahon Securities Limited. Malahon Securities Limited is a stock brokerage, founded in 1984 and is a member and participant of Hong Kong Exchange. Lim, Keong Yew is also the principal of the Slingshot Group of Companies. The Slingshot Group of Companies are investment companies based in Hong Kong.

Lim, Keong Yew's relevant experience includes:

- working as an executive director to M3 Technologies (Asia) Bhd where he was responsible for strategic investments and corporate affairs;
- working at VXL Capital, China, a company whose business was focused on investing in and restructuring companies in Malaysia, Beijing, Shanghai and Hong Kong; and
- working as "Project Manager" for Glaxo Wellcome, London, United Kingdom.

Benjamin Lim Keong Hoe – Proposed Non-Executive Director

Benjamin Lim Keong Hoe is the grandson of the late Tan Sri Lim Goh Tong, founder of the Genting Group of companies.

Benjamin Lim Keong Hoe has a Bachelor Degree in International Business with Design Management from Regent Business School, United Kingdom.

Benjamin Lim Keong Hoe is currently engaged as a director of Donaco, as well as a property developer in Genting Development Sdn Bhd, Malaysia. Benjamin Lim Keong Hoe is also a major shareholder of Genting Development Sdn Bhd.

8.3 Key members of the Company's management

The key managers of the Company are:

Rointon Gerald Nugara

Rointon Gerald Nugara is the CFO and Company Secretary. Rointon has been with Two Way since January 2005. He holds a Bachelor of Business (Accounting) and is a qualified CPA.

Rointon has 23 years experience in finance and accounting, having commenced his career at Arthur Young (later Ernst & Young), before moving to Sterling Winthrop Pharmaceuticals as Company Accountant. He then spent 7 years at Optus in various positions, culminating in the role of Commercial Manager in the Optus Business division. Prior to joining Two Way, Rointon held the position of Planning and Analysis Manager at Foxtel.

Grant John Kean

Grant John Kean is the General Manager, Products and Services.

Grant began his career with Two Way in 2000 as Commercial Manager. Over the past 12 years he has held various operational positions including Operations Manager, Head of Wagering and Commercial Manager.

Grant played an integral role in the process of Two Way listing on the ASX in 2004 along with providing his vast experience in conceptualising, designing and deploying Two Way's key products such as TAB ACTIVE and Way2Bet.

Fabian Rory Magrini

Fabian Rory Magrini is the Chief Technology Officer.

Fabian joined Two Way in 2005 as the principle Software Architect after the company he co-founded, Holotype, was acquired by Two Way.

He holds a Bachelor of Science (Computer Science) and a Bachelor of Law Degree from the University of New South Wales. From 1999 to 2005 he was Chief Software Architect and co-founder of Holotype, a new media company specialising in the development of interactive TV technology and systems.

In 2006 he became the Head of Technical and Development at Two Way, a role which has transitioned to CTO in 2008. Fabian has more than 10 years experience in a leadership role in software development and project delivery and an extensive background in emerging technologies.

8.4 Key members of the JV Company management team

The managers of the JV Company have extensive experience in gaming and operating leisure facilities. Set out below are summaries of the managers' experience.

Tan Iam Howi

Tan Iam Howi is the General Director of JV Company, joining the JV Company in August 2010. He completed his diploma course of Financial Accounting in Tunku Abdul Rahman College (Malaysia) and the Chartered Association of Certified Accountant of UK (ACCA) in 1984 and was admitted as associate member of ACCA and a fellow member of the FCCA in 1989. He is also a registered accountant of MIA (The Malaysia Institute of Accountant).

Mr Howi worked with Genting Bhd & Resorts World Bhd for over seven years. Mr Howi is an experienced auditor and accountant – acting as the head of accounting and budgeting for Golden Star Video Sdn Bhd after this time at Genting. Following his time at Golden Star, Mr Howi worked for South China Strategies Sdn Bhd as the assistant general manager and later for Rapid Pile Sdn Bhd as the company accountant.

Tran Quoc Hong

Tran Quoc Hong is the Deputy General Director for the JV Company. He has a degree in Accounting and Finance from the University of Hanoi, Vietnam.

Soon after graduating from the University of Hanoi, he joined the Lao Cai Import & Export Company (a State Government Company) where he worked as an accountant and later the chief accountant, overseeing the company's financial reporting and compliance. Before joining the JV Company, he worked with the Lao Cai Tourist Company (a State Government company) in overseeing the overall accounts operations.

Mr Hong joined the JV Company in 2003 as chief accountant and was promoted to deputy general director in 2006.

Michael Chow En Lai

Michael Chow En Lai is the head of operations for the JV Company.

He started his career with Genting Group Malaysia and has assumed numerous roles in relation to the casino operations (such as project planning, performance analysis, floor expansion, staff training and general management). Mr Chow joined the JV Company in October 2010. Before that, he was the project operation manager involved in setting up the Royale Hotel & Casino in Cambodia where he was responsible for the casino's operations as well as establishing and implementing the casino's marketing plan and promotions.

Jason Shit Ngai Fatt

Jason Shit Ngai Fatt is the JV Company's casino cage manager. Jason has a Diploma in Hotel Management from City & Guilds (School of Hotel & Catering).

Before joining the JV Company in 2005, Mr Fatt managed a number of famous hotels in Malaysia including the Shangri-La Hotel and Pan Pacific Glenmarie.

8.5 Corporate Governance Policies

The Company is committed to good corporate governance practices through its established corporate governance framework. This framework is reflected in the Company's policies and is designed to ensure that there are appropriate levels of disclosure and accountability.

The Company has endorsed the updated *Corporate Governance Principles and Recommendations* released by the ASX Corporate Governance Council, and seeks to follow them to the extent that it is practicable having regard to the size and nature of its operations.

The Board regularly reviews all corporate governance policies and practices to ensure that they remain current and in accordance with good practice appropriate for the Company's business environment. The Board and senior management ensure that employees are aware of the requirements for corporate compliance as it applies to their specific roles within the organisation.

Copies of these policies are available from the "Corporate Governance" section of our website, www.twowaytv.com.au.

