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**iSENTRIC** Building Digital Economy  
In South East Asia

ANNUAL REPORT 2016

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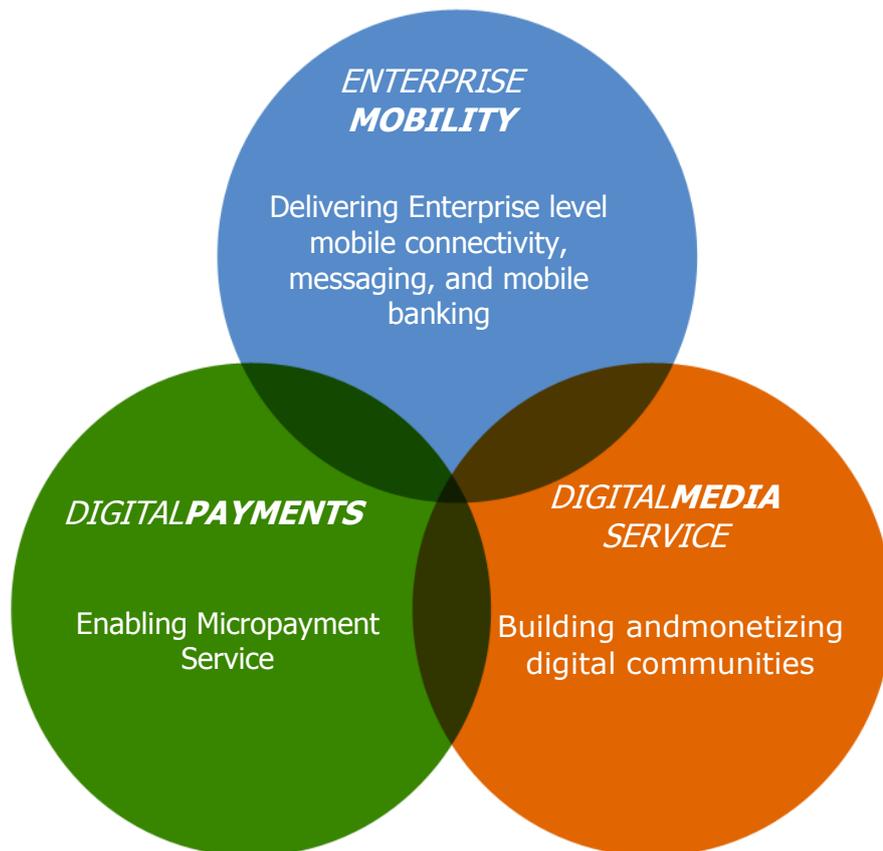
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iSentric Limited (ASX : ICU) provides software based mobility platforms and services that enable its customers to extend their information technology applications to any mobile device and integrate mobile technology throughout their existing business. iSentric also works with telecommunication network providers to provide mobile OTT (over-the-top) services that leverage their subscriber base to build active communities.

iSentric operates in the mobile services industry through three main divisions:

- Digital Payments – a mobile payment platform that enable consumers to make small financial transactions;
- Enterprise Mobility – a platform that delivers mobile connectivity, messaging and mobile banking to corporate clients; and
- Digital Media and Services which consists of an online mobile content aggregation platform and a proprietary game publishing network offering online games, mobile games, news and events.



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Dear Shareholders,

The Board of iSentric is proud to present the 2016 Annual Report of iSentric Limited. It also gives me great pleasure to announce a strong financial performance for the 12 months ended 30 June 2016 (FY16). In this year's annual report, we will take a thorough look through the highlights and performance of our business.

The company's delivered strong results in FY16 with a 14% increase in revenue, 44% growth in underlying EBITDA and a 1,619% increase in net profit. It is pleasing to note that this increase in financial performance is underpinned by the strong contribution from Arte Mobile Technology, which has continued to deliver and enable us to establish a strong market position in Indonesia.

The mobile sector continues to be at the epicenter for growth, innovation, and disruption for virtually any industry. Mobile devices continue to be more and more embedded in the fabric of society today and they are key in driving the momentum around some key trends such as video streaming, Internet of Things and mobile payments. Therefore, given the fast changing mobile landscape, we are constantly innovating our business in order to grow organically and expand our product offering to meet market demands.

In addition to planned organic growth, we are on a constant look out for value-enhancing acquisitions with the right strategic fit. Despite some setbacks in FY16, we will continue to look for attractive acquisition opportunities to enhance our future growth.

The strong financial and operational performance delivered in FY16 was made possible by the dedication of the staff led by our senior management team. We look to build on the progress we have made in FY16. We remain confident in the leadership of the senior management team in realising the Company's strategy in developing markets and laying the foundations for long term growth.

The board would also like to acknowledge and thank all of the employees at iSentric for their continued enthusiasm, perseverance and commitment this year. We are grateful to them for the ongoing success of the Company.

Finally, and on behalf of the board, I would like to thank you, the shareholders, for your continual support as we look to build on the achievements and successes of FY16.

A handwritten signature in black ink, appearing to read 'Joey Lim', with a horizontal line extending to the right.

**Joey Lim**

Chairman

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FY16 has been a successful year for iSentric. The company announced record revenue of \$9.8 million for the period, representing an increase of 14% on FY15 (\$8.6 million) and an underlying EBITDA of \$2.2 million, which was up 44% on FY15 (\$1.5 million).



During FY16, we have continued to expand our product offerings and expanded into the new territories. We will continue to innovate in this fast changing mobile landscape to ensure that we build a profitable business which is sustainable.

### Operating Results

iSentric has seen a strong financial and operational performance for FY16 with revenue up by 14% from \$8.6 million to \$9.8 million. Underlying EBITDA was up from \$1.5 million to \$2.2 million, an increase of 44%, and net profit was up by 1,619%.

As is evident from the table below, revenue growth has been consistent. We are pleased with this performance which demonstrates the Company's ongoing innovation and scalability.

	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>Variance FY15 to FY16</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	
<b>Revenue</b>	8.2	8.6	9.8	+14%
<b>EBITDA</b>	1.7	0.5	2.0	+293%
<b>Underlying EBITDA</b>	NA	1.5	2.2	+44%
<b>NPAT</b>	1.6	(0.1)	1.9	+1,619%

### FY16 Highlights

In addition to our financial achievements in FY16, we had some notable operating highlights that are providing the foundations for ongoing growth and success.

Some of the key highlights for financial year 2016 are as follows:

- Launched Nexus digital banking platform at Campu Bank, a wholly owned subsidiary of the Public Bank Group which is one of the largest banking groups in Malaysia.
- Signed agreement to market and distribute digital media services via Myanmar's largest telco MPT.
- Collaborated with VONVON, a fast growing South Korean social media startup, to distribute VONVON quizzes and mobile contents in Indonesia via Indosat Ooredoo.
- Launched proprietary mobile reality TV subscription channel "HUSH" with XL AXIATA in Indonesia.
- Co-launched new album THE FREAKS in Indonesia to distribute physical CD Album and to promote digital downloads via over 500 KFC outlets, which received extensive media coverage.

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### Strategic Priorities

We are focused on continually strengthening the existing businesses to drive growth while creating value to our shareholders. In addition, we also strive to provide a conducive working environment for our staff so that they can reach their potential.

Given the success of the Arte Mobile acquisition, we will continue to identify synergistic earnings accretive acquisition targets.

We are currently operating in a region with high growth potential. Therefore, we also intend to increase scalability through international expansion by leveraging existing products to deliver growing revenues and drive value for shareholders.

Another key focus in the near future will be to explore new revenue streams and monetise our products via mobile advertising. Given that we have huge numbers of customers in the region, and are strategically connected to Telco and Enterprise partners, we are well positioned to move into the fast growing and lucrative mobile advertising industry.

We are building a company with a sound strategic plan that generates sustainable revenue. I believe our Company has untapped potential and the best has to come. On this basis, I would like to thank our staff, the senior management and the board for their drive and contribution to the achievements of the FY16.

I would also like to thank our shareholders for their ongoing support and belief.



**Sean Tham**

Chief Executive Officer

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The Directors present their report together with the financial report of iSentric Limited and its controlled entities (ASX:ICU) for the financial year ended 30 June 2016.

### Directors

The names of Directors in office at any time during or since the end of the financial year are:

Lim Keong Yew	Non-Executive Chairman
Kwong Yang Chong	Non-Executive Director
Lee Chin Wee	Executive Director
Terry Cuthbertson	Non-Executive Director
Raymond Hor	Non-Executive Director
Tim Monger	Non-Executive Director (appointed 25 September 2015)

### Company Secretary

Gary Stewart

### Principal Activities

The principal operations and activities of the Consolidated Entity were the provision of software-based mobile telecommunications and technology business in the Asia-Pacific market.

