



**APPENDIX 4E
PRELIMINARY FINAL REPORT**

1. Company details

Name of entity:	I Synergy Group Limited
ABN:	51 613 927 361
Reporting period:	For the year ended 31 December 2021
Previous period:	For the year ended 31 December 2020

2. Results for announcement to the market

				AUD\$'000
Revenue from ordinary activities	down	77.2%	to	1,912
Loss from ordinary activities after tax attributable to the owners of I Synergy Group Limited	down	28.5%	to	(1,049)
Loss for the year attributable to the owners of I Synergy Group Limited	down	2.3%	to	(1,165)

Dividend

No dividend was recommended by the directors for the financial year.

Comment

During the financial year, the Group experienced a decline of 77.2% in revenue, from AUD\$8,370 million to AUD\$1,912 million causing the Group to experience a loss of AUD\$197,000 during the financial year.

The decline in revenue is mainly due to the ongoing global pandemic, COVID-19 which impacted the core business income stream of software activation, license rights and program fee from the sign up of new affiliates. The implementation of lockdown in the respective countries has affected the business activities of training and affiliate events causing a decrease in the new affiliates sign up as compared to the previous financial year.

During the financial year, the Group sold its loyalty program MY Smart Shopper (MSS) project to a third party which caused a fall in revenue from AUD 148,000 to AUD 57,000.

With the observed performance measure, the Group has taken some offensive measure and introduced an economic stimulus package such as VTRAK Platform for key stakeholders of affiliates, advertisers and users. This measure includes moving the business digitally by introducing digitalization and automation, hence, the Group has reduced its manpower and shut down all business centers nationwide. This strategy is significant as it manages the Group's expenses while stimulating the market. The Management is optimistic that the Group's products and services are well accepted in the market and would contribute in the foreseeable future.



**APPENDIX 4E
PRELIMINARY FINAL REPORT**

3. Net tangible liabilities

	Reporting period Cents	Previous period Cents
Net tangible liabilities per ordinary share	(1.39)	(0.45)

4. Control gained over entities

Not applicable.

5. Loss control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Foreign entities to disclose which accounting standards are used in compiling the report

The financial statements of the Group have been prepared in accordance with Australian Accounting Standards issued by Australian Accounting Standards Board, which is also comply with International Financial Reporting Standards.

8. Audit status

The accounts are in the process of being audited.

9. If the accounts have not yet been audited and are likely to contain an independent audit report that is to a modified opinion, emphasis of matter or other matter paragraph, a description of the likely modified opinion, emphasis of matter or other matter paragraph

The independent audit report is unlikely to contain a modified opinion, emphasis of matter or other matter paragraph, a description of the likely modified opinion, emphasis of matter or other matter paragraph.



**APPENDIX 4E
PRELIMINARY FINAL REPORT**

10. Attachments

Details of attachments (if any):

The Financial Statements and Notes forming part of the Preliminary Final Report of I Synergy Group Limited for the year ended 31 December 2021 is attached.

11. Signed

A handwritten signature in black ink, appearing to read 'Teo Chee Hong'.

Signed _____

Date: 28 February 2022

Dato' Teo Chee Hong
Director

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

		The Group	
	Note	2021 AUD\$'000	2020 AUD\$'000
Revenue	2	1,912	8,370
Cost of sales		(638)	(5,446)
Gross profit		1,274	2,924
Other income		621	112
Selling and distribution expenses		(186)	(65)
Administrative expenses		(1,802)	(3,806)
Other expenses		(243)	(187)
Finance cost		(7)	(10)
Loss before taxation	3	(343)	(1,032)
Income tax expense	4	(919)	(33)
Loss after taxation for the year		(1,262)	(1,065)
Other comprehensive (loss)/income			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation differences		(118)	154
Total comprehensive expenses for the year		(1,380)	(911)
(Loss)/Profit after taxation attributable to:			
Non-controlling interest		(213)	402
Owners of the Company		(1,049)	(1,467)
		(1,262)	(1,065)
Total comprehensive (expenses)/income for the year attributable to:			
Non-controlling interest		(215)	281
Owners of the Company		(1,165)	(1,192)
		(1,380)	(911)
		Cents	Cents
Basic loss per share	5	(0.57)	(0.80)
Diluted loss per share	5	(0.57)	(0.80)

The annexed notes form an integral part of these financial statements.