The table below summarises the ASX *Corporate Governance Principles and Recommendations* and cross references these to the Company's Corporate Governance Policies:

Corporate Governance Recommendations	Compliance	Corporate Governance Policy
Principle 1: Lay solid foundations for management and oversight		
1.1 Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Complies	The Company's Board Charter sets out the specific responsibilities of the board and those delegated to senior executives. The Company's Board Charter is available on the Company's website.
1.2 Companies should disclose the process for evaluating the performance of senior executives	Complies	The Company's Nominations, Remuneration & Corporate Governance Committee Charter sets out the process for evaluating the performance of senior executives. The Company's Nominations, Remuneration and Corporate Governance Committee Charter is available on the Company's website.
1.3 Companies should provide the information indicated in the Guide to reporting on Principle 1.	Will comply	The Company will provide an explanation of any departures from Recommendations 1.1, 1.2 and 1.3 (if any) in future annual reports.
Principle 2: Structure the Board to add value		
2.1 A majority of the Board should be independent directors.	Does not comply	The Company's Board Charter, specifically clause 5, sets out the policy regarding independent directors. The Board will have 2 independent members on completion of the Corporate Restructure and Acquisition. The Company's Board Charter is available on the Company's website. 2 board members are Associates of Slim and Convent.
2.2 The chairperson should be an independent director.	Complies	The Chairman is an independent director.
2.3 The roles of the chairperson and chief executive officer should not be exercised by the same individual.	Complies	The Company's Chairperson and chief executive officer are not the same person
2.4 The Board should establish a Nominations Committee.	Complies	The Company has established a Nomination Committee in accordance with Clause 8 of its Board Charter
2.5 Disclose the process for evaluating the performance of the Board, its committees and individual directors.	Complies	The Company's Board Committee Standing Rules and Nominations, Remuneration & Corporate Governance Committee Charter sets out the process for evaluating the performance of the Board
2.6 Provide the information indicated in <i>Guide to reporting on Principle 2</i> .	Will comply	The Company will provide an explanation of any departures from Recommendations 2.1, to 2.5 (if any) in future annual reports.
Principle 3: Promote ethical and responsible decision-making		
3.1 Establish a code of conduct and disclose the code or a summary of the code as to:	Complies	The Company has implemented a number of policies and procedures including the Company's Board Charter, Directors' Code of Conduct and

Corporate Governance Recommendations	Compliance	Corporate Governance Policy
<ul style="list-style-type: none"> the practices necessary to maintain confidence in the company's integrity; the practices necessary to take into account the company's legal obligations and the reasonable expectations of its stakeholders; and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 		Audit and Risk Management Committee Charter that maintain confidence in the Company's integrity, take into account the Company's legal obligations and govern the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. These policies are available on the Company's website.
3.2 Establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary.	Complies	The Company has implemented Securities Trading Policy & Guidelines which details the Company's policy in relation to trading in the Company's securities and related matters. The Securities Trading Policy & Guidelines apply to all group personnel. The Securities Trading Policy & Guidelines is available on the Company's website.
3.3 Provide the information indicated in <i>Guide to reporting on Principle 3</i> .	Will comply	The Company will provide an explanation of any departures from Recommendations 3.1-3.3 (if any) in future annual reports.
Principle 4: Safeguard integrity in financial reporting		
4.1 The Board should establish an audit committee.	Complies	The Company has an Audit Committee.
4.2 The audit committee should be structured so that it: <ul style="list-style-type: none"> consists only of non-executive directors; consists of a majority of independent directors; is chaired by an independent chairperson, who is not the chairperson of the Board; and has at least three members. 	Does not comply	The Company has implemented an Audit & Risk Management Committee Charter which governs the operation of the Audit and Risk Management Committee. This charter is available on the Company's website. At present, the Audit and Risk Management Committee is comprised of two members however the Company believes that this is sufficient having regard to the current operations of the Company.
4.3 The audit committee should have a formal Charter.	Complies	The Company has implemented an Audit & Risk Management Committee Charter. This charter is available on the Company's website.
4.4 Provide the information indicated in <i>Guide to reporting on Principle 4</i> .	Will comply	The Company will provide an explanation of any departures from Recommendations 4.1 – 4.3 (if any) in future annual reports.
Principle 5: Make timely and balanced disclosure		
5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Complies	The Company has implemented a Directors' Code of Conduct, Market Disclosure Policy, Directors' Disclosure Policy and Policy for Handling Conflicts of Interest which are designed to ensure compliance with the ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for compliance and disclosure. These policies are available on the Company's website.
5.2 Provide the information indicated in <i>Guide to reporting on Principle 5</i> .	Will comply	The Company will provide an explanation of any departures from Recommendations 5.1 (if any) in future annual reports.
Principle 6: Respect the rights of shareholders		
6.1 Design a communications policy for promoting effective communication with shareholders and encourage their participation at general meeting and disclose the policy or a summary of the policy.	Complies	The Company has implemented a Market Disclosure Policy which ensures that there is fully and timely disclosure of the Company's activities to shareholders. The Company's Market Disclosure Policy is available on the Company's website.
6.2 Provide the information indicated in <i>Guide to reporting on Principle 6</i> .	Will comply	The Company will provide an explanation of any departures from Recommendations 6.1 (if any) in future annual reports.

Corporate Governance Recommendations	Compliance	Corporate Governance Policy
Principle 7: Recognise and manage risk		
7.1 Establish policies for oversight and management of material business risks and disclose a summary of those policies.	Complies	The Company has implemented an Audit & Risk Management Committee Charter. The Audit & Risk Management Committee Charter outlines the powers and duties of the Audit and risk Management Committee. The Audit & Risk Management Committee Charter is available on the Company's website.
7.2 The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Complies	The Company's Board Charter requires that an Audit and Risk Management Committee be established. The Audit and Risk Management Committee has been established and reports regularly to the Board in respect of material business risks and their management. The Company has also implemented an Audit and Risk Management Committee Charter which governs the operation of the Audit and Risk Committee.
7.3 The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Complies	Pursuant to clause 4 of the Company's Board Charter, the Board must ensure that it is provided with an additional written statement from the chief executive officer and chief financial officer in relation to the Company's risk and management systems and controls that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
Principle 8: Remunerate fairly and responsibly		
8.1 The Board should establish a remuneration committee.	Complies	Pursuant to clause 8 of the Company's Board Charter, a remuneration committee has been established.
8.2 Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Complies	Pursuant to clause 4.1(k) of the Company's Nominations, Remuneration & Corporate Governance Committee Charter, the Company's Nominations, Remuneration & Corporate Governance Committee must review the remuneration of non-executive directors annually and ensure that the structure of non-executive director's remuneration is clearly distinguished from that of executives by ensuring that non-executive directors are remunerated by way of fees; do not participate in schemes designed for the remuneration of executives, do not receive options or bonus payments and are not provided with retirement benefits other than statutory superannuation.
8.3 Provide the information indicated in Guide to reporting on Principle 8.	Will comply	The Company will provide an explanation of any departures from Recommendations 8.1-8.2 (if any) in future annual reports.

