

## **SUPPLEMENTARY BIDDER'S STATEMENT**

**BY**

**DATA & COMMERCE LIMITED**  
**ABN 20 009 221 630**

**in relation to an off-market bid to acquire all of your fully paid ordinary shares in**

**SOFTWARE COMMUNICATION GROUP LIMITED**  
**ABN 88 087 482 602**

**This is an important document and requires your immediate attention.**

This document contains the Supplementary Bidder's Statement dated 21 June 2002.

If you are in doubt about how to deal with this offer, you should consult your legal adviser and/or financial adviser.

**Legal adviser to DCL:**

**STEINERFREIS PAGANIN**

**LAWYERS & CONSULTANTS**

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## **SUPPLEMENTARY BIDDER'S STATEMENT**

### **ADDITIONAL INFORMATION FOR SHAREHOLDERS OF SOFTWARE COMMUNICATION GROUP LIMITED**

This is a Supplementary Bidder's Statement under Section 643 of the Corporations Act 2001 (Cth). It supplements, and should be read together with, the Bidder's Statement dated 24 April 2002 and the Supplementary Bidder's Statement dated 24 May 2002 (**May Supplementary Bidder's Statement**) given by Data & Commerce Limited to Software Communication Group Limited. This document will prevail in the event of any inconsistency with the Bidder's Statement or the May Supplementary Bidder's Statement. Terms defined in the Bidder's Statement have the same meaning when used in this document.

This document was lodged with the ASIC on 21 June 2002. The ASIC takes no responsibility for the contents of this document.

#### **1. VARIATION OF MINIMUM ACCEPTANCE CONDITION**

On 17 June 2002, DCL reduced the minimum acceptance condition under its Offer from 90% to 50.1%.

As a result of this variation to the Offer, Sections 2.8 and 8.8(a)(i) of the Bidder's Statement are amended to reflect the reduction in the minimum acceptance condition.

It is now unlikely that DCL will acquire 90% or more of the Sofcom Shares on issue. Accordingly, when reading the Bidder's Statement, Sofcom Shareholders and their advisers should place more significance on the intentions of DCL set out in Section 5.2(c).

#### **2. ISSUE OF SECURITIES**

DCL issued the following securities on 17 June 2002 pursuant to a share placement to raise \$2,600,000 in working capital:

- 10,000,000 DCL Shares at \$0.26 per DCL Share; and
- 1,666,667 DCL Bid Options for nil consideration.

The DCL Shares issued rank equally in all respects from the date of allotment with existing DCL Shares on issue.

The DCL Bid Options were issued on the same terms and conditions as the DCL Bid Options proposed to be issued by DCL to Sofcom Shareholders pursuant to the Takeover Bid.

#### **3. CONSEQUENTIAL VARIATIONS TO BIDDER'S STATEMENT AND MAY SUPPLEMENTARY BIDDER'S STATEMENT**

As a result of the issue of securities by DCL, the following sections of the Bidder's Statement and the May Supplementary Bidder's Statement are varied

by replacing them with the sections as set out below:

#### 5.4 General effect of acquisition on DCL

The acquisition of Sofcom is not expected to have a material effect on the existing operations of DCL. DCL's intentions in the event the Offer is successful are set out above. At this stage, and based on the Sofcom information available, a number of the benefits are expected to be realised progressively as the technology operations of Sofcom and DCL are integrated. As Sofcom has significant cash reserves, it is unlikely to require further funding from DCL in the short to medium term.

Assuming the Offer is successful, the total number of DCL Shares and DCL Bid Options which would be on issue are set out in the table below. The table sets out the number of DCL Shares and DCL Bid Options which would be on issue, both if no existing Sofcom Options are exercised and if all the existing Sofcom Options are exercised. The exercise prices of the Sofcom Options range from \$0.175 to \$0.35 per option, and if all Sofcom Options were exercised, Sofcom would receive additional cash of approximately \$3.15 million from the payment of the exercise price of the options.

The actual number of DCL Shares and DCL Bid Options on issue will depend upon the number of acceptances of the Offer and the effect of rounding of fractional entitlements (which will be rounded up to the nearest whole number).

	50.1% Acceptances <sup>1</sup>	100% Acceptances <sup>2</sup>	100% Acceptances and all Sofcom Options Exercised <sup>3</sup>
<b><u>DCL Shares</u></b>			
Issued DCL Shares as at the date of the Supplementary Bidder's Statement	95,522,136	95,522,136	95,522,136
Number of DCL Shares to be issued under the Offer	14,569,786	29,081,409	33,656,409
Issued DCL Shares following the Offer	110,091,922	124,603,545	129,178,545
<b><u>DCL Bid Options</u></b>			
Issued DCL Bid Options as at the date of the Supplementary Bidder's Statement	0	0	0
Number of DCL Bid Options to be issued under the Offer	7,284,893	14,540,705	16,828,205
Issued DCL Bid Options following the Offer	7,284,893	14,540,705	16,828,205

<b>Total issued DCL Options following the Offer</b>	<b>30,763,060</b>	<b>38,018,872</b>	<b>40,306,372</b>
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**Notes:**

1. This represents the number of DCL Shares or DCL Bid Options that would be issued based on the existing number of DCL Shares or DCL Bid Options on issue and no Sofcom Options being exercised during the Offer Period.
2. This represents the number of DCL Shares or DCL Bid Options that would be issued based on the existing number of DCL Shares or DCL Bid Options on issue and no Sofcom Options being exercised during the Offer Period.
3. This represents the maximum number of DCL Shares or DCL Bid Options that would be issued pursuant to the Offer, assuming all Sofcom Options are exercised during the Offer Period.