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

		The Group	
	Note	2021 AUD\$'000	2020 AUD\$'000
ASSETS			
<u>Current Assets</u>			
Cash and cash equivalents	6	907	4,951
Inventories	7	-	15
Trade receivables	8	74	87
Other receivables, deposits and prepayments	9	237	437
Current tax asset		222	279
		<u>1,440</u>	<u>5,769</u>
<u>Non-Current Assets</u>			
Equipment	10	587	693
Deferred tax asset	11	-	922
Right-of-use assets	12	221	134
Goodwill on consolidation	13	-	238
Development costs	14	267	121
		<u>1,075</u>	<u>2,108</u>
TOTAL ASSETS		<u>2,515</u>	<u>7,877</u>
LIABILITIES			
<u>Current Liabilities</u>			
Trade payables	15	24	823
Other payables and accruals	16	675	1,562
Current tax liability		-	114
Deferred revenue	17	1,117	1,089
Lease liabilities	18	82	54
		<u>1,898</u>	<u>3,642</u>
<u>Non-Current Liabilities</u>			
Other payables	16	-	60
Deferred revenue	17	3,035	3,989
Lease liabilities	18	121	88
Deferred tax liabilities	19	-	16
		<u>3,156</u>	<u>4,153</u>
TOTAL LIABILITIES		<u>5,054</u>	<u>7,795</u>
NET LIABILITIES/ASSETS		<u>(2,539)</u>	<u>82</u>
EQUITY			
Share capital	20	2,442	2,442
Merger deficit	21	(1,042)	(1,042)
Foreign exchange translation reserve	22	165	281
Option reserve	23	142	137
Accumulated losses		(4,284)	(3,235)
		<u>(2,577)</u>	<u>(1,417)</u>
Equity attributable to owners of the Company		<u>(2,577)</u>	<u>(1,417)</u>
Non-controlling interest		38	1,499
TOTAL EQUITY		<u>(2,539)</u>	<u>82</u>

The annexed notes form an integral part of these financial statements.

**I SYNERGY GROUP LIMITED**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Group	Share Capital AUD\$'000	Merger Deficit * AUD\$'000	Foreign Exchange Translation Reserve AUD\$'000	Option Reserve AUD\$'000	Accumulated losses AUD\$'000	Attributable To Owners Of The Company AUD\$'000	Non-Controlling Interest AUD\$'000	Total Equity AUD\$'000
Balance at 1.1.2021	2,442	(1,042)	281	137	(3,235)	(1,417)	1,499	82
Loss after taxation for the financial year	-	-	-	-	(1,049)	(1,049)	(213)	(1,262)
Other comprehensive (expenses)/income for the financial year, net of tax:								
- Foreign currency translation differences	-	-	(116)	-	-	(116)	(2)	(118)
Total comprehensive expenses for the financial year	-	-	(116)	-	(1,049)	(1,165)	(215)	(1,380)
Contributions by and distributions to owners of the Company:								
- Options to employees	-	-	-	5	-	5	-	5
- Dividend by a subsidiary to non-controlling interest	-	-	-	-	-	-	(1,246)	(1,246)
Total transactions with owners	-	-	-	5	-	5	(1,246)	(1,241)
Balance at 31.12.2021	2,442	(1,042)	165	142	(4,284)	(2,577)	38	(2,539)

Note:

* - arising from merger accounting.

The annexed notes form an integral part of these financial statements.

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

The Group	Share Capital AUD\$'000	Merger Deficit * AUD\$'000	Foreign Exchange Translation Reserve AUD\$'000	Option Reserve AUD\$'000	Retained Earnings AUD\$'000	Attributable To Owners Of The Company AUD\$'000	Non- Controlling Interest AUD\$'000	Total Equity AUD\$'000
Balance at 1.1.2020	2,442	(1,042)	6	514	(2,228)	(308)	1,218	910
(Loss)/Profit after taxation for the financial year	-	-	-	-	(1,467)	(1,467)	402	(1,065)
Other comprehensive income for the financial year, net of tax:								
- Foreign currency translation differences	-	-	275	-	-	275	(121)	154
Total comprehensive income/(expenses) for the financial year	-	-	275	-	(1,467)	(1,192)	281	(911)
Contributions by and distributions to owners of the Company:								
- Options to employees	-	-	-	83	-	83	-	83
- Options lapse	-	-	-	(460)	460	-	-	-
Total transactions with owners	-	-	-	(377)	460	83	-	83
Balance at 31.12.2020	2,442	(1,042)	281	137	(3,235)	(1,417)	1,499	82

Note:

* - arising from merger accounting.