### Results for the Year

For the year ended 30 June 2016, the consolidated entity generated an after tax profit of \$1,942,192 (2015: loss \$127,881), had net cash inflows from operating activities of \$1,925,742 (2015: inflow \$153,531) and had net assets of \$20,401,456 (2015: net assets \$18,441,286).

The Company's performance during the financial year ended 30 June 2016 is a significant improvement on the prior, which was impacted by costs associated with the reverse takeover and acquisition costs. The current year's result includes:

- (a) A strong performance from Arte Mobile Technology Pte. Ltd. with a profit contribution of \$2,839,591 which includes a deferred tax asset of \$444,915 and an over provision on tax in prior reporting period of \$109,094;
- (b) One off expenses in relation to potential acquisitions of \$164,700 during the year; and
- (c) A loss from our Malaysian operation of \$272,376. Despite the successful expansion into Thailand, the business in Malaysia was impacted when a key telecommunications partner Celcom suspended Datamorph Services Sdn Bhd's content mobile platform which resulted in a significant loss of revenue.

## Financial Performance

As noted above the underlying business performance was boosted by the strong performance of Arte Mobile Technology Pte. Ltd.

<b>Underlying business performance</b> <sup>1</sup>	
EBITDA	1,998,798
<b>Underlying earnings adjustments</b>	
Costs associated with potential acquisitions	164,700
Discontinued operations - impairment	-
<b>Underlying earnings</b>	<b>2,163,498</b>
Finance costs	42,542
Depreciation & amortisation	475,472
<b>Underlying earnings before taxation</b>	<b>1,645,484</b>

1. *Non-underlying income/expense are considered to be outside of the normal activities of the group and have been separately identified. The methodology of identifying these items is consistently applied from year to year. Underlying profit is a non-IFRS measure used by management of the company to assess the operating performance of the business. The non-IFRS measures have not been subject to audit.*

## Dividends

No interim dividend was declared or paid during the current financial year. The directors are recommending that no final dividend to be paid in respect of the year ended 30 June 2016 (2015: \$nil).

## Review of Operations

The consolidated profit for the 12 months ended 30 June 2016 was \$1,942,192 compared to a loss of \$127,881 for the previous 12 months ended 30 June 2015. Some of the key features of the year ended 30 June 2016 include:

- iSentric Sdn Bhd secured its first contract in Cambodia with Campu Bank, which is a wholly owned subsidiary of Public Bank Group, Malaysia's third largest bank by total assets.
- Arte Mobile Technology Pte. Ltd.'s strong performance in digital media services including successful new product launches for HUSH as well as collaboration with VONVON to grow the business in Indonesia. Arte Mobile also recently entered the Myanmar market and will commence distributing digital media services in conjunction with Myanmar's largest telecommunications business MPT.

## Financial Position

The net assets of the consolidated group have increased by \$1,960,170 from 30 June 2015 to \$20,401,456 as at 30 June 2016.

As at 30 June 2016, the consolidated group has a working capital surplus, being current assets less current liabilities, of \$2,374,944 (2015: \$914,682).

### **Significant Changes in State of Affairs**

There were no significant changes in the state of affairs of the consolidated group for the year ended 30 June 2016.

### **Likely Developments**

The Company plans to establish its Digital Media services in additional countries starting with Myanmar and will continue to strive to expand geographically in the Asia-Pacific market. The Company also plans to look into acquisitions that will help its expansion objectives as well as provide new sources of revenue by leveraging on iSentric's existing telecommunication and banking customers.

### **Director Information**

Mr Lim Keong Yew                      Independent Non-Executive Chairman  
Appointed 8 September 2014

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, 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, investment companies based in Hong Kong.

Lim Keong Yew's relevant experience includes:

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

Lim Keong Yew has experience in mobile technology and the management of businesses across a number of countries. He will assist the company in managing growth and general management and governance.

Mr Terry Cuthbertson                      Independent Non-Executive Director  
Appointed 26 July 2010

Terry is currently Chairman of Australian Whisky Holdings Limited, Austpac Resources N.L., MNF Group Limited, South American Iron & Steel Corporation Limited, Mint Payments Limited and Malachite Resources Limited. He was formerly a partner of KPMG Corporate Finance and New South Wales Partner in charge of Mergers and Acquisitions where he coordinated government privatization, mergers, acquisitions and divestiture activities and public offerings on the ASX for the New South Wales practice.

## Director Information

Mr Kwong Yang Chong                      Independent Non-Executive Director  
Appointed 8 September 2014

Kwong Yang Chong is of Australian nationality. Kwong Yang Chong is the Chief Financial Officer of Donaco International Limited. He has substantial experience in finance and accounting and is a CPA Australia member. Kwong Yang Chong's relevant experience includes:

- (a) Audit manager at Ernst & Young for ten years;
- (b) Financial controller of a leading commercial advertisement production Group in Malaysia for 10 years; and
- (c) Chief Financial Officer of Donaco International Ltd (an ASX listed company).

Kwong Yang Chong compliance and financial experience will be utilised to monitor performance and management reporting.

Mr Lee Chin Wee                              Executive Director  
Appointed 8 September 2014

Lee Chin Wee is a founding shareholder and a director of iSentric.

Lee Chin Wee holds a First Class BEng (Hon) degree in Electrical & Electronic Engineering from University College London, United Kingdom and a Master of Business Administration (MBA) from University of Malaya. Prior to iSentric, Lee Chin Wee worked at Accenture as a Business Consultant focusing on telecommunications billing systems, product development and revenue assurance. Lee Chin Wee has experience in marketing and business development and actively targets growth with existing customers and to establish new partners and customers.

Mr Raymond Hor                              Independent Non-Executive Director  
Appointed 23 June 2015

Raymond Hor is an experienced executive with over 17 years experience in the TMT sector across Asia. He has extensive knowledge in technology related business, with experience in systems engineering, R&D and sales and marketing.

After listing two of his own companies as an entrepreneur, Raymond joined Questmark Capital Management Sdn Bhd last year as an Entrepreneur-in-Residence. He was an Executive Director for Redhot Media International Ltd, from 2007 to 2010. He managed the company's business development, M&A and IPO exercise for the AIM listing on the London Stock Exchange. He was also previously the Executive Director and Chief Operating Officer of Mexter Technology Berhad, listed on the Malaysia ACE market, and was in charge of the sales and operations, R&D, as well as corporate development of the company. Currently, he also serves as an advisor to a China-base Education Group for its IPO exercise.

Mr Tim Monger Independent Non-Executive Director  
Appointed 25 September 2015

Tim Monger is a Principal of Odyssey Capital Partners and Odyssey Capital Funds Management Ltd.

Tim Monger is a qualified chartered accountant and holds a BComm from the University of New South Wales. He is also an Associate of the Institute of Chartered Accountants Australia and a Senior Fellow at FINSIA.

#### Directors' Interests in Shares and Options

Directors	Existing Shares	Existing Options
<i>Direct Interest</i>		
Lee Chin Wee	4,692,844	-
Lim Keong Yew	6,678,986	-
Raymond Hor	1,790,309	-
Terry Cuthbertson	189,795	100,000
Tim Monger	600,000	-
<i>Indirect Interest</i>		
Lim Keong Yew*	21,808,380	-

\* By virtue of his shareholdings in Jox Holdings.

#### Meetings of Directors

The number of director's meetings attended by each of the directors of the Company during the financial year were:

Director	Directors' Meetings		Audit, Risk & Remuneration	
	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend
Lim Keong Yew	3	7	1	1
Terry Cuthbertson	7	7	1	1
Lee Chin Wee	7	7	-	-
Kwong Yang Chong	7	7	1	1
Tim Monger	6	6	-	-
Raymond Hor	7	7	-	-

#### Remuneration Report

Remuneration levels for Directors and executives are determined as part of an annual performance review, having regard to market factors, a performance evaluation process and independent remuneration advice. Remuneration packages comprise only a fixed salary component. The remuneration structures in place are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account the following:

- The capability and experience of the Directors and executives; and
- The Directors and executive's ability to control the financial performance of the Company's operations.

**Fixed remuneration**

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT payable related to employee benefits), as well as employer contributions to superannuation funds. In addition, external consultants provide analysis, and when requested, advice to ensure the Directors' and senior executives' remuneration is competitive in the market place.

**Service agreements**

Executives have service agreements that are capable of termination within three months. In the event of termination or resignation, employees are entitled to their statutory entitlements to annual leave and long service leave, if applicable. There are no service agreements with any of the Directors.

**Non-executive Directors**

Total aggregate remuneration for all non-executive Directors approved by shareholders at an annual general meeting totalled \$500,000 (plus statutory superannuation). Director fees paid or payable to non-executive Directors total \$143,006 which is inclusive of superannuation, where applicable, at the current rate of 9.50%. Fees for non-executive directors are not linked to the performance of the consolidated group. Currently, the remuneration for a non-executive director is \$30,000 per annum.