9. Risk Factors and Investor Considerations

9.1 General Risk Factors

The value of securities listed on securities exchanges can change considerably over time and the value of your investment can increase or decrease. The fluctuation in value is known as volatility and the level of volatility depends on the type of investment. Generally, in order of risk of asset classes, shares are the riskiest, then fixed interest, then cash. As with most investments, performance is not guaranteed. These risks may result in loss of income and principal invested.

You can do some things to reduce the impact of risk. Get professional advice suited to your investment objectives, financial situation and particular needs. Nothing in this Prospectus can replace or offer that.

The Company does not guarantee any rate of return in terms of income or capital or investment performance of the Company.

It is not possible to identify every risk associated with investing in the Company, however, the following provides a list of significant risks associated with the Company. There may be other risks associated with the Company.

9.2 Risks Associated with the Company's existing business

The Company's existing business is subject to a number of risks, including:

- **Finance** – The Company may be required to find sources of finance to fund its activities. There is no guarantee that the Directors will be able to source financing at suitable rates, or at all. Any inability to obtain funding will affect the business, financial condition and performance of the Company.
- **No profit to date** – The Company's existing business has incurred operating losses since its inception. No assurances can be given that the Company's existing business will achieve commercial viability.
- **Unforeseen expenditure risk** – Although the Company is not aware of any unforeseen future expenditure, any unforeseen expenditure is likely to adversely affect the financial position of the Company.
- **Insurance** – The Company endeavours to ensure that adequate insurance policies are in place at all times. However, there is a risk that insurance coverage will not be adequate and that the Company is not insured against all possible losses.

9.3 Risks Relating to the Company's business at completion of the Corporate Restructure and Acquisition

Post completion of the Corporate Restructure and Acquisition the Company's business will include the business owned by Donaco. The new business acquired under the Corporate Restructure and Acquisition could be materially and adversely affected by a number of risks, including:

- **Single casino risk** – Pending completion of the New Casino Project Donaco is dependent upon a single property for its cash flow. As a result Donaco is, and post completion of the Corporate Restructure and Acquisition the Company will be, subject to greater risks than a gaming company with more operating properties.
- **Human Resources risk** – The Lao Cai business depends substantially on the continuing efforts of Donaco's and Lao Cai's senior management. Post completion of the Corporate Restructure and Acquisition the Company's business may be severely disrupted if their services are lost. The success of the Company will depend on its ability to attract and retain adequate qualified personnel.
- **Government and Regulation risk** – Conducting business in Vietnam and/or Lao Cai Province has certain political and economic risks that may lead to significant volatility and have a material adverse effect on results of operations. Business risks of this kind include:
 - Gaming is a highly regulated industry in Vietnam and/or the Lao Cai Province and adverse changes or developments in gaming laws or regulations could be difficult to comply with or significantly increase costs, which could cause the JV Company to become unsuccessful.

- There is a risk of the Chinese border being closed or day visas (which currently facilitate Chinese tourism) being cancelled as a result of a change in political leadership in either China or Vietnam.
 - The Vietnamese and/or Lao Cai local Government could grant additional rights to conduct gaming in the future, which could significantly increase competition in the Lao Cai Province which could decrease patronage to the Lao Cai International Hotel.
 - There is a limited labour supply in the Lao Cai Province. An increase in competition could cause labour costs to increase.
 - The Licence (to operate the casino) expires in 2032. If the Licence cannot be extended the JV Company will be unable to operate casino gaming.
- **Casino winnings risk** – The winnings of the Lao Cai International Hotel patrons could exceed the casino winnings at particular times during our operations. Win rates for the Lao Cai International Hotel operations depend on a variety of factors, some beyond the control of the JV Company, Donaco or the Company. In addition, all gaming business can be subject to cheating and counterfeiting.
 - **Currency risk** – Gaming operations in Lao Cai Province could be adversely affected by restrictions on the export of the Renminbi and limitations of the Vietnamese Dong exchange markets.
 - **Constructions Risks** – The New Casino Project is be subject to significant development and construction risks, which could have a material adverse impact on construction and opening timetables, costs and the ability to complete the New Casino Project. Substantial cost increases or construction delays could prevent or delay the opening of the New Casino Project.
 - **Competition** – The Lao Cai International Hotel faces competition from other casinos in Vietnam and elsewhere in Asia. It is possible that in the future the Lao Cai International Hotel may not be able to compete successfully and may lose or be unable to gain market share.
 - **Money laundering risk** – Money laundering is a risk that is faced by the casino industry generally. Whilst strict procedures and controls can be put in place to address such risk (such as obtaining suitable documents to identify customers and monitoring transactions at the Lao Cai casino). It is possible that third parties may attempt to launder money and that the Company is not able to detect or prevent such activities. In the event that such money laundering activities do take place the Company's reputation may be affected and the Company may be subject to penalties and sanctions, including the withdrawal of its gaming licences.

9.4 Risks Associated with holding Shares

Shareholders will continue to be exposed to certain risks through holding shares. These include the following:

- **Investment risk** – There are several types of investment risk that may affect an investment in the Company, including a decline in the market price of the Shares (the initial capital value may decrease especially if you are investing for the short term), the amount received as income may vary over time or the value of an investment may not keep pace with inflation. This includes the possibility that the Company may not be able to achieve the medium to long term capital growth objectives.
- **Economic conditions** – The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the Company's business or financial situation.
- **Government** – Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and investor returns, in particular in highly regulated industries such as wagering and media.