The annexed notes form an integral part of these financial statements.

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2021**

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Sale from customers	2,048	8,133
Payments to suppliers and employees	(4,207)	(8,479)
Cash used in from operations	(2,159)	(346)
Interest paid	(7)	(16)
Income tax paid	(70)	(88)
Net cash used in operating activities	(2,236)	(450)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	23	91
Proceeds from disposal of equipment	(35)	10
Purchase of equipment	(63)	(196)
Development costs paid	(249)	(134)
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	(84)
Net cash used in investing activities	(324)	(313)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid by a subsidiary to non-controlling interest	(1,246)	-
Repayment of lease liabilities	(86)	(304)
Net cash used in financing activities	(1,332)	(304)
Net decrease in cash and cash equivalents	(3,892)	(1,067)
Effects of foreign exchange translation	(152)	(201)
Cash and cash equivalents at the beginning of the financial year	4,951	6,219
Cash and cash equivalents at the end of the financial year	907	4,951

The annexed notes form an integral part of these financial statements.



I SYNERGY GROUP LIMITED

ACN: 613 927 361

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. BASIS OF PREPARATION

The Preliminary Final Report ("the Report") are prepared in compliance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB"). The Report also comply with International Financial Reporting Standards.

It is recommended that the Report be read in conjunction with the half yearly financial statements of I Synergy Group Limited and its controlled entities ("the Group") as at 31 December 2021 together with any public announcements made by I Synergy Group Limited during the financial year ended 31 December 2021, in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The principal accounting policies adopted in this Report are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. The adoption of the new or amended Accounting Standards and Interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. REVENUE

	The Group	
	2021	2020
	AUD\$'000	AUD\$'000
<u>Revenue recognised at a point in time</u>		
Software activation	369	5,752
Training	49	931
Affiliate program fees	104	236
Seminar and event	2	72
Merchandise sales	13	16
VTRAK	37	-
Website and software development fees	251	-
	825	7,007
<u>Revenue recognised over time</u>		
License right to access	1,087	1,254
Subscription fee	-	109
	1,912	8,370

**I SYNERGY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****3. LOSS BEFORE TAXATION**

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
Loss before taxation is arrived at after charging/(crediting):-		
Allowance for impairment losses on trade receivables	-	103
Amortisation of development costs	107	5
Impairment on goodwill	238	-
Reversal of allowance for impairment losses trade receivables	(74)	-
Audit fee	38	72
Bad debts written off	10	11
Depreciation of equipment	90	226
Depreciation of right of use	55	435
Deposits written off	-	52
Directors' remuneration:		
- salaries, bonuses and allowances	198	229
- defined contribution plan	12	36
Equipment written off	34	660
Interest expense on financial liability not at fair value through profit or loss "FVTPL":		
- lease liabilities	7	13
- imputed interest on a long-term payable	-	3
(Gain)/Loss on disposal of equipment	(35)	21
Rental of equipment	5	10
Rental of premises	31	10
Staff costs:		
- salaries, bonuses, commissions and allowances	618	1,160
- defined contribution plan	69	101
- others	31	38
Gain on lease termination	-	(8)
Interest income on financial assets that are:		
- at FVTPL	(23)	(80)
- not at FVTPL	-	(11)

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****4. INCOME TAX EXPENSE**

	The Group	
	2021	2020
	AUD\$'000	AUD\$'000
Income tax expense:		
- for the financial year	16	3
- (Over)/Under provision in previous financial years	(2)	13
	<u>14</u>	<u>16</u>
Deferred tax:		
- for the financial year	(16)	17
- Under provision in previous financial year	921	-
	<u>905</u>	<u>17</u>
	<u><u>919</u></u>	<u><u>33</u></u>