Directors' fees cover all main Board activities. Directors who perform additional duties (e.g. extended business related travel overseas, special projects relating to preparation of half year and annual reports) over and above that of normal Director's duties are remunerated on commercial terms and conditions. Details of the nature and amount of each major element of remuneration for each Director of the Consolidated Entity and each of the most highly remunerated officers are as follows:

**Details of remuneration**

Total remuneration paid or payable to the Key Management & Personnel for the year ended 30 June 2016 is set out below:

Key Management	Short term employee benefits		Total
	Director's Fees	Director's Remuneration	
	\$	\$	\$
Lim Keong Yew	30,000	-	30,000
Lee Chin Wee	-	67,113	67,113
Terry Cuthbertson	30,000	-	30,000
Kwong Yang Chong	30,000	-	30,000
Raymond Hor	30,006	-	30,006
Tim Monger	23,000	-	23,000
Tham Jee Yeung	-	179,614	176,614
<b>Total</b>	<b>143,006</b>	<b>246,727</b>	<b>389,733</b>

## Directors' Report

Total remuneration paid or payable to the Directors for the year ended 30 June 2015 is set out below:

Key Management	Directors' Fees	Short term employee benefits		Total
		Director's Remuneration	Company Secretary Fees	
	\$	\$	\$	\$
Lim Keong Yew	25,000	-	-	25,000
Lee Chin Wee	-	203,025	-	203,025
Terry Cuthbertson	28,000	-	-	28,000
Kwong Yang Chong	25,000	-	-	25,000
Ng Chin Kong (resigned)	-	203,025	-	203,025
Michael Doery (resigned)	3,000	-	-	3,000
Gary Stewart (resigned)	3,000	-	18,000	21,000
<b>Total</b>	<b>84,000</b>	<b>406,050</b>	<b>18,000</b>	<b>508,050</b>

#### Options issued as part of remuneration for the year ended 30 June 2016

No option has been granted as part of remuneration to any Director or other key management personnel of the group. (2015:Nil)

This is the end of the Remuneration Report.

#### Audit Committee

The Audit Committee consists of Mr Lim Keong Yew, Mr Terry Cuthbertson and Mr. Kwong Yang Chong, who are all in charge of fulfilling the functions of the Audit Committee. This involves maintaining a Code of Corporate Conduct for the consolidated group, and to ensure additional assurance with respect to the quality and reliability of the information provided is prepared or approved by third party providers. The board is responsible for the appointment of the external auditor. The Board is responsible for reviewing the effectiveness of the organisation's internal control environment covering:

- (a) effectiveness and efficiency of operations
- (b) reliability of financial reporting
- (c) compliance with applicable laws and regulations.

In fulfilling its responsibilities the Board receives monthly management accounts which are tabled at monthly board meetings.

#### Shares Issued

There are no shares issued during the year.

#### Environmental Issues

The consolidated group's operations are not subject to significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

### Directors' and Executive Officers' Indemnification

The Consolidated Entity has not, during the financial year, in respect of any person who is or has been an officer or auditor of the Consolidated Entity or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

During the financial year, the Consolidated Entity paid insurance premiums of \$11,673 (excluding of GST) to insure the Directors and officers of the consolidated entity for costs and expenses which may be incurred in defending civil or criminal proceedings that may be brought against the Directors and officers in their capacity as Directors and officers of entities in the group.

There is no indemnification in relation to the auditors.

### Non-audit Services

During the year, MNSA Pty Ltd, the Company's Auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the Auditor and is satisfied that the provision of those non-audit services during the year by the Auditor is compatible with, and did not compromise, the Auditor independence requirements of the Corporations Act 2001 for the following reasons:

- (a) all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the Auditor;
- (b) the non-audit services do not undermine the general principles relating to auditor independence;
- (c) as set out in APES110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the Auditor's own work, acting in management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The following amounts were paid or are payable by the Consolidated Entity for non-audit services provided during the year:

	2016	2015
	\$	\$
<b>Non audit services</b>		
Tax compliance services	750	1,455
Others	-	5,523
	<hr/>	<hr/>

### Options

No options were issued during the year.

### Proceeding on Behalf of Company

No person has applied to the court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**Matters Subsequent to the End of the Financial Year**

There were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of the affairs of the consolidated group, in subsequent financial years.

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 15 of this Annual Report.

Signed in accordance with a resolution of directors.



**Lee Chin Wee**  
**Executive Director**

**Sydney**  
**30 August 2016**

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**ISENTRIC LIMITED ACN 091 192 871  
AND CONTROLLED ENTITIES**

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE  
CORPORATIONS ACT 2001  
TO THE DIRECTORS OF ISENTRIC LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

MNSA Pty Ltd

**Phillip Miller**

Sydney

Dated this 30<sup>th</sup> day of August 2016

MNSA Pty Ltd  
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iSentric Annual Report 2016

**Statement of Profit or Loss and Other Comprehensive Income  
for the year ended 30 June 2016**

		<b>Consolidated Group</b>	
	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
Revenue	2	9,832,773	8,632,969
Sales direct costs		(3,856,236)	(4,314,348)
Amortisation and depreciation		(475,472)	(217,358)
Compliance and professional fees		(603,419)	(1,420,300)
Employee benefits expenses		(1,854,287)	(1,124,122)
Administration expenses		(486,210)	(420,358)
Marketing expenses		(513,774)	(456,406)
Travel expenses		(277,420)	(175,681)
Insurance expenses		(10,747)	(13,333)
Finance costs		(42,542)	(48,085)
Other expenses		(231,882)	(50,312)
<b>Profit before income tax</b>		1,480,784	392,666
Income tax (expense) / credit	3	461,408	(370,546)
<b>Net Profit for continuing operations</b>		1,942,192	22,120
<b>Discontinued operations</b>			
Loss from discontinued operations		-	(150,001)
<b>Net Profit/(Loss) for the year</b>		1,942,192	(127,881)
<b>Other comprehensive income</b>			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange difference on translating foreign operations, net of tax		26,338	140,829
<b>Total comprehensive income for the year attributable to members of the parent entity</b>		1,968,530	12,948
<b>Earnings per share:</b>		Cents per share	Cents per share
From continuing operations(cents per share)	6	1.43	0.02
From discontinued operations (cents per share)	6	-	(0.15)

*The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

iSentric Annual Report 2016  
Statement of Financial Position as at 30 June 2016

	Note	Consolidated Group	
		2016	2015
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	691,051	1,188,051
Trade and other receivables	8	3,508,709	3,961,088
<b>Total Current Assets</b>		<b>4,199,760</b>	<b>5,149,139</b>
<b>Non-Current Assets</b>			
Plant and equipment	9	241,488	289,678
Intangible assets	10	17,336,239	17,236,926
Deferred Tax Asset		448,785	-
<b>Total Non-Current Assets</b>		<b>18,026,512</b>	<b>17,526,604</b>
<b>Total Assets</b>		<b>22,226,272</b>	<b>22,675,743</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	1,824,816	2,734,457
Other financial liabilities		-	-
Vendor finance	16	-	1,500,000
<b>Total Current Liabilities</b>		<b>1,824,816</b>	<b>4,234,457</b>
<b>Total Liabilities</b>		<b>1,824,816</b>	<b>4,234,457</b>
<b>Net Assets</b>		<b>20,401,456</b>	<b>18,441,286</b>
<b>Equity</b>			
Issued capital	12	18,001,394	18,009,754
Foreign currency translation reserve/(losses)	23	125,834	99,496
Retained earnings		2,274,228	332,036
<b>Total Equity</b>		<b>20,401,456</b>	<b>18,441,286</b>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*

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## Statement of Changes in Equity for the year ended 30 June 2016

Consolidated Group	Issued	Foreign-	Retained	Total
	Capital	Currency	Earnings	
	\$	Translation	\$	\$
		Reserve		
		\$		\$
<b>Balance at 1 July 2014</b>	<b>66,040</b>	<b>(41,333)</b>	<b>2,723,181</b>	<b>2,747,888</b>
Foreign currency translation	-	140,829	-	140,829
Shares issued	18,646,138	-	-	18,646,138
Cost related to share issues	(702,424)	-	-	(702,424)
Acquisition valuation adjustment	-	-	(2,263,264)	(2,263,264)
Profit/(Loss) for the year	-	-	(127,881)	(127,881)
<b>Balance at 30 June 2015</b>	<b>18,009,754</b>	<b>99,496</b>	<b>332,036</b>	<b>18,441,286</b>
Foreign currency translation	-	26,338	-	26,338
Shares issued	-	-	-	-
Cost related to share issues	(8,360)	-	-	(8,360)
Acquisition valuation adjustment	-	-	-	-
Profit/(Loss) for the year	-	-	1,942,192	1,942,192
<b>Balance at 30 June 2016</b>	<b>18,001,394</b>	<b>125,834</b>	<b>2,274,228</b>	<b>20,401,456</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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**Statement of Cash Flows for the year ended 30 June 2016**