9.5 Investor Considerations

Before deciding to subscribe for Shares or exercise Bonus Options, Applicants should consider whether the Shares are a suitable investment.

There may be tax implications arising from the application for Shares, the receipt of dividends (both franked and unfranked) from the Company, and on the disposal of Shares. Applicants should carefully consider these tax implications and obtain their own advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

If you are in doubt as to whether you should subscribe for Shares you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser immediately.

10. Material Contracts

The Directors consider that the material contracts described below and elsewhere in this Prospectus are the contracts which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of the Share Offer.

This Section only contains a summary of the material contracts and their substantive terms.

10.1 Transaction Documents

On 24 August 2012, the Company first announced a proposal pursuant to which it would acquire a 75% stake in the JV Company in return for the issue of Consideration Shares. The merger implementation agreement summarised below reflects this deal.

Between the merger implementation agreement was first announced and the date the sale agreement (summarised below) was signed the form of the transaction has changed slightly although the outcome remains the same. Under the proposed Corporate Restructure and Acquisition the Company will acquire the 75% stake in the JV Company and the 75% stake in the Licence through the acquisition of all of the issued share capital in Donaco.

(a) *Merger Implementation Deed*

On 18 September 2012, the Company signed a binding Merger Implementation Deed with Donaco.

Under the Merger Implementation Deed, and subject to the satisfaction of certain conditions, the Company will acquire all of Donaco's 75% interest in Lao Cai, being the Lao Cai Interest. In return, the Company will issue 94.82% of its total number of Shares to Donaco (calculated prior to the issue of Shares under the Share Offer. See Section 5.3 for details). As noted above, after the Merger Implementation Deed was signed the parties agreed that the Company would acquire Donaco directly. The acquisition of Donaco and issue of Consideration Shares requires Shareholder approval.

The terms of the Merger Implementation Deed require the Company to undertake a consolidation of Shares and the Bonus Offer prior to completion of the Company's acquisition of Donaco. The Company's obligation to conduct the share consolidation will not become binding until such time as Donaco has completed due diligence and received approval from its board for the Corporate Restructure and Acquisition.

Under the Merger Implementation Deed, the Company and Donaco agreed to execute a binding subscription and sale agreement for the acquisition of Donaco. Under the Merger Implementation Deed, the Company agreed to:

- (a) appoint an independent expert to prepare a report for Shareholders;
- (b) provide a recommendation to Shareholders as to voting on the acquisition of Donaco; and
- (c) convene a general meeting of Shareholders to approve the acquisition of Donaco.

(b) *Sale Agreement*

On 9 October 2012, the Company entered into the Sale Agreement with Convent and Slim.

Under the Sale Agreement, subject to the satisfaction of certain conditions, the Company will acquire all of the issued share capital in Donaco from Convent and Slim. In consideration for the acquisition of Donaco, the Company will issue the Consideration Shares to Convent and Slim. The Consideration Shares will be split between Convent and Slim so that, immediately after completion of the Sale Agreement, Convent will hold 48.36% and Slim will hold 46.46% of the share capital of the Company, together, being 94.8% of the total share capital of the Company (calculated prior to the issue of Shares under the Share Offer. See Section 5.3 for details).

The Sale Agreement is conditional on (amongst other things) the satisfaction of the conditions precedent under the Merger Implementation Deed, the passage of certain shareholder approvals and confirmation from the ASX that the Company has complied with Listing Rules 1 and 2.

At completion of the Sale Agreement, subject to shareholder approval, the Company will appoint the Proposed Directors as Directors of the Company and will change the name of the Company to "Donaco International Limited".

10.2 Agreements with related parties

(a) Director protection deeds

The Company has agreed to provide access to board papers and minutes to former and current Directors of the Company (including the Proposed Directors with effect from their date of appointment) while they are Directors and for a period of 7 years from when they cease to be Directors.

The Company has agreed to indemnify, to the extent permitted by the Corporations Act, each officer in respect of certain liabilities, which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as a Director of the Company. The Company has also agreed to maintain in favour of each Director a directors' and officers' policy of insurance for the period that he or she is a Director and for a period of 7 years after the officer ceases to be a Director.

(b) Consultancy Agreement

The Company has entered into an agreement with Ben Reichel to provide legal advisory services to Company in relation to the Corporate Restructure and Acquisition. Ben Reichel is also a Director of the Company. The services provided by Ben Reichel include drafting legal documentation, conducting due diligence enquiries and engaging external advisors on behalf of the Company as necessary.

In consideration for providing these services, the Company has agreed to pay Ben Reichel approximately \$220 per hour. The Company expects that the value of the financial benefit to be paid to Ben Reichel under the consultancy agreement will not exceed \$8,000.

The Company has not sought Shareholder approval in relation to the consultancy agreement as it considers the consultancy agreement to be on arm's length terms.

10.3 Contracts material to the business operations of the JV Company

(a) Introduction

The JV Company is a two member limited liability company which is subject to, and must comply with, Vietnamese regulations, laws and decrees which govern its operation together with the terms of the Licence, investment certificates, the Contract and JV Charter.

(b) Licence

The JV Company was established and operates pursuant to a licence issued by the Ministry of Planning and Investment on 19 July 2002 (as respectively amended on 18 August 2003 and 5 September 2006) which was replaced and supplemented by 2 investment certificates issued by Lao Cai People's Committee (together the **Licence**).

The Licence is currently held by Donaco and Sapa Tourism Petrol Joint Stock Company (**Sapa**) and the JV Company.

The Licence permits the JV Company to operate 2 investment projects (together the **Projects**), namely:

- a project involving the improvement of Duyen Hai hotel, located on Dang Chau street, Duyen Hai ward, Lao Cai city, doing business in hotel, restaurant and attached services at 3 star standard and managing and operating a gaming entertainment center for foreigners at Chau Long Hotel located at No. 024 Dong Loi street, Sapa town, Sapa district, Lao Cai Province (**Project 1**); and
- a project involving the development of a 4 star hotel and complex of entertainment facilities at New town, Kim Tan ward, Lao Cai city (**New Casino Project**).