A reconciliation of the income tax expense applicable to the loss before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group is as follows:-

	The Group	
	2021	2020
	AUD\$'000	AUD\$'000
Loss before taxation	(343)	(1,032)
Tax at the statutory tax rates	(82)	(248)
Tax effects of:-		
Tax incentive for pioneer products	(86)	(321)
Non-deductible expenses	591	327
Deferred tax assets not recognised	(423)	262
Underprovision in previous financial years:		
- current tax	(2)	13
- deferred tax	921	-
Income tax expense for the financial year	<u><u>919</u></u>	<u><u>33</u></u>

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****5. LOSS PER SHARE**

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
Loss after taxation	(1,262)	(1,065)
Non-controlling interest	213	(402)
Loss after taxation attributable to the owners of the parent	<u>(1,049)</u>	<u>(1,467)</u>

	The Group	
	2021 Number	2020 Number
<u>Basic loss per share</u> Weighted average number of ordinary shares used in calculating basic loss per share	183,268,088	183,268,088
	Cents	Cents
Basic loss per share	<u>(0.57)</u>	<u>(0.80)</u>

	The Group	
	2021 Number	2020 Number
<u>Diluted loss per share</u> Weighted average number of ordinary shares used in calculating basic loss per share	183,268,088	183,268,088
	Cents	Cents
Diluted loss per share	<u>(0.57)</u>	<u>(0.80)</u>

6. CASH AND CASH EQUIVALENTS

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
Short-term investments with financial institutions, at fair value	-	1,869
Cash and bank balances	907	3,082
	<u>907</u>	<u>4,951</u>
Market value of short-term investments	<u>-</u>	<u>1,869</u>

The short-term investments are highly liquid investments in fixed income securities, Islamic money market fund and money market instruments that are readily convertible to known amounts of cash.

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****7. INVENTORIES**

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
At cost:- Merchandise held for sale	-	15
Recognised in profit or loss: Inventories recognised as cost of sales	8	9

None of the inventories are stated at net realisable value.

8. TRADE RECEIVABLES

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
Trade receivables	444	537
Allowance for expected credit losses	(370)	(450)
	74	87
Allowances for expected credit losses: At 1.1 2021/2020	(450)	(384)
Reversal/(Addition) during the financial year	74	(103)
Foreign exchange translation differences	6	37
At 31.12.2021/2020	(370)	(450)

The Group's normal trade credit terms range from 30 to 60 (2020 - 30 to 60) days.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
Other receivables	202	107
Deposits	16	115
Prepayments	19	215
	237	437

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****10. EQUIPMENT**

	At 1.1.2021 AUD\$'000	Additions AUD\$'000	Written Off AUD\$'000	Disposal AUD\$'000	Acquisition of a subsidiary AUD\$'000	Depreciation Charges AUD\$'000	Foreign Currency Translation Difference AUD\$'000	At 31.12.2021 AUD\$'000
The Group								
2021								
Computers, handphone and printer	299	50	-	(6)	-	(26)	(8)	309
Furniture and fittings	18	3	-	-	-	(3)	(3)	15
Motor vehicles	201	-	-	-	-	(44)	5	162
Office equipment	53	1	-	(2)	-	-	(30)	21
Renovation	122	9	(34)	-	-	(13)	(4)	80
Signboard	-	-	-	-	-	-	-	-
	693	63	(34)	(8)	-	(90)	(40)	587

	At 1.1.2020 AUD\$'000	Additions AUD\$'000	Written Off AUD\$'000	Disposal AUD\$'000	Acquisition of a subsidiary AUD\$'000	Depreciation Charges AUD\$'000	Foreign Currency Translation Difference AUD\$'000	At 31.12.2020 AUD\$'000
The Group								
2020								
Computers, handphone and printer	317	125	(19)	(1)	-	(99)	(25)	299
Furniture and fittings	58	1	(21)	(10)	-	(8)	(1)	18
Merchant equipment	104	-	(90)	-	-	(14)	(1)	-
Motor vehicles	188	69	-	-	-	(40)	(17)	201
Office equipment	165	-	(66)	(18)	-	(21)	(7)	53
Renovation	620	1	(446)	(2)	4	(43)	(11)	122
Signboard	21	-	(18)	-	-	(1)	(1)	-
	1,473	196	(660)	(31)	4	(226)	(63)	693

