



HD (AELAT) Latin **Gold** to acquire mig33 social entertainment platform

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Sydney - Thursday - January 23: (RWE Australian Business News) - Latin **Gold** Ltd (ASX:LAT) has entered into a heads of agreement to acquire 100pc of the mig33 social entertainment platform through the issue of 720m shares to the various shareholders of mig33 and its operating entities.

Relaunched as a "beta" in August 2013, mig33 is a social entertainment platform featuring miniblog, chat, chatrooms, virtual gifts and games, is available on Android, WAP and Web, and has more than 3m monthly active users.

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The platform is tailored for emerging markets across Southeast Asia, South Asia, Middle East and Africa which represent a population of over 3.5bn people, and monetises not through advertising, but primarily through the **sale** of virtual gifts and games.

Part of this business model was developed to build on the success of the **Chinese**-based Tencent Holdings (HK:700), which now has a market capitalisation of more than \$US120bn.

Early results indicate that artists and celebrities using mig33 in Indonesia and South Asia are achieving levels of engagement comparable to and exceeding that of their equivalent presence on Facebook and Twitter.

With these results, the mig33 team is focused on broadening and polishing the service offering and growing the user base in 2014.

A significant attraction of the mig33 business model to Latin **Gold** is that, even at this early stage of commercialisation, income is being generated through the **company's** monetisation model, which is based around surety of payment through the **purchase** of mig33 prepaid credits.

The development of mig33 has been spearheaded by Mr Steven Goh, who achieved considerable success in the late 1990s by developing Sanford Securities, Australia's first online stockbroking **company**.

This operation grew to 160,000 customers with over \$2.4 **billion** in customer assets, before being taken over in 2003. Steven is Managing Director and CEO of mig33 and is recognised as an authority on contemporary IT issues and serves on a number of advisory panels throughout the Asian region.

Key terms to the proposed transaction are:

(a) the combined Latin **Gold** and mig33 Group will have net cash resources of at least A\$5 **million**;

(b) all necessary shareholder approvals are obtained, including:

(i) holders of shares in the mig33 Group approving the transaction and the merger agreement, and

(ii) Latin **Gold** shareholders approving the transaction in accordance with applicable ASX Listing Rules including a change in the nature and/or scale of Latin **Gold's** activities in accordance with ASX Listing

Rule 11.1.2, the allotment and issue of the Latin **Gold** shares, the election of new directors, share consolidation, and a change of **company** name;

(c) all necessary ASX, governmental and regulatory consents and approvals being obtained for completion and for the continued listing and quotation of Latin **Gold** shares on ASX following completion; and

(d) Latin **Gold** complying with any requirements of ASX including, if necessary, receiving conditional approval to have its shares re-admitted to trading on the Official List of ASX and those conditions being satisfied to the reasonable satisfaction of the parties (as required by ASX Listing Rule 11.1.3).

On completion of the transaction, Latin **Gold** shareholders will own approximately 30.5pc of the merged group.

Latin **Gold** has further agreed to provide the mig33 group with a fully-recourse loan of \$US500,000 that will become immediately repayable if completion of the transaction does not occur within five months.

It is anticipated a detailed notice of general meeting will be available to Latin **Gold** shareholders by mid-March with the meeting to consider the proposed transaction to be held by late April.

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CO tenchl : Tencent Holdings Ltd | wstmag : Latin Gold Ltd

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