The Licence permits the JV Company to operate no more than 150 slot machines, 150 video game machines and 8 gaming tables¹ across Project 1. Under the Licence, the JV Company must ensure that only foreign nationals and Vietnamese residing overseas are permitted to use its gaming facilities.

Project 1 has a project term of 30 years (commencing on 19 July 2002) and New Casino Project has a project term of 50 years (commencing on 18 March 2011) (each a **Project Term**).

Vietnamese laws limit the period of time over which foreign investment projects can be undertaken. Generally, foreign investment project terms are limited to 50 years. However if special approval is granted by the Vietnamese Government, the term can be extended to 70 years.

¹ The games that can be played at the gaming tables include baccarat, blackjack and taisai, and are governed by rules issued by the People's Committee of Lao Cai province.

Donaco has indicated to Two Way that it currently expects it will apply for an extension of the Project Term and a renewal of the Licence with respect to Project 1 before its expiry on 19 July 2032. Whilst there is no guarantee that the Project Term will be extended or the Licence will be renewed after 19 July 2032, Donaco is not currently aware of any reason why it would not be renewed.

If the Project Terms are not extended, the JV Company will not be entitled to operate a Project after its Project Term expires. After expiry of each Project Term, the relevant Project will be liquidated. After expiry of the last Project Term, the JV Company will be wound up.

(c) *JV Charter*

The JV Charter dated 9 September 2009 (**JV Charter**) is the equivalent of a constitution and sets out the rules under which the JV Company operates.

The following is a summary of the key provisions of the JV Charter:

- **Business objectives and powers** – the JV Charter states that the JV Company was established to undertake investment projects involving operating and managing international hotels in Lao Cai Province. The terms of the JV Charter gives the JV Company the powers necessary to undertake such projects and restricts the JV Company from using any of its assets for another purpose. Under the terms of the JV Charter, the JV Company is required to prioritise using Vietnamese projects and services (to the extent reasonable) in the operation of its business.
- **Term of the JV Company** - the operation term of the JV Company (as well as the Contract and the JV Charter) is 30 years from the date of issuance of the Investment License i.e. 19 July 2002. The JV Parties, prior to the end of the operation term, shall consider an extension of the term subject to the approval of the competent state authority of Vietnam.
- **Capitals contributions** – the charter capital of the JV Company (similar to market capital in Australia) is equal to US\$1,800,000, of which Donaco contributed 75% in cash and Sapa contributed the remaining 25% by granting the JV Company rights to use the land for 30 years on which the projects are developed free of charge, value of existing building of Duyen Hai Hotel and in cash (if any).
- **Management** – The board of management (similar to a board of directors in Australia) is comprised of 9 directors, 7 being appointed by Donaco and 2 being appointed by Sapa.

The directors do not receive wages but are entitled to a minimum allowance for attendance at each meeting of the board of management. Voting entitlements of board members are determined based on the number of members attending the board meeting. Accordingly, the decisions on matters shall be valid only if they are approved by the simple majority of the Board Members present in person (or by proxy), except for the decisions on (a) amendment of or addition to the JV Charter and (b) appointment, dismissal of the General Director or the First General Deputy Director, which must be approved by unanimous vote of all the board members present at the meeting.

The day to day business of the JV Company is managed by a general director and deputy general directors (**Executives**). The Executives are nominated by the JV Parties and appointed by the board of management. Executives are required to be appointed and dismissed in accordance with the JV Charter.

- **Pre-emptive rights** - The JV Charter refers to Article 9 of the JV Contract which provides that a JV Party can sell its ownership stake in the JV Company (**Stake**) to a third party only in circumstances where the non-selling JV Party does not wish to acquire the Stake and both the board of management and relevant Vietnamese authorities approve the transfer.
- **Profit distribution** – profits of the JV Company must firstly be used to pay income tax incurred by the JV Company, secondly, be allocated to various funds of the JV Company, thirdly at the election of the board of management, reinvested in the JV Company and fourthly, distributed to the JV Parties in proportion with their capital contribution (i.e. 75% to Donaco and 25% to Sapa).
- **Termination** – either JV Party may terminate the JV Charter and, consequently the Contract in the event of (a) a material breach of the JV Charter or Contract (i.e. termination after default), or (b) any event as provided in Article 27 of the JV Charter (i.e. termination without default). The JV Parties may also terminate the JV Charter or Contract by mutual agreement.

(d) *Joint Venture Contract*

On 9 September 2009, Donaco and Sapa (**JV Parties**) entered into an agreement outlining the relationship between the JV Parties and how the JV Parties will operate the JV Company (**Contract**).

The JV Charter was formulated based on the signed Contract. The Contract and JV Charter largely contain the same. In addition, the Contract includes provisions governing the relationship between the JV Parties and operation of the JV Company, including capital transfer, dispute resolution, termination of the Contract/JV Charter/ JV Company and responsibilities of each JV Party. The key responsibilities of Sapa set out in the Contract include:

- making charter capital contributions in accordance with the JV Charter, including paying any rent payable with respect to the land area that forms part of Sapa's charter capital;
- assisting the JV Company with any administrative steps involving the Vietnamese Government (including arranging import/export licences, compliance with employee labour law requirements; applying for tax and customs duty exemptions)
- advising the JV Company in relation to employment of Vietnamese staff; and
- assisting the JV Company generally, including in relation to the leasing of plant and equipment, obtaining Vietnamese Dong and opening a Vietnamese bank account.

The key responsibilities of Donaco set out in the Contract include:

- making charter capital contributions in accordance with the JV Charter;
- assisting the JV Company to obtain finance on appropriate terms; and
- providing technical assistance in relation to the operation and management of hotel and entertainment facilities and the training of key management.

10.4 Contract material to the current business operations of the Company

Two Way has developed & operates an interactive TV wagering service branded, "TAB ACTIVE" available through the Sky Racing 1, Sky Racing 2 and Sky Racing World channels on the FOXTEL Pay TV platform.