	Note	Consolidated Group	
		2016	2015
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		10,327,517	8,162,571
Payments to suppliers and employees		(8,169,278)	(7,806,001)
Finance costs paid		(42,542)	(28,159)
Interest received		4,095	41,383
Income tax paid		(194,050)	(216,263)
<b>Net cash inflow from operating activities</b>	17	1,925,742	153,531
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash outflow on acquisition	16	-	(7,349,073)
Loan to other entities		-	39,185
Loans repaid by other entities		-	45,219
Payments for plant and equipment		(241,825)	(285,703)
Payments for intangible assets		(224,047)	(128,368)
Others		(260,187)	3,443
<b>Net cash outflow from investing activities</b>		(726,059)	(7,675,297)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		(124,860)	6,403,064
Proceeds from borrowings/other liabilities		-	1,505,000
Repayment of borrowings		(1,500,000)	(720,000)
<b>Net cash inflow from financing activities</b>		(1,624,860)	7,188,064
<b>Net increase/(decrease) in cash held</b>		(425,177)	(333,702)
Cash at the beginning of the financial period		1,188,051	1,452,851
Effect of exchange rate changes		(71,823)	68,902
<b>NET CASH AT THE END OF THE YEAR</b>	7	691,051	1,188,051

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

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## Notes to the Financial Statements for the year ended 30 June 2016

### Note 1: Summary of Significant Accounting Policies

iSentric Limited is a company incorporated and domiciled in Australia and is a listed public company whose shares are publicly traded on the Australian Securities Exchange (“ASX”).

iSentric Limited is the legal parent of iSentric Sdn Bhd. The consolidated financial statements are issued under the name of iSentric Limited but are deemed to be a continuation of the legal subsidiary iSentric Sdn Bhd (refer Note 1(a)). The consolidated financial statements are for the Consolidated Entity consisting of iSentric Limited and its subsidiaries and iSentric Sdn Bhd and its subsidiaries, combined, as defined on page 48.

The consolidated financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial report complies with International Financial Reporting Standards and the interpretations adopted by the International Accounting Standards Board.

The financial report covers iSentric Limited and its controlled entities as a consolidated entity (“Group”). iSentric Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report was approved by the Directors on 30 August 2016.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### Significant Accounting Policies

##### (a) Principles of Consolidation

In 2014 iSentric Limited acquired all of the issued shares of iSentric Sdn Bhd, resulting in iSentric Sdn Bhd becoming a wholly owned subsidiary of iSentric Limited. The acquisition resulted in the original shareholders of iSentric Sdn Bhd holding a majority share in iSentric Limited. Pursuant to Australian Accounting Standards this transaction represented a reverse acquisition with the result that iSentric Sdn Bhd was identified as the acquirer, for accounting purposes, of iSentric Limited (the “acquiree” and “legal parent”).

The consolidated financial report includes the financial statements of iSentric Limited (“Legal Parent Entity”) and its consolidated entities. iSentric Limited and its consolidated entities are together referred to in the financial report as the “Consolidated Entity” or “The Group”.

A controlled entity is any entity the Legal Parent Entity has the power to control the financial and operating policies so as to obtain benefits from its activities. A list of controlled entities is contained in Note 22 to the financial statements. All controlled entities have a June financial year-end.

The effects of all transactions between entities in the Group have been eliminated in full and the consolidated financial report has been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

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## Notes to the Financial Statements for the year ended 30 June 2016

### **Goodwill**

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest recognised and the fair value of the Group's previously held equity interest in the acquire (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

### **Business Combination**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis. Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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## Notes to the Financial Statements for the year ended 30 June 2016

### (b) Financial Instruments

#### ***Initial Recognition and measurement***

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to purchase or sale of asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

#### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

#### ***Other Financial Assets***

Other financial assets, including investments in controlled entities, are recognised at cost, less where applicable any impairment losses.

#### ***Financial liabilities***

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

#### ***Available-for-sale Investments***

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 remeasurements 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.

#### ***Trade and other payables***

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

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## Notes to the Financial Statements for the year ended 30 June 2016

### **Fair value estimations**

The fair values of financial assets and financial liabilities must be estimated for recognition and disclosure purposes. The nominal value less estimated credit adjustment of trade receivables and payables are assumed to approximate their fair values. The fair values of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rates that is available for similar financial instruments.

### **Impairment**

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

### **Plant and Equipment**

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate cost of assets, net of their residual values, over their estimated useful lives, as follows:

<i>Class</i>	<i>Rate</i>
Plant and equipment	8-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

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## Notes to the Financial Statements for the year ended 30 June 2016

**(c) Fair value measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

**(d) Intangibles*****Intellectual Property***

Intellectual property is recognised at cost of acquisition and is amortised over the period in which its benefits are expected to be realised. The balances are reviewed annually for impairment and any balance representing future benefits for which the realisation is considered to be no longer probable are recognised in the statement of profit or loss and other comprehensive income as impairment losses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. In relation to the amortisation of intangibles with finite useful lives, management judgements are used to determine the estimated useful lives. The estimated useful lives are as follows:

	<i>Number of years</i>
Mobile content and services	10
Software platform	5

***Goodwill***

The Group determines whether goodwill is impaired at least on an annual basis. This requires estimation of the recoverable amount of the cash generating units to which goodwill have been allocated. The assumption used in this estimation of recoverable amount and the amount of goodwill are discussed in Note 10.

## Notes to the Financial Statements for the year ended 30 June 2016

### **Development Expenditure**

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

- (a) its ability to measure reliably the expenditure attributable to the asset under development;
- (b) the product or process is technically and commercially feasible;
- (c) its future economic benefits are probable;
- (d) its intention to complete and the ability to use or sell the developed asset; and
- (e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 3 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

### **Impairment of Non-Financial Assets**

The carrying values of assets, other than those to which AASB136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

### **(e) Income Tax**

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

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## Notes to the Financial Statements for the year ended 30 June 2016

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### (f) Cash & Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less.

### (g) Revenue and other income

#### (i) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of sales tax, returns and trade discounts.

#### (ii) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

#### (iii) Revenue from Support Maintenance Services

Revenue from support maintenance services is recognised on the provision of software licensing maintenance and product enhancement services.

#### (iv) Licensing Software

Revenue is recognised when the right to use the software is granted to the buyers.

#### (v) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

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## Notes to the Financial Statements for the year ended 30 June 2016

**(h) Goods and Services Tax (GST) or Value Added Tax (VAT)**

Revenues, expenses and assets (other than receivables) are recognised net of the amount of GST in Malaysia and Singapore or net of the amount of VAT in Indonesia, except where the amount of GST or VAT incurred is not recoverable from the Tax Offices of the respective jurisdictions. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST or VAT included. The net amount of GST or VAT recoverable from, or payable to, the Tax Offices of the respective jurisdictions is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST or VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Tax Offices of the respective jurisdictions are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(i) Functional and Foreign Currencies****(i) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency. The consolidated financial statements are presented in Australian dollar, which is the Company's functional and presentation currency.

**(ii) Transactions and Balances**

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

**(iii) Foreign Operations**

Assets and liabilities of foreign operations are translated to Australian dollars at the rates of exchange ruling at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

## Notes to the Financial Statements for the year ended 30 June 2016

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

### (j) Employee Benefits

The following liabilities arising in respect of employee entitlements are measured at their nominal amounts. Wages and salaries and annual leave regardless of whether they are expected to be settled within twelve months of balance date and other employee benefits which are expected to be settled within twelve months of balance date.

All other employee entitlements, including long service leave, are measured at the present value of estimated future cash outflows in respect of services provided up to balance date. Liabilities are determined after taking into consideration estimated future increases in wages and salaries and past experience regarding staff departures. Related on costs are included.

### (k) Going Concern

The financial report has been prepared on a going concern basis. This presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities will occur in the normal course of business.

For the year ended 30 June 2016 the Group generated profit after tax of \$1,942,192 (2015: loss \$127,881), as at the balance date the Group's total assets exceeded total liabilities by \$20,401,456 (2015: net assets \$18,441,286).

The Directors believe that the going concern basis of accounting is appropriate due to the expected cash flows to be generated by the Group over the next twelve months. The Directors will closely monitor cash flows as the Group grows and if revenues do not increase as expected, the Directors will look to contain costs. The Directors believe that these actions, if required, will be sufficient to ensure that the company will be able to pay its debts as and when they fall due for the next twelve months.