**6.3 Pro Forma Combined Statement of Financial Position as at 31 December 2001 (unaudited)**

		<b>DCL \$'000</b>	<b>SofCom \$'000</b>	<b>Adjustments \$'000</b>	<b>Unaudited Pro forma \$'000</b>
<b>Current assets</b>					
Cash assets	2	654	10,686	3,620	14,960
Receivables		1,495	577	-	2,072
Inventories		574	-	-	574
Other financial assets		41	-	-	41
Other		90	-	-	90
<b>Total current assets</b>		<b>2,854</b>	<b>11,263</b>	<b>3,620</b>	<b>17,737</b>
<b>Non-current assets</b>					
Receivables		2,198	-	-	2,198
Property, plant & equipment	4	1,692	226	(15)	1,903
Intangibles	3	14,709	1,678	(114)	16,273
<b>Total non-current assets</b>		<b>18,599</b>	<b>1,904</b>	<b>(129)</b>	<b>20,374</b>
<b>Total assets</b>		<b>21,453</b>	<b>13,167</b>	<b>3,491</b>	<b>38,111</b>
<b>Current liabilities</b>					
Payables		1,814	405	-	2,219
Interest-bearing liabilities	5	1,639	-	(1,500)	139
Provisions		601	128	-	729
Accrued income		739	-	-	739
<b>Total current liabilities</b>		<b>4,793</b>	<b>533</b>	<b>(1,500)</b>	<b>3,826</b>
<b>Non-current liabilities</b>					
Payables		330	-	-	330
Interest-bearing liabilities		3,303	-	-	3,303
<b>Total non-current liabilities</b>		<b>3,633</b>	<b>-</b>	<b>-</b>	<b>3,633</b>
<b>Total liabilities</b>		<b>8,426</b>	<b>533</b>	<b>(1,500)</b>	<b>7,459</b>
<b>Net assets</b>		<b>13,027</b>	<b>12,634</b>	<b>4,991</b>	<b>30,652</b>

<b>Equity</b>					
Contributed equity	6	178,029	27,317	(12,746)	192,600
Option reserve	7	-	-	3,054	3,054
Accumulated Losses		(165,002)	(14,683)	14,683	(165,002)
<b>Total equity</b>		<b>13,027</b>	<b>12,634</b>	<b>4,991</b>	<b>30,652</b>

**Notes to Pro Forma Combined Statement of Financial Position of Merged Entity as at 31 December 2001**

**1. Basis of Preparation and Assumptions**

The pro forma combined statement of financial position has been prepared by combining the statement of financial position of DCL and Sofcom to illustrate the impact of the proposed acquisition under this Bidder's Statement. It has been prepared at 31 December 2001 on the assumption that the Offer closed on that date and that the following transactions also occurred on that date:

**(a) Adjustments to DCL's financial position since 31 December 2001**

- The issue of 10,483,322 DCL Shares at \$0.258 per Share pursuant to a share placement to raise \$2,700,000 in working capital. This issue took place on 13 February 2002.
- The issue of 10,000,000 DCL shares at \$0.26 per Share pursuant to a share placement to raise \$2,600,000 in working capital. This issue took place on 17 June 2002.
- The issue of 5,000,000 DCL Shares to Jeff Kennett pursuant to his appointment as a Radio Presenter and an executive director of DCL.
- The repayment of approximately \$1,500,000 in interest bearing bank debt with funds raised from the above issue of DCL Shares. Balance of funds raised included in cash reserves.
- The issue of 150,000 DCL Shares pursuant to the exercise of share options with proceeds of \$20,000.

**(b) Adjustments relating to the proposed acquisition of Sofcom by DCL**

- The effective date of the merger is assumed to be 31 December 2001.
- DCL acquires all of the Sofcom Shares by the issue of one (1) DCL Share for every three (3) Sofcom Shares acquired plus one (1) DCL Bid Option for every six (6) Sofcom Shares acquired. In calculating the number of Sofcom Shares acquired it has been assumed that no existing Sofcom Options are exercised and DCL does not proceed to acquire all outstanding Sofcom Options as at the date of this Bidder's Statement, hence, the issue of 29,081,409 DCL Shares and 14,540,705 DCL Bid Options has been assumed.