The "TAB ACTIVE" interactive wagering technology is provided to FOXTEL customers:

in New South Wales and Victoria under the terms of an agreement dated 8 June 2007 with Tabcorp Holdings Limited (**Tabcorp**) and Foxtel Management Pty Ltd (as agent for and on behalf of Foxtel Partnership) (**Foxtel**);

- in Western Australia under the terms of an agreement dated 11 May 2010 with Racing and Wagering Western Australia (**RWWA**), Foxtel and Sky Channel Pty Limited (**Sky**); and
- in Queensland and South Australia under the terms of an agreement dated 11 April 2011 with Tattsbet Limited (**Tattsbet**), Foxtel and Sky.

Under these agreements Two Way is entitled to receive a percentage of the turnover generated from bets placed using the "TAB ACTIVE" service. The "TAB ACTIVE" agreements each have a term of 5 years from launch in the relevant state. It is noted that the service agreement with Tabcorp will expire in April 2013. Negotiations have commenced with Tabcorp for a new agreement, however, this is not expected to be completed until after the Corporate Restructure and Acquisition.

11. Additional Information

11.1 Incorporation

The Company was incorporated on 13 June 1990.

11.2 Taxation and Financial Year

The Company is taxed as a public company. The Company's financial year ends on 30 June annually.

The acquisition and disposal of Shares or Options have tax consequences, which will differ depending on the tax status (including residing for tax purposes) and individual financial affairs of each investor.

All current or potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares or Options from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of acquiring or disposing of Shares or Options issued under this Prospectus.

11.3 Rights attaching to the Shares

Immediately after issue and allotment, the Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with each other, and with the existing issued Shares from their date of issue. There will be no liability on the part of Shareholders for any calls.

Detailed provisions relating to the rights attaching to the Shares are set out in the Company's constitution and the Corporations Act. A copy of the Company's constitution can be inspected during office hours at the registered office of the Company.

The detailed provisions relating to the rights attaching to Shares under the constitution and the Corporations Act are summarised below:

Each Share confers on its holder:

- (a) the right to receive notice of and to attend general meetings of the Company and to receive all financial statements, notices and documents required to be sent to them under the constitution, the Corporations Act and the Listing Rules;
- (b) the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (1 vote per Shareholder) and on a poll (1 vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- (c) the right to receive dividends, according to the amount paid up or credited as paid on the Share;
- (d) the right to receive, in kind, the whole or any part of the Company's property in a winding up, subject to priority given to holders of Shares that have not been classified by ASX as "restricted securities" and the rights of a liquidator to distribute surplus assets of the Company (with the consent of members by special resolution); and
- (e) subject to the Corporations Act and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

11.4 Rights attaching to the Bonus Options

The terms and conditions of the Bonus Options are as follows:

Register

The Company will maintain a register of holders of Bonus Options in accordance with Section 168(1)(b) of the Corporations Act.

Transfer/Transmission

A Bonus Option may be transferred or transmitted in any manner approved by the ASX.

Exercise

A Bonus Option may be exercised by delivery to the Company of a duly completed notice of exercise of Bonus Options, signed by the registered holder of the Bonus Option, together with payment to the Company of \$0.30 per Bonus Option being exercised and the relevant Bonus Option certificate. A blank notice of exercise of Bonus Options will be provided to Bonus Optionholders at the same time as Bonus Option holding statements are despatched.

A Bonus Option may be exercised at any time prior to 5.00 pm (Sydney time) on the first business day that is 24 months after their date of issue, but not thereafter.

A notice of exercise of Bonus Options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

Dividend Entitlement

Bonus Options do not carry any dividend entitlement until they are exercised. Shares issued on exercise of Bonus Options rank equally with other issued Shares of the Company on and from their date of issue.

Participating rights

A Bonus Optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the Bonus Option has been exercised and Shares allotted in respect of the Bonus Option before the record date for determining entitlements to the issue.

The Company must give at least 7 business days' notice to Bonus Optionholders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

If between the date of issue and the date of exercise of a Bonus Option the Company makes one or more rights issues (being a pro rata issue of ordinary shares in the capital of the Company that is not a bonus issue), the exercise price of Bonus Options on issue will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - \frac{E [P - (S + D)]}{(N + 1)}$$

where:

NE is the new exercise price of the Bonus Option;

OE is the old exercise price of the Bonus Option;

E is the number of underlying ordinary shares into which one Bonus Option is exercisable;

P is the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of the ASX during the 5 trading days ending on the day before the ex rights date or ex entitlements date (excluding special crossings and overnight sales);

S is the subscription price for an ordinary share under the rights issue;

D is the dividend due but not yet paid on each ordinary share at the relevant time; and

N is the number of ordinary shares that must be held to entitle holders to receive a right to one new ordinary share in the rights issue.

If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Bonus Option is exercisable will be increased by the number of ordinary shares which the holder of the Bonus Option would have received if the Bonus Option had been exercised before the record date for the bonus issue.

Reconstructions and Alteration of Capital

Any adjustment to the number of Outstanding Bonus Options and the Exercise Price under a reorganisation of the Company's share capital must be made in accordance with the Listing Rules.

The rights of A Bonus Optionholder may be changed by the Company to comply with the Listing Rules applying to a reorganisation of capital at the time of reorganisation.

Stock Exchange Listing

The Company must make application for quotation of shares issued on exercise of the Bonus Options on the ASX in accordance with the Listing Rules. Shares so issued will rank equally with other issued ordinary shares of the Company.

11.5 Matters Relevant to the Directors

Except as set out in this Prospectus, there are no interests that exist at the date of this Prospectus and there were no interests that existed within 2 years before the date of this Prospectus that are or were, interests of a Director or a Proposed Director named in the Prospectus, in the formation or promotion of the Company or in any property proposed to be acquired by the Company in connection with its formation or promotion or the Share Offer.

Further, except as set out in this Prospectus, there have been no amounts paid or agreed to be paid to a Director in cash or Securities or otherwise by any persons either to induce him to become or qualify him as a Director or otherwise for services provided by him in connection with the promotion or formation of the Company or the Share Offer or Bonus Offer.

11.6 ASIC Class Order Relief

The Bonus Offer is made pursuant to ASIC Class Order 00/1092 which exempts the Company from complying with sections 717 and 723 of the Corporations Act 2001 to the extent that those sections require:

- (a) this Prospectus to include or be accompanied by an application form; and
- (b) the Company to only issue Bonus Options pursuant to this Prospectus to a person who has submitted an application form distributed with this Prospectus.