Notwithstanding the above, the directors acknowledge that there are a number of risk factors that could materially affect the Group's future profitability and cash flows, which include, but are not limited to:

#### (i) Competition

There can be no assurance given in respect of the Group's ability to continue to compete profitably in the competitive markets in which the Group operates. The potential exists for change in the competitive environment in which the Group operates.

#### (ii) Reliance on key management

The responsibility of overseeing the day-to-day operations and strategic management of the Group is substantially dependent upon its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Group if one, or a number of, these employees cease their employment.

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## Notes to the Financial Statements for the year ended 30 June 2016

**(I) New accounting standards for application in future periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

**AASB 9: Financial Instruments and associated Amending Standards** (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

**AASB 15: Revenue from Contracts with Customers** (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

## Notes to the Financial Statements for the year ended 30 June 2016

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable to annual reporting periods beginning on or after 1 January 2016).

This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

The transitional provisions require that the Standard should be applied prospectively to acquisitions of interests in joint operations occurring on or after 1 January 2016. As at 30 June 2016, management is not aware of the existence of any such arrangements that would impact the financial statements of the entity going forward and as such is not capable of providing a reasonable estimate at this stage of the impact on initial application of AASB 2014-3.

AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128).

This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

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## Notes to the Financial Statements for the year ended 30 June 2016

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

### (m) Key Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

#### (i) Depreciation of Property and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### (ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### (iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

#### (iv) Amortisation of Development Costs

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

#### (v) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment loss. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

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## Notes to the Financial Statements for the year ended 30 June 2016

**(vi) Fair Value Estimates for Certain Financial Assets and Liabilities**

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and equity.

**(vii) Impairment of Goodwill**

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

**Note 2: Revenue**

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Revenue	9,803,091	8,550,742
Interest received	4,334	41,383
Gain on foreign exchange translation	25,348	40,844
	9,832,773	8,632,969

**Note 3: Income tax expense**

Prima facie tax expense/(income) on profit/(loss) before tax calculated at 30% (Malaysia: 24% / Singapore: 17%)	150,058	(77,208)
Tax effects of:		
Differential in tax rates	(309)	(5,970)
Non-taxable income	(102,327)	(10,739)
Non-deductible expenses	84,873	61,744
Effect of partial tax exemption and tax relief	(207,714)	-
Changes in unrecognised temporary difference	(77,492)	-
Deferred tax asset recognised	(444,915)	-
Deferred tax asset not brought to account	282,610	402,289
Under-provision of current tax in the previous financial year	(146,192)	430
Income tax expense / (credit)	(461,408)	370,546

Where applicable, grants and tax concessions are accrued in the year in which they are receivable.

Potential deferred tax assets at 30% (2015: 30%) attributable to unused tax losses, amounting to \$282,610 (2015: \$402,289) have not been brought to account because Directors do not believe it is appropriate to regard realisation of the deferred tax as probable. These benefits will only be obtained if:

- (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction of the loss to be realised;
- (b) the Company continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the loss.

**Dividend imputation**

The balance of the franking account of the Company at the end of the year was nil. No dividends were paid during the year.

## Notes to the Financial Statements for the year ended 30 June 2016

**Note 4: Auditor's remuneration**

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>(a) Audit Services</b>		
Auditor's remuneration, auditing or reviewing the financial reports:		
- Group auditor	54,500	72,688
- Other auditors	34,121	23,927
	<hr/>	<hr/>
<b>(b) Non Audit Services</b>		
- Group auditor		
- Tax compliance services	750	1,455
- Others	-	5,523
	<hr/>	<hr/>

**Note 5: Dividends**

No dividends were paid or proposed during the financial year.

**Note 6: Earnings per share****Overall Operations**

Profit/(loss) per share (cents per share)	1.43	(0.13)
- Basic	1.43	(0.13)
- Diluted	1.40	(0.13)
	<hr/>	<hr/>
Profit/(Loss) used in the calculation of basic EPS (\$)	1,942,192	(127,881)

**Continuing Operations**

Profit/(loss) per share (cents per share)		
- Basic	1.43	0.02
- Diluted	1.40	0.02
	<hr/>	<hr/>
Profit/(Loss) used in the calculation of basic EPS (\$)	1,942,192	22,120

**Discontinued Operations**

Basic and diluted profit/(loss) per share (cents per share)	-	(0.15)
	<hr/>	<hr/>
Profit/(Loss) used in the calculation of basic EPS (\$)	-	(150,001)

Weighted average number of shares outstanding during the year used in calculations of basic earnings per share	135,703,703	99,337,956
Dilutive effect of options outstanding	3,000,000	2,416,438
	<hr/>	<hr/>
Weighted average number of shares outstanding during the year used in calculations of diluted earnings per share	138,703,703	101,754,394

Information on options outstanding at the balance sheet date can be found in Note 12.

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## Notes to the Financial Statements for the year ended 30 June 2016

**Note 7: Cash and cash equivalents**

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	676,254	1,183,129
Cash in hand	14,797	4,922
	691,051	1,188,051

**Reconciliation to cash at year end**

Cash at bank	691,051	1,188,051
Cash and cash equivalents as per Statement of Cash Flows	691,051	1,188,051

**Note 8: Trade and other receivables**

Trade receivables	2,647,680	3,767,710
Other receivables	131,315	37,381
Prepayments	47,597	80,184
Deposits	230,462	43,854
Tax refundable	451,655	31,959
	3,508,709	3,961,088

**Note 9: Plant and Equipment****Cost**

Opening Balance	379,347	89,835
Additions/Written off	58,450	285,703
Effect of movement in exchange rate	(10,472)	3,809
Closing Balance	427,325	379,347

**Accumulated depreciation**

Opening Balance	89,669	64,821
Depreciation for the year	98,430	22,365
Effect of movement in exchange rate	(2,262)	2,483
Closing Balance	185,837	89,669

**Total plant and equipment**

	241,488	289,678
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## Notes to the Financial Statements for the year ended 30 June 2016

## Note 10: Intangible assets

## 2016 Consolidated Group

	Product Development Expenditure	Intellectual Properties	Goodwill	Total
	\$	\$	\$	\$
<b>At 30 June 2016</b>				
Cost	608,326	2,202,047	15,480,640	18,291,013
Accumulated amortisation and impairment	(566,266)	(388,508)	-	(954,774)
Net book amount	42,060	1,813,539	15,480,640	17,336,239
<b>Movement</b>				
Opening balance 1 July 2015	130,579	1,623,876	15,482,471	17,236,926
Additions	-	434,157	-	434,157
Amortisation charge	(84,384)	(292,658)	-	(377,042)
Impairment	-	-	-	-
Effect of movement in exchange rate	(4,135)	48,164	(1,831)	42,198
Closing balance 30 June 2016	42,060	1,813,539	15,480,640	17,336,239

## 2015 Consolidated Group

## At 30 June 2015

Cost	626,336	1,714,355	15,482,471	17,823,162
Accumulated amortisation and impairment	(495,757)	(90,479)	-	(586,236)
Net book amount	130,579	1,623,876	15,482,471	17,236,926

## Movement

Opening balance 1 July 2014	195,556	-	-	195,556
Additions	31,004	1,714,355	15,482,471	17,227,830
Amortisation charge	(105,572)	(89,422)	-	(194,994)
Impairment	-	-	-	-
Effect of movement in exchange rate	9,591	(1,057)	-	8,534
Closing balance 30 June 2015	130,579	1,623,876	15,482,471	17,236,926

## Notes to the Financial Statements for the year ended 30 June 2016

**Goodwill impairment tests****Description of the cash generating units and other information**

Goodwill acquired through business combinations has been allocated to two cash generating units (CGUs) for impairment testing.

The aggregate carrying amounts of goodwill allocated to CGUs are as follows:

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Arte Mobile Technology	15,418,789	15,418,789
Datamorph	61,851	63,682
	<u>15,480,640</u>	<u>15,482,471</u>

The annual impairment test undertaken at 30 June 2016 involved determining the recoverable amount of each CGU based on their fair value less cost to sell and comparing it to the CGU's carrying amount. Fair value reflects the best estimate of the amount that an independent third party would pay to purchase the CGUs, less related selling costs. Carrying value reflects goodwill and the other identifiable assets and liabilities that can be allocated to each CGU and that generate the CGU's cash flows.

Fair value has been calculated using discounted future cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. Discounted cash flows includes a terminal value calculated in accordance with the Gordon Growth model using a long term perpetuity growth rate of 5%. The usage of the growth rate was based on Indonesia's robust mobile market where SIM subscription's penetration rate is 126%. In addition, the annual growth rate (CAGR 2016-2020) for Video-on-Demand in Indonesia is 11.60%.