- Each DCL Share issued as consideration under the Offer having an issue price of \$0.325, being the closing price of DCL Shares on ASX on 22 May 2002 the latest practicable date prior to the date of issue of this Supplementary Bidder's Statement. The actual issue price of DCL Shares issued under the Offer and the resulting value of the assets to be acquired will be determined by the DCL directors at the time of acquisition of Sofcom.
- Each DCL Bid Option issued as consideration under the Offer having a indicative market value of \$0.21, calculated using the Black and Scholes option pricing model (refer to Annexure B). The actual value that the DCL Bid Options issued under the Offer will be recorded in the accounts of DCL will be determined using the appropriate valuation parameters at the time of acquisition of Sofcom.
- As it is assumed that the value of the purchase consideration for each Sofcom Share (based on the assumed issue price of Shares set out above) is less than the reported net asset backing for each Sofcom Share, a discount upon acquisition of approximately \$129,000 is assumed to arise. Pursuant to Accounting Standard AASB 1013 (Accounting for Goodwill) the discount is eliminated against the "non monetary" assets of Sofcom on a pro rata basis. The actual amount of the discount, if any, will vary according to the value of the DCL Shares and DCL Bid Options offered and the fair value of assets acquired at the date of acquisition.
- DCL has not, at this time, assessed the fair values of Sofcom's assets and liabilities acquired as required by Accounting Standard AASB 1015 (Accounting for the Acquisition of Assets). It has been assumed that Sofcom's identifiable net assets as at 31 December 2001 are stated at and approximate to their fair values.
- Equity issue costs incurred by DCL in undertaking the proposed acquisition of Sofcom are assumed to total \$200,000 and those costs have been offset against contributed equity. No provision has been made in the pro forma combined statement of financial position for any costs that may be incurred by Sofcom as DCL is unable to determine the likely quantum of these costs at this time.
- DCL and Sofcom are going-concerns.

		31 December 2001
		Unaudited
		Pro forma
		\$'000
2	Cash	
	DCL	654
	Sofcom	10,686
	Add: Proceeds of DCL capital raising	
	- 13 February 2002	2,700
	Add: Proceeds of DCL capital raising	
	- 17 June 2002	2,600
	Add: Proceeds from exercise of share options	20
	Less: Payment for costs associated with the	(200)

	<i>acquisition of Sofcom</i>		
	<i>Less: Repayment of DCL interest bearing debt</i>	<u>(1,500)</u>	
		<u>14,960</u>	
<b>3</b>	<b><i>Intangibles</i></b>		
	<i>DCL</i>	14,709	
	<i>Sofcom</i>	1,678	
	<i>Less: Discount on acquisition of Sofcom</i>	<u>(114)</u>	
		<u>16,273</u>	
<b>4</b>	<b><i>Property, plant and equipment</i></b>		
	<i>DCL</i>	1,692	
	<i>Sofcom</i>	226	
	<i>Less: Discount on acquisition of Sofcom</i>	<u>(15)</u>	
		<u>1,903</u>	
<b>5</b>	<b><i>Interest bearing liabilities</i></b>		
	<i>DCL</i>	1,639	
	<i>Sofcom</i>	-	
	<i>Less: Repayment of bank debt from proceeds of DCL capital raising</i>	<u>(1,500)</u>	
		<u>139</u>	
<b>6</b>	<b><i>Contributed equity</i></b>	<b><i>Number</i></b>	
	<i>Balance as at 31 December 2001</i>	69,888,814	178,029
	<i>Add: Shares issued to raise working capital - 13 February 2002</i>	10,483,322	2,700
	<i>Add: Shares issued to raise working capital - 17 June 2002</i>	10,000,000	2,600
	<i>Add: Shares issued to Jeff Kennett</i>	5,000,000	-
	<i>Add: Shares issued on exercise of share options</i>	150,000	20
	<i>Add: Shares issued as consideration for the acquisition of Sofcom</i>	29,081,409	9,451
	<i>Less: Cost of proposed acquisition</i>	-	(200)
	<i>Total proforma contributed equity</i>	<u>124,603,545</u>	<u>192,600</u>
<b>7</b>	<b><i>Option Reserve</i></b>	<b><i>Number</i></b>	
	<i>Balance as at 31 December 2001</i>	-	-
	<i>Add: DCL Options issued as consideration for the acquisition of Sofcom</i>	14,540,705	3,054
	<i>Total proforma option reserve</i>	<u>14,540,705</u>	<u>3,054</u>

Further, the following new sections are inserted in the Bidder's Statement:

- 10.1** *May Supplementary Bidder's Statement means the supplementary bidder's statement prepared by DCL and lodged with the ASIC on 24 May 2002.*

*Supplementary Bidder's Statement means this supplementary bidder's statement dated 21 June 2002.*

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Date: 21 June 2002

Signed on behalf of Data & Commerce Limited by Yianni Attikiouzel who is authorised to sign this document following a unanimous resolution of the directors of Data & Commerce Limited.



Professor Yianni Attikiouzel AM  
Director