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****10. EQUIPMENT (CONT'D)**

The Group	At Cost AUD\$'000	Accumulated Depreciation AUD\$'000	Net Book Value AUD\$'000
2021			
Computers, handphone and printer	668	(359)	309
Furniture and fittings	44	(29)	15
Motor vehicles	296	(134)	162
Office equipment	46	(25)	21
Renovation	107	(27)	80
Signboard	1	(1)	-
	1,162	(575)	587

The Group	At Cost AUD\$'000	Accumulated Depreciation AUD\$'000	Net Book Value AUD\$'000
2020			
Computers, handphone and printer	606	(307)	299
Furniture and fittings	44	(27)	18
Motor vehicles	430	(229)	201
Office equipment	91	(38)	53
Renovation	154	(31)	122
Signboard	1	(1)	-
	1,326	(633)	693

The motor vehicles with a total net book value of AUD\$157,773 (2020 - AUD\$194,000) are held in trust by a director of the Company.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

11. DEFERRED TAX ASSETS

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
At 1.1.2021/2020	922	1,000
Recognised in profit or loss	(957)	-
Foreign currency translation differences	33	(78)
At 31.12.2021/2020	<u>-</u>	<u>922</u>

The deferred tax assets represented by:-

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
Deductible temporary differences arising from tax paid in advance on the software platform license fees received in advance from affiliates – Deferred Revenue	-	711
Deductible temporary differences arising from tax paid in advance on the prepaid credit fees received in advance from merchants	-	95
Impairment loss on receivables	-	109
Accelerated capital allowance over depreciation	-	7
	<u>-</u>	<u>922</u>

12. RIGHT-OF-USE ASSETS

	At 1.1.2021 AUD\$'000	Additions AUD\$'000	Depreciation Charges AUD\$'000	Derecognition due to lease termination AUD\$'000	Foreign Currency Translation Difference AUD\$'000	At 31.12.2021 AUD\$'000
The Group						
2021						
<i>Carrying Amount</i>						
Office premises	7	50	11	-	-	46
Motor vehicles	127	109	44	(1)	3	175
	<u>134</u>	<u>159</u>	<u>55</u>	<u>(1)</u>	<u>3</u>	<u>221</u>



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

12. RIGHT-OF-USE ASSETS (CONT'D)

	At 1.1.2020 AUD\$'000	Additions AUD\$'000	Depreciation Charges AUD\$'000	Derecognition due to lease termination AUD\$'000	Foreign Currency Translation Difference AUD\$'000	At 31.12.2020 AUD\$'000
The Group						
2020						
<i>Carrying Amount</i>						
Office premises	331	233	(372)	(182)	(3)	7
Motor vehicles	201	-	(63)	-	(11)	127
	<u>532</u>	<u>233</u>	<u>(435)</u>	<u>(182)</u>	<u>(14)</u>	<u>134</u>

The Group leases various office premises and motor vehicles of which the leasing activities are summarised below:-

- (i) Office premises The Group has leased a number of properties that run between 1 year and 2 years, with an option to renew the lease after that date.
- (ii) Motor vehicle The Group has leased its motor vehicles under hire purchase arrangements. The lease are secured by the leased assets. The Group has an option to purchase the assets at the expiry of the lease period at an insignificant amount.

The motor vehicles with a total net book value of AUD\$71,479 (2020 - AUD\$126,000) are held in trust by a director of the Company.