The valuation is based on cash flow projections over a five year period using assumptions that represent management's best estimate of the range of business and economic conditions at this time. The valuations have been reviewed and approved by the Board of iSentric.

Discount rates are calculated using a weighted average cost of capital method which is based on market data, reflects the time value of money and includes a risk premium to account for current economic conditions.

The pre-tax discount rates applied to the undiscounted cash flows were 14.84% for all CGUs. Management consider that, as all CGUs operate in the Digital Media Industry in Malaysia and Indonesia and provide equivalent products and services in the same markets, the risk specific to each unit are comparable and therefore a discount rate of 14.84% is applicable to all CGUs.

Based on the results of the tests undertaken no impairment losses have been recognised in relation to goodwill in the 2016 financial year.

**Note 11: Trade and other payables**

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade payables	700,970	1,518,102
Other payables	864,626	582,219
Amount owing to a director	55,001	24,101
Accruals	197,735	363,138
Tax payable	6,484	246,897
	<u>1,824,816</u>	<u>2,734,457</u>

## Notes to the Financial Statements for the year ended 30 June 2016

**Note 12: Contributed equity**

	Consolidated Group	
	2016	2015
	\$	\$
135,703,703 (2015: 135,703,703) fully paid ordinary shares	18,001,394	18,009,754

**(a) Ordinary shares - value**

At the beginning of the reporting period	18,009,754	66,040
Add: Share issued	-	18,646,138
Less: Cost related to share issue	(8,360)	(702,424)
Balance at end of reporting period	18,001,394	18,009,754

**(b) Ordinary shares - number**

	No.	No.
At the beginning of the reporting period	135,703,703	14,287,774
Share consolidation on a 1 for approx 3.769 basis	-	(10,537,849) <sup>(1)</sup>
Share issue	-	60,000,000 <sup>(2)</sup>
Share issue	-	3,000,000 <sup>(3)</sup>
Share issue	-	9,997,037 <sup>(4)</sup>
Share issue	-	616,000 <sup>(5)</sup>
Share issue	-	19,340,741 <sup>(6)</sup>
Share issue	-	38,000,000 <sup>(7)</sup>
Share issue	-	1,000,000 <sup>(8)</sup>
Balance at end of reporting period	135,703,703	135,703,703

**Notes**

- (1) Share consolidation on 2 September 2014 was on a 1 for 3.769268266502 for 1 basis
- (2) Issued on 9 September 2014 to Donaco
- (3) Issued on 8 September 2014 for convertible notes
- (4) Issued on 8 September 2014 for the capital raising
- (5) Issued on 28 November 2014 to Odyssey Capital
- (6) Issued on 28 January 2015 as part of the capital raising
- (7) Issued on 9 February 2015 to Arte Mobile
- (8) Issued on 28 April 2015 to YQ Global

**Ordinary shares**

Ordinary shares participate in dividends and the proceeds on winding up of the Consolidated Entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**Options**

The balance of options at 30 June 2016 is 3,000,000.

## Notes to the Financial Statements for the year ended 30 June 2016

**Note 13: Segment Reporting****Identification of reportable segments**

iSentric Limited has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

**Basis of accounting for purposes of reporting by operating segments****(a) Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

**(b) Inter segment transactions**

Segment revenues, expenses and results include transfers between segments. The prices charged on inter-segment transactions are the same as those charged for similar goods to parties outside of the consolidated group at an arm's length. These transfers are eliminated on consolidation.

**(c) Segment assets**

Assets include all assets used by a segment and consist principally of cash, receivables, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

**(d) Segment liabilities**

Liabilities consist principally of accounts payable, employee entitlements, accrued expenses and provisions.

	Malaysia \$	Singapore \$	Australia \$	Indonesia \$	Consolidation Adjustment \$	Consolidated Group \$
<b>2016</b>						
<b>REVENUE</b>						
External sales	5,746,541	3,130,377	-	1,021,281	(95,108)	9,803,091
Interest revenue	4,004	126	73	131	-	4,334
Gain on foreign exchange translation	27,941	300	-	511	(3,404)	25,348
<b>Total revenue</b>	<b>5,778,486</b>	<b>3,130,803</b>	<b>73</b>	<b>1,021,923</b>	<b>(98,512)</b>	<b>9,832,773</b>
Expenses	(6,053,900)	(718,668)	(621,692)	(1,052,837)	95,108	(8,351,989)
Profit / (loss) before income tax expense	<b>(275,414)</b>	<b>2,412,135</b>	<b>(621,619)</b>	<b>(30,914)</b>	<b>(3,404)</b>	<b>1,480,784</b>
Income tax expense						<b>461,408</b>
Profit / (loss) after income tax expense						<b>1,942,192</b>
<b>ASSETS</b>						
Total assets	828,835	492,454	29,029,348	481,311	(16,605,676)	22,226,272
<b>LIABILITIES</b>						
Total liabilities	171,493	219,949	3,319,741	138,334	(3,024,701)	1,824,816

## Notes to the Financial Statements for the year ended 30 June 2016

	Malaysia \$	Singapore \$	Australia \$	Indonesia \$	Consolidation Adjustment \$	Consolidated Group \$
<b>2015</b>						
<b>REVENUE</b>						
External sales	7,360,987	1,038,786	-	420,711	(269,742)	8,550,742
Interest revenue	21,172	4	20,113	94	-	41,383
Gain on foreign exchange translation	13,482	-	23,622	-	3,740	40,844
<b>Total revenue</b>	<b>7,395,641</b>	<b>1,038,790</b>	<b>43,735</b>	<b>420,805</b>	<b>(266,002)</b>	<b>8,632,969</b>
<b>Expenses</b>	<b>(6,640,568)</b>	<b>(165,139)</b>	<b>(1,384,699)</b>	<b>(258,994)</b>	<b>209,097</b>	<b>(8,240,303)</b>
Profit / (loss) before income tax expense	<b>755,073</b>	<b>873,651</b>	<b>(1,340,964)</b>	<b>161,811</b>	<b>(56,905)</b>	<b>392,666</b>
Income tax expense						<b>(370,546)</b>
Loss from discontinued operations						<b>(150,001)</b>
Profit / (loss) after income tax expense						<b>(127,881)</b>
<b>ASSETS</b>						
<b>Total assets</b>	<b>4,611,309</b>	<b>3,002,254</b>	<b>29,130,219</b>	<b>382,859</b>	<b>(14,450,898)</b>	<b>22,675,743</b>
<b>LIABILITIES</b>						
<b>Total liabilities</b>	<b>1,634,251</b>	<b>666,964</b>	<b>2,790,733</b>	<b>15,935</b>	<b>(873,426)</b>	<b>4,234,457</b>

**Note 14: Financial Risk Management**

The Group's financial instruments consist mainly of deposits with banks, accounts and other receivables, trade and other payables, loans to and from related parties.

The maximum exposure to credit risk at the balance sheet date is as follows:

	Consolidated Group	
	2016 \$	2015 \$
<b>Financial Assets</b>		
Cash and cash equivalents	691,015	1,188,051
Trade receivables	2,647,680	3,767,710
Other receivables	131,315	37,381
Deposits	230,462	43,854
Tax refundable	451,655	31,959
<b>Total</b>	<b>4,152,127</b>	<b>5,068,955</b>
<b>Financial Liabilities</b>		
Trade payables	700,970	1,518,102
Other payables	864,626	2,082,219
Amount owing to a director	55,001	24,101
Accruals	197,735	363,138
Tax payable	6,484	246,897
<b>Total</b>	<b>1,824,816</b>	<b>4,234,457</b>

## Notes to the Financial Statements for the year ended 30 June 2016

**(a) General objectives, policies and processes**

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

**(b) Credit risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when the debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables as appropriate. The main components of this allowance are specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior year experience and the current economic environment.

**(i) Credit risk concentration profile**

As at the end of the financial year, the Group has significant concentration of credit risk related to the amount owing by four customers (2015 – three customers) which constituted approximately 74% (2015 – 52%) of total trade receivables.

**(ii) Exposure to credit risk**

At the end of the financial year, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment (where applicable).

**(iii) Ageing analysis**

The ageing of trade receivables at the reporting date is as follows:

	<b>2016</b>	<b>2015</b>
	\$	\$
Not past due	1,681,240	3,185,709
Past due 0 – 30 days	85,786	241,069
Past due 31 – 60 days	13,441	48,699
Over 60 days	867,213	292,233
<b>Total</b>	<u>2,647,680</u>	<u>3,767,710</u>

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## Notes to the Financial Statements for the year ended 30 June 2016

At the end of the financial year, trade receivables that are individually impaired were those with significant financial difficulties and have defaulted on payments. The receivables are not secured by any collateral or credit enhancement.