The Bonus Offer is also made pursuant to ASIC Class Order 00/843 which exempts the Company from complying with section 727(3) of the Corporations Act 2001 to the extent that section prohibits the Company from issuing Bonus Options during the exposure period following lodgement of this Prospectus.

11.7 Interests of Directors

As at the date of this Prospectus, the number of Shares and Existing Options which are held by or on behalf of each Director and their Associates is as follows:

Name	Shares	Percentage	Options	Details of holdings
Stuart McGregor	2,536,333	0.89%	Nil	Held by Stacam Pty Ltd (Stacam Retirement Fund A/C), a related entity
Ben Reichel	2,354,083	0.83%	180,000	Held personally
Gerald Tan	27,350,000	9.6%	16,250,000	Held personally and through Main Ace Investment Limited

As at the completion of the Corporate Restructure and Acquisition (assuming \$1,000,000 is raised under the Share Offer), the number of Shares and Options which are held by or on behalf of each Director, Proposed Director and their Associates is expected to be as follows:

Name	Shares	Percentage	Options	Details of holdings
Stuart McGregor	126,817	0.04%	63,408	Held by Stacam Pty Ltd (Stacam Retirement Fund A/C), a related entity
Ben Reichel	117,704	0.04%	66,352	Held personally
Gerald Tan	1,367,500	0.49%	1,496,250	Held personally and through Main Ace Investment Limited
Benjamin Lim	261,724,250	93.98%	Nil	Relevant interest as an Associate of Slim and Convent
Lim, Keong Yew	261,724,250	93.98%	Nil	Relevant interest as an Associate of Slim and Convent
Mak, Siew Wei	Nil	Nil	Nil	No relevant interest

Note:

1. The Directors and Proposed Directors will not participate in the Share Offer.
2. The Directors will participate in the Bonus Offer with respect to each Share they hold as at the Bonus Offer Record Date.

11.8 Remuneration of Directors

Under the Company's constitution, each Director may be paid remuneration for ordinary services performed as a Director. Under ASX Listing Rules, the maximum fees payable to Directors may not be increased without the prior approval from the Company in general meeting. Directors will seek approval from time to time as deemed appropriate.

11.9 Related party transactions

As at the date of this Prospectus, the Company is a party to the following transactions with related parties and future related parties:

- (a) the Company has entered into the Sale Agreement with Slim and Convent. Lim, Keong Yew and Benjamin Lim Keong Hoe are both directors and shareholders of these companies and will become directors of the Company as a part of the Corporate Restructure and Acquisition. The Sale Agreement is subject to, amongst other things, approval by Shareholders at the AGM of the Company to be held on 19 December 2012;
- (b) each Director and Proposed Director has entered into a director protection deed with the Company (See Section 10.2(a));
- (c) Ben Reichel provides advisory services to the Company. The terms of Ben Reichel's retainer with the Company are set out in Section 10.2(b).

See Section 10 of this Prospectus for summaries of the above documents.

11.10 Expenses of the Offer

The expenses of the Offer are estimated below, according to the amount of funds raised on the Issue:

Accounting	\$9,000
Legal	\$56,000
Printing	\$4,000
Share Registry	\$9,000
Brokerage	\$50,000

ASX	\$5,000
ASIC	\$2,200
Total	\$135,200

11.11 Legal Proceedings

The Company is not and has not been, during the 12 months preceding the date of this Prospectus, involved in any legal or arbitration proceedings which have had a significant effect on the financial position on the Company. As far as the Directors are aware, no such proceedings are threatened against the Company.

11.12 Consents and Responsibility Statements

Watson Mangioni Lawyers Pty Limited has given and before lodgement of the paper Prospectus and the issue of the electronic Prospectus has not withdrawn its written consent to be named as solicitors to the Offer in the form and context in which it is so named.

Watson Mangioni Lawyers Pty Limited has only been involved in the preparation of that part of the Prospectus where they are named as solicitors to the Offer. Watson Mangioni Lawyers Pty Limited specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this Prospectus. While Watson Mangioni Lawyers Pty Limited has provided advice to the Directors in relation to the issue of the Prospectus and the conduct of due diligence enquiries by the Company and the Directors, Watson Mangioni Lawyers Pty Limited has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

William Buck Corporate Advisory (NSW) Pty Limited has given, and before lodgement of the paper Prospectus and the issue of the electronic Prospectus has not withdrawn its written consent to being named in this Prospectus as investigating accountant in the form and context in which it is so named and the inclusion of its investigating accountant's report in the form and context in which it appears in this Prospectus.

William Buck Corporate Advisory (NSW) Pty Limited has not been involved in the preparation of any part of this Prospectus (other than its investigating accountant's report) and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this Prospectus except in its investigating accountant's report. William Buck has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents except its investigating accountant's report.

William Buck Chartered Accountants has given, and before lodgement of the paper Prospectus and the issue of the electronic Prospectus has not withdrawn its written consent to being named in this Prospectus as auditor to the Company in the form and context in which it is so named in this Prospectus.

William Buck Chartered Accountants has only been involved in the preparation of that part of the Prospectus where they are named as auditor and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this Prospectus except in its investigating accountant's report. William Buck has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents.

Boardroom Pty Ltd has given, and before lodgement of the paper Prospectus and the issue of the electronic Prospectus has not withdrawn its written consent to being named in this Prospectus as share register service provider for the Company in the form and context in which it is so named.

Boardroom Pty Ltd has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this Prospectus. Boardroom Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents.

Leadenhall Corporate Advisory Pty Ltd has given, and before lodgement of the paper Prospectus and the issue of the electronic Prospectus has not withdrawn its written consent to being named in this Prospectus as the author of the independent expert's report dated 9 November 2012 (attached to the Shareholders Booklet) in the form and context in which it is so named in this Prospectus.

Leadenhall Corporate Advisory Pty Ltd has only been involved in the preparation of that part of the Prospectus where they are named as the author of the independent expert's report dated 9 November 2012 (attached to the Shareholders Booklet) and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this Prospectus except in its independent expert's report. Leadenhall Corporate Advisory Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for its contents.