13. GOODWILL ON CONSOLIDATION

	The Group	
	2021	2020
	AUD\$'000	AUD\$'000
At 1.1.2021/2020	238	-
Acquisition of a subsidiary	-	238
Impairment loss during the financial year	(238)	-
At 31.12.2021/2020	<u>-</u>	<u>238</u>

The amount of goodwill relates to the customized software design and development cash-generating unit.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****14. DEVELOPMENT COSTS**

	The Group	
	2021	2020
	AUD\$'000	AUD\$'000
Cost:-		
At 1.1.2021/2020	125	-
Additions during the financial year	249	134
Foreign currency translation differences	4	(9)
At 31.12.2021/2020	<u>378</u>	<u>125</u>
Accumulated amortisation:-		
At 1.1.2021/2020	(4)	-
Amortisation during the financial year	(107)	(5)
Foreign currency translation differences	-	1
At 31.12.2021/2020	<u>(111)</u>	<u>(4)</u>
	<u>267</u>	<u>121</u>
Included in additions during the financial year are:		
Staff costs	<u>249</u>	<u>134</u>

The development costs are in respect of the software development of the affiliate marketing solutions and other related services.

15. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2020 - 30 to 60) days.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****16. OTHER PAYABLES AND ACCRUALS**

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
<i>Current</i>		
Other payables	570	1,285
Deposits received	25	77
Accruals	80	200
	<u>675</u>	<u>1,562</u>
<i>Non-current</i>		
Other payables	-	60

Included in other payables (current portion) of the Group is commission payable to affiliates amounting to approximately AUD\$248,105 (2020 – AUD\$651,000).

The other payables (non-current) represent balance purchase price acquisition of a subsidiary which repayable repayable in 2023 and measured at amortised cost at an imputed rate of 4.62% (2020 – 4.62%) per annum. The amount owing is to be settled in cash.

17. DEFERRED REVENUE

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
License right to access:		
Current liabilities	1,117	1,089
Non-current liabilities	3,035	3,989
	<u>4,152</u>	<u>5,078</u>

Deferred revenue represents the amount of transaction price received upfront and allocated to performance obligation in respect of software platform licences that are unsatisfied as at the end of the reporting period. The software platform license provides for the rights to access the Group's affiliate marketing system as it exists throughout the licensed period. Licences that provide access are performance obligations satisfied over a certain period of time (between 3 years to 10 years) and, therefore, deferred revenue is recognised over that licensed period.

The significant changes in the deferred revenue balance during the financial year are summarised below:-

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
Deferred revenue balance at the beginning of the financial year recognised as revenue	<u>1,089</u>	<u>1,250</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****17. DEFERRED REVENUE (CONT'D)**

The following table shows revenue expected to be recognised in the future related to performance obligation that are unsatisfied (or partially satisfied) at the reporting date:-

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
Financial year ending 31 December 2021	-	1,089
Financial year ending 31 December 2022	1,117	1,044
Financial year ending 31 December 2023	1,995	1,042
Financial year ending 31 December 2024	583	863
Financial year ending 31 December 2025	330	583
Financial year ending 31 December 2026	107	330
Financial year ending 31 December 2027	20	107
Financial year ending 31 December 2028	-	20
	<u>4,152</u>	<u>5,078</u>

18. LEASE LIABILITIES

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
At 1.1.2021/2020	142	516
Additions	143	136
Repayment of principal	(86)	(304)
Derecognition due to lease termination	-	(190)
Foreign currency translation differences	4	(16)
At 31.12.2021/2020	<u>203</u>	<u>142</u>
<i>Analysed by:-</i>		
<i>Current liabilities</i>	82	54
<i>Non-current liabilities</i>	121	88
	<u>203</u>	<u>142</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****19. DEFERRED TAX LIABILITIES**

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
At 1.1.2021/2020	16	-
Recognised in profit or loss	(16)	17
Foreign currency translation differences	-	(1)
At 31.12.2021/2020	<u>-</u>	<u>16</u>

The deferred tax liabilities relates to temporary differences between depreciation and capital allowances on qualifying costs of equipment.

20. SHARE CAPITAL

	2021 Number of Shares	The Group/The Company 2020		2020 AUD\$'000
Fully Paid-Up Ordinary Shares		2021 AUD\$'000		
At 31.12.2021/2020	<u>183,268,088</u>	<u>183,268,088</u>	<u>2,442</u>	<u>2,442</u>

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

21. MERGER DEFICIT

The merger deficit relates to the subsidiaries which were consolidated under the merger method of accounting.

The merger deficit arose from the difference between the nominal value of shares issued for the acquisition of subsidiaries and the nominal value of the shares acquired.

22. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries.



**NOTES TO THE FINANCIAL STATEMENTS
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23. OPTION RESERVE

The option reserve represents the equity-settled option granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled option and is reduced by the expiry or exercise of the options and performance rights.

The Group provides benefits to employees of the Group in the form of share-based payments, whereby the employees render services in exchange for share options and performance rights over shares. The total equity-settled share-based payment expense for the financial year AUD\$5,000 (2020 - AUD\$84,000).

Option

The option price and the details in the movement of the options granted are as follows:

Date of Offer	Number of Options Granted	Exercise Price	Vesting and Exercise Date	Expiry Date	← Number of Options Over Ordinary Shares →				At 31.12.2021
					At 1.1.2021	Granted	Vested	Lapsed	
30.3.2017	1,100,000	AUD\$0.30	3 years	29.3.2022	800,000	-	-	-	800,000
15.1.2019	4,810,000	AUD\$0.30	3 years	14.1.2024	4,120,000	-	-	-	4,120,000
19.8.2021	900,000	AUD\$0.30	3 years	23.7.2024	-	900,000	-	-	900,000
	<u>6,810,000</u>				<u>4,920,000</u>	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>5,820,000</u>

The option price and the details in the movement of the options vested are as follows:

Date of Offer	Number of Options Granted	Exercise Price	Vesting and Exercise Date	Expiry Date	← Number of Options Over Ordinary Shares →				At 31.12.2021
					At 1.1.2021	Vested	Exercised	Lapsed	
30.3.2017	1,100,000	AUD\$0.30	3 years	29.3.2022	800,000	-	-	-	800,000
15.1.2019	4,810,000	AUD\$0.30	3 years	14.1.2024	1,373,333	-	-	-	1,373,333
19.8.2021	900,000	AUD\$0.30	3 years	23.7.2024	-	900,000	-	-	900,000
	<u>11,750,109</u>				<u>2,173,333</u>	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>3,073,333</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****23. OPTION RESERVE (CONT'D)**

No person to whom the share option and performance rights has been granted above has any right to participate by virtue of the option in any share issue of the any other company.

The number of options exercisable as at the end of the reporting period was 3,073,333 (2020 – 2,173,333) and have an exercise price of AUD\$0.30 and a remaining contractual life of approximately 3 months to 3 years.

There was no equity-settled option granted during the financial year.

The fair values of the share options vested were estimated using a Black-Scholes model, taking into account the terms and conditions upon which the options were vested. The fair value of the share options measured at vesting date and the assumptions used are as follows:-

	The Group/ The Company	
	2021	2020
Fair value of share options at the grant date (AUD\$)	0.04	0.04
Weighted average ordinary share price (AUD\$)	0.14	0.14
Exercise price of share option (AUD\$)	0.30	0.30
Expected volatility (%)	57.99	57.99
Expected life (years)	5	5
Risk free rate (%)	1.07	1.07
Expected dividend yield (%)	2.22	2.22

24. CAPITAL COMMITMENT

	The Group	
	2021 AUD\$'000	2020 AUD\$'000
Purchase of equipment	-	17

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021****25. OPERATING SEGMENTS****25.1 BUSINESS SEGMENT**

The Group operates predominantly in one business segment (affiliate marketing solutions). Accordingly, the information by business segment is not presented.

25.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments (but including deferred tax assets).

	Revenue		Non-current Assets	
	2021 AUD\$'000	2020 AUD\$'000	2021 AUD\$'000	2020 AUD\$'000
Group				
Indonesia	6	135	97	63
Malaysia	1,906	8,235	978	2,045
	<u>1,912</u>	<u>8,370</u>	<u>1,075</u>	<u>2,108</u>

25.3 MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

25.4 DISAGGREGATION OF REVENUE

Revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition as below:-

	Indonesia AUD\$'000	Malaysia AUD\$'000	Group AUD\$'000
2021			
At a point of time	6	817	823
Over time	-	1,089	1,089
	<u>6</u>	<u>1,906</u>	<u>1,912</u>
2020			
At a point of time	135	6,872	7,007
Over time	-	1,363	1,363
	<u>135</u>	<u>8,235</u>	<u>8,370</u>