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

### (c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. The Board of Directors manage liquidity risk by continually monitoring forecast cash flows and generating when required additional capital funding as necessary. It is noted that the Group does not have any borrowing facilities.

The following maturity analysis is done on a contractual undiscounted cash flow basis:

#### Maturity Analysis -Consolidated Group

Financial liabilities	Carrying Amount \$	Contractual Cash flows \$	< 6 months \$	6 – 12 months \$	1-3 years \$	> 3 years \$
<b>2016</b>						
Trade and other payables and accruals	1,769,815	1,796,815	1,702,551	67,264	-	-
Amount payable to a director	55,001	55,001	55,001	15,000	25,001	-
<b>2015</b>						
Trade and other payables and accruals	4,210,356	4,210,356	3,919,486	266,769	-	-
Amount payable to a director	24,101	24,101	14,461	9,640	-	-

The fair value of the current trade and other payables approximates their carrying values.

### (d) Market rate risk

Market rate risk arises from the use of interest bearing and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or foreign exchange rates (currency risk). The Company and Group are not subject to other price risk on its financial instruments.

#### (i) Interest rate risk

Interest rate risk arises on cash and cash equivalents, and receivables from related parties. The Group does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Group, no policies are in place to formally mitigate this risk.

##### *Sensitivity to changes in interest rates:*

If interest rates were to move 100 bps up or down in the next 12 months, the following effect on reported profits or losses from all interest bearing financial assets and financial liabilities, is expected:

- The profit effect on the consolidated group of an interest rate increase of 1% is \$1,020(2015: \$414) and the profit effect of an interest rate decrease of 1% is \$1,020 (2015:-\$414).
- There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

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## Notes to the Financial Statements for the year ended 30 June 2016

## (ii) Currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in foreign currencies for the financial year ended 30 June 2016. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Australian Dollar ("AUD"), Euro ("Euro"), Malaysian Ringgit ("MYR"), Indonesian Rupiah ("IDR") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level.

*Foreign currency exposure:*

2016	USD AUD	EUR AUD	SGD AUD	IDR AUD	Total AUD
<b>Financial asset</b>					
Trade receivables	61,976	-	-	1,335,399	1,397,375
<b>Financial liability</b>					
Trade and other payables	-	-	-	(152,368)	(152,368)
<b>Net currency exposure</b>	<u>61,976</u>	<u>-</u>	<u>-</u>	<u>1,183,031</u>	<u>1,245,007</u>
<b>2015</b>	<b>USD AUD</b>	<b>EUR AUD</b>	<b>SGD AUD</b>	<b>IDR AUD</b>	<b>Total AUD</b>
<b>Financial asset</b>					
Trade receivables	117,301	4,720	41,987	1,212,250	1,376,258
<b>Financial liability</b>					
Trade and other payables	-	-	-	(97,364)	(97,364)
<b>Net currency exposure</b>	<u>117,301</u>	<u>4,720</u>	<u>41,987</u>	<u>1,114,886</u>	<u>1,278,894</u>

*Foreign currency sensitivity analysis:*

The following table details the sensitivity analysis to a reasonable possible change in the foreign currencies at the end of the financial year, with all other variables held constant:

	2016 Increase/(Decrease) AUD	2015 Increase/(Decrease) AUD
<b>USD:</b>		
-strengthen by 10%	6,198	11,730
-weakened by 10%	(6,198)	(11,730)
<b>EUR:</b>		
- strengthen by 10%	-	472
-weakened by 10%	-	(472)
<b>SGD:</b>		
- strengthen by 10%	-	4,199
-weakened by 10%	-	(4,199)
<b>IDR:</b>		
- strengthen by 10%	118,303	111,489
-weakened by 10%	(118,303)	(111,489)

## Notes to the Financial Statements for the year ended 30 June 2016

**(e) Fair values of financial assets and liabilities**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

The fair values of the financial assets and liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

**(f) Capital Management**

The Board endeavours to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

**Note 15: Related Party Transactions**

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Office rental expenses paid/payable to a related party	-	39,427
Purchases paid/payable to a related party	-	207
Sales received/receivable from related parties	-	1,335

No director has entered into contracts with the Company since the end of the previous financial year.

Office rental expenses and purchases are paid to a company controlled by a close member of the family of a director.

Sales received from related parties were from an entity controlled by a director.

**Note 16: Business Combination****Acquisition of Datamorph Services Sdn Bhd and Arte Mobile Technology Pte. Ltd and controlled entities**

There were no acquisition in the financial year ended 30 June 2016.

During the financial year ended 30 June 2015, iSentric Limited acquired Arte Mobile Technology Pte. Ltd. and Datamorph Services Sdn. Bhd.

iSentric Limited provisionally recognised the fair values of the identifiable assets and liabilities of Arte Mobile Technology Pte. Ltd. and Datamorph Services Sdn Bhd in 2015 based upon the best information available as of the reporting date. The business combination accounting was completed in 2016:

	<b>Fair Value</b>	
	<b>2015 /2016</b>	
	<b>\$</b>	
	<b>Datamorph</b>	<b>Arte Mobile</b>
<b>Purchase consideration:</b>		
- Shares / units issued	-	9,500,000
- Cash, consideration, net of cash received	86,075	6,000,000
- Vendor finance	-	1,500,000
	86,075	17,000,000

## Notes to the Financial Statements for the year ended 30 June 2016

The final fair value of the identifiable assets and liabilities of Arte Mobile Technology Pte. Ltd. and Datamorph Services Sdn. Bhd. are as follows:

	<b>Datamorph</b>	<b>Fair Value Arte Mobile \$</b>
Intangible assets - IP	-	1,813,539
Trade and other debtors	403,175	1,609,253
Cash and cash equivalent	228,532	42,049
Trade and other creditors	(114,769)	(220,045)
Provision for taxation	-	(127,654)
Provisional fair value of identifiable net assets	<u>516,938</u>	<u>3,117,142</u>
Goodwill on acquisition	63,682	15,418,789
	<u>580,620</u>	<u>18,535,931</u>

The acquired subsidiaries has contributed the following results to the Group:-

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Revenue	5,605,974	1,226,540
Profit after taxation	2,918,104	743,131

#### Note 17: Notes to the statements of cash flows

##### (a) Reconciliation of Cash Flow from Operations with profit/(loss) after income tax

	<b>Consolidated Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Profit/(Loss) after income tax	1,942,192	(127,881)
Non cash flows in profit/(loss) for the year:		
Depreciation and amortisation	475,472	217,359
Allowance for impairment losses on trade receivables	-	41,483
Impairment loss on investment	-	150,001
Bad debts written off	132,474	8,121
Property and equipment written off	32,793	-
Unrealised gain on foreign exchange	(7,951)	(35,465)
Sub total	<u>2,574,980</u>	<u>253,618</u>
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	346,673	(157,143)
Increase/(decrease) in trade and other payables	(1,023,319)	59,899
Effect of exchange rate changes	27,408	(2,843)
Net cash inflow from operating activities	<u>1,925,742</u>	<u>153,531</u>

##### (b) Non-cash Financing and Investing Activities

###### Securities issued on acquisition

No securities was being issued during the financial year.

## Notes to the Financial Statements for the year ended 30 June 2016

## Note 18: Key Management Personnel

## (i) Details of Key Management Personnel

Name	Title
Lim Keong Yew	Non-Executive Chairman
Kwong Yang Chong	Non-Executive Director
Lee Chin Wee	Executive Director
Terry Cuthbertson	Non-Executive Director
Raymond Hor	Non-Executive Director
Tim Monger	Non-Executive Director (appointed 25 September 2015)
Tham Jee Yeung	Group Chief Executive Officer

## (ii) Compensation of Key Management Personnel

These remuneration disclosures are provided in the Directors' Report under Remuneration Report and designated as audited.

	Consolidated Group	
	2016	2015
	\$	\$
Short term employees benefit	210,119	508,050

## (iii) Shareholdings of Key Management Personnel

Shares held directly and indirectly in the Company:

2016	Balance at the start of the year	Granted as remuneration	Other changes during the year	Balance at the end of the period
<b>Direct Interest</b>				
Lim Keong Yew	5,367,724	-	1,311,262	6,678,986
Lee Chin Wee	4,692,844	-	-	4,692,844
Raymond Hor	1,790,309	-	-	1,790,309
Terry Cuthbertson	189,795	-	-	189,795
Tim Monger	600,000	-	-	600,000
Tham Jee Yeung	400,000	-	-	400,000
Kwong Yang Chong	-	-	-	-
<b>Indirect Interest</b>				
Lim Keong Yew*	21,808,380	-	-	21,808,380

\* By virtue of his shareholdings in Jox Holdings.