11.13 Interests of Experts

Other than as set out below, no expert nor any firm in which such expert is a partner or employee has any interest in the promotion of or any property proposed to be acquired by the Company.

Watson Mangioni Lawyers Pty Limited have acted as solicitors to the Offer and have performed work in relation to negotiating certain of the material contracts, preparing the due diligence program and performing due diligence enquiries on legal matters. In respect of this Prospectus, the Company estimates that it will pay amounts totalling approximately \$50,000 (excluding disbursements) to Watson Mangioni Lawyers Pty Limited.

William Buck Corporate Advisory (NSW) Pty Limited has prepared the investigating accountant's report included in this Prospectus and have also performed work in relation to the due diligence enquiries on financial matters. In respect of this work, the Company estimates it will pay up to \$9,000 (excluding disbursements).

12. Glossary

Terms and abbreviations used in this Prospectus have the following meaning:

Applicant	a person who submits an Application.
Applicant	a person who submits an Application.
Application	an application for Shares pursuant to this Prospectus.
Application Form	a application form in the form attached to this Prospectus.
Application Monies	the Application Price multiplied by the number of Shares applied for.
Application Price	\$0.40 for each Share.
Associate	has the meaning given by Division 2 of the Corporations Act.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited.
ASX Chapters 1 and 2 Confirmation	ASX confirmation in writing that the Company will satisfy the requirements of Chapters 1 and 2 of the Listing Rules (on terms acceptable to the Company).
Bonus Offer	the issue of Bonus Option on a 1 for 2 basis to Eligible Shareholders on the terms set out in this Prospectus.
Bonus Offer Record Date	28 January 2013, or such other date that is 7 business days after ASX confirms re-compliance with Chapters 1 and 2 of the Listing Rules.
Business Day	a day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney.
Closing Date	29 January 2013, or such other date after the Bonus Offer Record Date determined by the Company in accordance with the Corporations Act.
Company	Two Way Limited (ACN 007 424 777).
Consideration Shares	261,724,250 fully paid ordinary shares in the Company with an issue price of \$0.30 per Share to be issued to Convent and Slim at completion of the Sale Agreement.
Convent	means Convent Fine Limited, a company incorporated under the laws of the British Virgin Islands and, prior to completion of the Corporate Restructure and Acquisition, a shareholder of Donaco.
Contract	a contract dated 9 September 2009 between the JV Parties that sets out how the JV Company will be operated, summarised in Section 10.3(d).
Corporate Restructure and Acquisition	means the 20 to 1 consolidation of the Company issued capital, the Bonus Offer, the acquisition of Donaco, the issue of Consideration Shares and the Share Offer summarised in the Chairman Letter full details of which are set out in the Company's Shareholder booklet dated 19 November 2012.
Directors or Board	the board of directors of the Company.
Donaco	Donaco Singapore Pte Ltd, full details of which are set out in Section 4.
Eligible Shareholders	Shareholders who are registered as holders of existing shares as at 5:00pm (Sydney time) on the Bonus Offer Record Date, as at the Bonus Offer Record Date, have a registered address in Australia, New Zealand, or other jurisdictions the Company will make the Bonus Offer in accordance with Listing Rules.
Excluded Shareholders	Shareholders who are not Eligible Shareholders as at 5.00 pm on the Record Bonus Offer Record Date.
Executives	the general director and deputy general directors who manage the JV Company
Exercise Date	is the date on which the Bonus Options are exercised in accordance with their terms.
Existing Options	means options over the Company on issue as at the date of this Prospectus.
Group	means the Company and each of its subsidiaries from time to time.
JV Charter	the JV Company charter dated 9 September 2009, being the equivalent of a constitution and sets out the rules under which the JV Company operates.
JV Company	Lao Cai International Hotel Joint Venture Company.
JV Parties	Donaco and Sapa.
Lao Cai Province	a province of Vietnam, located on the border with Yunnan Province in China,

	being the location of the Lao Cai International Hotel.
Licence	the licence under which the JV Company was established and operates summarised in Section 10.3.
Listing Rules	the listing rules of ASX.
Minimum Subscription	means a minimum subscription of \$400,000, being receipt of valid Applications for not less than 1,000,000 Shares.
New Casino Project	a project operated by the JV Company involving the development of a 4 star hotel and complex of entertainment facilities at New town, Kim Tan ward, Lao Cai city.
Opening Date	the date of issue of this Prospectus, expected to be 20 December 2012.
Project 1	a project operated by the JV Company involving the improvement of Duyen Hai hotel, located on Dang Chau street, Duyen Hai ward, Lao Cai city, doing business in hotel, restaurant and attached services at 3 star standard and managing and operating a gaming entertainment center for foreigners at Chau Long Hotel located at No. 024 Dong Loi street, Sapa town, Sapa district, Lao Cai Province.
Project Term	the period of time during which the JV Company is permitted to operation Project 1 and the New Casino Project. See Section 10.3 for details.
Proposed Director	each of Lim, Keong Yew, Benjamin Lim Keong Hoe and Mak, Siew Wei.
Prospectus	this prospectus dated 13 December 2012 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time.
RWWA	Racing and Wagering Western Australia.
Sale Agreement	the Share Sale and Subscription Agreement between the Company and Convent and Slim dated 9 October 2012.
Sapa	Sapa Tourism Petrol Joint Stock Company.
Securities	has the same meaning as in Section 92 of the Corporations Act.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a registered holder of a Share.
Shareholder Booklet	means a booklet dated 19 November 2012, containing the AGM notice of meeting and explanatory memorandum.
Share Offer	the offer of Shares to Applicants whose Applications and Application Monies are received by the Company by 5:00pm (Sydney time) on the Closing Date.
Share Registry	Boardroom Pty Limited (ACN 003 209 836).
Slim	Slim Twinkle Limited.
Stake	ownership stake in the JV Company.
Tabcorp	Tabcorp Holdings Limited.
Tattsbet	Tattsbet Limited.

This Prospectus has been approved by unanimous resolution of the Directors of the Company.

Dated: 13 December 2012



Chairman