2015	Balance at the start of the year	Granted as remuneration	Other changes during the year	Balance at the end of the period
<b>Direct Interest</b>				
Lim Keong Yew	-	-	5,367,724	5,367,724
Lee Chin Wee	-	-	4,692,844	4,692,844
Ng Chin Kong	-	-	4,692,844	4,692,844
Raymond Hor	-	-	1,790,309	1,790,309
Terry Cuthbertson	-	-	150,000	150,000
Gary Stewart	-	-	100,000	100,000
<b>Indirect Interest</b>				
Lim Keong Yew*	-	-	21,808,380	21,808,380

\* By virtue of his shareholdings in Jox Holdings.

## Notes to the Financial Statements for the year ended 30 June 2016

All equity transactions with key management personnel, which relate to the Company's listed ordinary shares, have been entered into on an arms length basis.

### (iv) Option holdings of Key Management Personnel

100,000 options held by Terry Cuthbertson. (2015: 100,000)

### Note 19: Company Details

The registered office of the Company is:

iSentric Limited  
Level 10, 50 Pitt Street  
Sydney NSW 2000

### Note 20: Subsequent Events

There were no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of the affairs of the consolidated group, in subsequent financial years.

### Note 21: Operating Lease Commitment

The future minimum lease payments under the non-cancellable operating lease are as follows:-

	Consolidated Group	
	2016	2015
	\$	\$
Not more than one year	52,434	64,783
Later than one year and not later than five years	-	53,986
	<u>52,434</u>	<u>118,769</u>

## Notes to the Financial Statements for the year ended 30 June 2016

**Note 22: iSentric Limited Parent Company Information**

iSentric Sdn. Bhd. was acquired by iSentric Limited on 8 September 2014. As required by Australian Accounting Standard AASB3: Business Combinations, iSentric Limited is deemed to have been acquired by iSentric Sdn. Bhd. as at 8 September 2014 under reverse acquisition rules. Accordingly, iSentric Sdn. Bhd. is the Parent Entity for accounting purposes. iSentric Limited is the legal parent.

The following information has been extracted from the books and records of the legal parent, iSentric Limited and has been prepared in accordance with Australian Accounting Standards. Accordingly the information presented below does not relate to "the Parent Entity" as defined on page 19.

	<b>Parent Entity</b>	
	<b>2016</b>	<b>2015</b>
	\$	\$
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Current Assets	29,148	130,219
Non-current assets	29,000,100	29,000,000
<b>TOTAL ASSETS</b>	<b>29,029,248</b>	<b>29,130,219</b>
<b>LIABILITIES</b>		
Current liabilities	2,874,310	2,790,733
Non-current liabilities	-	-
<b>TOTAL LIABILITIES</b>	<b>2,874,310</b>	<b>2,790,733</b>
<b>EQUITY</b>		
Contributed equity	69,205,534	69,213,894
Accumulated losses	(43,496,027)	(42,874,408)
<b>TOTAL EQUITY</b>	<b>25,709,507</b>	<b>26,339,486</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
Net profit/(loss) for the year	(621,619)	(1,340,964)
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(621,619)</b>	<b>(1,340,964)</b>

**Parent Entity Contingencies**

The directors are of the opinion that no provisions are required in respect of the Company's contingencies.

**Guarantees**

The Company has not entered into any guarantees, in the current or previous financial year in relation to the debts of its subsidiaries.

**Contractual Commitments**

At 30 Jun 2016, the Company has not entered into any contractual commitments for the acquisition of property, plant and equipment (2015: Nil).

## Notes to the Financial Statements for the year ended 30 June 2016

Controlled Entities

Controlled Entity	Country of Incorporation	Percentage of Shares Held	
		2016	2015
iSentric Wireless Sdn. Bhd.	Malaysia	100%	100%
Datamorph Services Sdn. Bhd.	Malaysia	100%	100%
PT Isentric Technology Indonesia	Indonesia	100%	100%
Arte Mobile Technology Pte. Ltd.	Singapore	100%	100%

**Note 23: Foreign Currency Translation Reserves**

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

	Consolidated Group	
	2016	2015
	\$	\$
<b>Foreign currency translation reserve</b>		
Exchange differences on translation of foreign operations	125,834	99,496
Movement in foreign currency translation reserve	26,338	140,829

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 16 to 48, are in accordance with the Corporations Act 2001 and:
  - a. comply with Australian Accounting Standards which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the company and consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. the Directors have been given the declarations required by s295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

This declaration is made in accordance with a resolution of the Board of Directors.



**Lee Chin Wee**  
**Executive Director**  
**30 August 2016**

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**ISENTRIC LIMITED ACN 091 192 871  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ISENTRIC LIMITED ACN 091 192 871  
AND CONTROLLED ENTITIES**

**Report on the Financial Report**

We have audited the accompanying financial report of iSentric Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's Opinion*

In our opinion:

- a) the financial report of iSentric Limited is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Report on the Remuneration Report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

*Auditor's Opinion*

In our opinion the remuneration report of iSentric Limited for the year ended 30 June 2016 complies with s 300A of the *Corporations Act 2001*.

**MNSA Pty Ltd**

**Phillip Miller**

Sydney

Dated this 30<sup>th</sup> day of August 2016

MNSA Pty Ltd  
ABN 59 133 605 400

Level 1, 283 George St  
Sydney NSW 2000  
GPO Box 2943 Sydney 2001

Tel (02) 9299 0901  
Fax (02) 9299 8104  
Email [admin@mnsa.com.au](mailto:admin@mnsa.com.au)

Liability limited by the  
Accountants Scheme,  
approved under the  
Professional Standards  
Act 1994 (NSW)

**1. Shareholding**

a. Distribution of Shareholders Number as at 12 October 2016

	Number of ordinary shares	Number of holders
1-1,000	28,237	61
1,001-5,000	578,414	192
5,001-10,000	572,318	77
10,001-100,000	4,872,821	131
100,000 and over	129,651,913	55
	135,703,703	516

b. The number of shareholdings held in less than marketable parcels is 307.

c. The names of the substantial shareholders listed in the Company's register as at 12 October 2016 are:

Shareholder	Number of shares	Percentage Holding
1. LIM KEONG YEW	28,487,366	21.0%
2. NA CHUN WEE	16,528,121	12.2%

d. 20 Largest Shareholders as at 12 October 2016 – Ordinary Shares

Shareholder	Number of shares	Percentage Holding
1. UOB KAY HIAN PRIVATE LIMITED	36,123,810	26.6%
2. JOX HOLDINGS LIMITED	21,808,380	16.1%
3. CITICORP NOMINEES PTY LIMITED	17,009,360	12.5%
4. CHUN WEE NA	13,288,121	9.8%
5. HSBC CUSTODY NOMINEES(AUSTRALIA) LIMITED	7,251,690	5.3%
6. KEONG YEW LIM	5,178,986	3.8%
7. LEE CHIN WEE	3,720,884	2.7%
8. N2 GLOBAL (HK) LIMITED	3,240,000	2.4%
9. MR KEONG YEW LIM	1,500,000	1.1%
10. MR SING CHOU CHEW	1,500,000	1.1%
11. RHB SECURITIES SINGAPORE PTE	1,434,240	1.1%
12. MADAM BENG CHOO TAN	1,240,000	0.9%
13. MALAHON SECURITIES LIMITED	1,163,003	0.9%
14. ENG KONG YEOH	1,005,493	0.7%
15. MR MICHAEL STEWART BUNKER	1,000,000	0.7%
16. YQ GLOBAL LIMITED	1,000,000	0.7%
17. MR KENNETH ALAN RISING & MRS MARIA RISING	973,521	0.7%
18. SHEE HONG HOR	729,370	0.5%
19. MR GERALD NICHOLAS TAN	675,000	0.5%
20. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	650,343	0.5%
	120,492,201	88.8%

e. Voting Rights

The voting rights attached to each ordinary share is one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

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**2. The name of the Company Secretary is Mr Gary Stewart. Mr Stewart's qualifications are:**

LLB

Mr Stewart has a practice in Corporate Law and advises and works in a number of public listed companies in Australia. In addition he holds the position of Company Secretary in both public listed companies and private companies.

**3. The address of the registered and principle office is:**

Level 10, 50 Pitt Street  
Sydney NSW 2000

**4. Registers of securities are held at the following address**

Link Market Services  
Level 12, 680 George Street  
Sydney NSW 2000

**5. Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

**6. Restricted Securities**

Ordinary Shares

Of the 135,703,703 ordinary shares on issue as at 30 June 2016, all were quoted on the Australian Stock Exchange. No ordinary shares are subject to escrow restrictions.

Options

No options are subject to escrow restrictions.

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**iSentric Limited (ACN 091 192 871)**

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