



**APPENDIX 4D
HALF-YEAR REPORT**

1. Company details

Name of entity:	I Synergy Group Limited
ABN:	51 613 927 361
Reporting period:	For the half-year ended 30 June 2024
Previous period:	For the half-year ended 30 June 2023

2. Results for announcement to the market

				AUD\$
Revenue from ordinary activities	down	11.07%	to	482,557
Loss from ordinary activities after tax attributable to the owners of I Synergy Group Limited	down	48.65%	to	(299,237)
Loss for the half-year attributable to the owners of I Synergy Group Limited	down	50.65%	to	(307,937)

Dividend

No dividend was recommended by the directors for the half-year ended 30 June 2024.

Brief explanation of any figure reported above

Please refer to review of operations and activities in the directors' report and half-year results announcement in this half-year report.

3. Net tangible liabilities

	Reporting period Cents	Previous period Cents
Net tangible liabilities per ordinary share	(0.01)	(0.01)

4. Control gained over entities

During the financial period, the Group has not acquired any subsidiary.

5. Loss control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.



**APPENDIX 4D
HALF-YEAR REPORT**

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, in compliance with International Financial Reporting Standards.

8. Audit status

The financial statements have been reviewed by the auditors and are not subject to any modification.

9. Attachments

The Interim Report of I Synergy Group Limited for the half-year ended 30 June 2024 is attached.

10. Signed

Signed 

Date: 30 August 2024

Dato' Teo Chee Hong
Director

I SYNERGY GROUP LIMITED
ACN: 613 927 361

CONSOLIDATED INTERIM REPORT
for the half-year ended 30 June 2024

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I SYNERGY GROUP LIMITED

ACN: 613 927 361

CORPORATE DIRECTORY

Directors	Dato' Teo Chee Hong Derrick De Souza Joshua Hunt Dato Hoo Voo Him Heng Jee Meng (Alternate to Dato Hoo Voon Him)
Company Secretary	James Barrie
Registered Office	Level 9, 505 Little Collins Street Melbourne VIC 3000
Principal Place of Business	Malaysia Unit 20-10, Tower A The Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Malaysia Indonesia DBS Bank Tower 28 Floor Unit 2820-2821 Ciputra World One Jalan Prof. Dr. Satrio Kav 3-5 Jakarta Selatan 12940 Indonesia Australia Level 9, 505 Little Collins Street Melbourne VIC 3000 Australia
Share Register	Automatic Registry Services Level 5, 191 St Georges Terrace Perth WA 6000
Auditor	In.Corp Audit & Assurance Pty Ltd Level 1, 6-10 O'Connell Street Sydney NSW 2000
Stock Exchange listing	I Synergy Group Limited shares are listed on the Australian Securities Exchange (ASX code: IS3)
Website	www.i-synergygroup.com
Corporate Governance Statement	www.i-synergygroup.com



**DIRECTORS' REPORT
HALF-YEAR ENDED 30 JUNE 2024**

The directors present their report, together with the financial statements, on the Group (referred to hereafter as the "Consolidated entity") for the half-year ended 30 June 2024.

Directors

The following persons were directors of I Synergy Group Limited ("the Company") during the financial period and up to the date of this report, unless otherwise stated:

Dato Teo Chee Hong (Executive chairman)
Derrick De Souza (Non-executive director)
Joshua Hunt (Non-executive director)
Dato Hoo Voo Him (Non-executive director)
Heng Jee Meng (Alternate director to Dato Hoo Voon Him)

Company Secretary

James Barrie

Principal activities

The Group primarily engages in offering affiliate marketing solutions to both advertisers and affiliates, operating within the digital marketplace. Additionally, we specialize in e-commerce services, blockchain and AI research and development, and serve as a solutions provider and software development entity, among other activities. There was no significant change in the nature of activities of the Group during the half-year.

Share buy-back

No share buy-back has taken place during the financial period.

Dividends

No dividend was recommended by the directors of the Company for the financial period.

Review of operations

For the half year ended 30 June 2024, we reported revenue of A\$482,557, which is a slight decline of 11.07% compared to A\$542,633 in the previous period. This decrease reflects the challenging market conditions we've been facing.

Despite these challenges, we've kept our operational costs low. Our strategy has been more defensive, focusing on maintaining stability rather than aggressive expansion during this tough period.

Our team is working hard to develop strategies that will boost revenue while continuing to manage our expenses carefully. We're committed to finding new opportunities for growth without increasing our overheads.

Looking ahead, we are optimistic about the coming financial year and believe that our careful management and strategic planning will lead to better results in the second half.

Business risks

The Board and Management have identified the following specific risks relevant to the Company's current/on-going business and operations:



**DIRECTORS' REPORT
HALF-YEAR ENDED 30 JUNE 2024**

Competition and New Technologies

The industry in which the Consolidated entity is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Consolidated entity will undertake all reasonable due diligence in its business decisions and operations, the Consolidated entity will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Consolidated entity.

The Company competes with other affiliate marketing companies who may introduce new products and services. While the Directors have no reason to believe that any of the Consolidated entity's products and services will become obsolete, if these new products and services are superior or perceived to be superior to the Company's products and services, and if the Company is unable to offer these new products and services, then this may impact adversely on the Company's ability to compete in the market. Further expenditure on marketing and development may be required to make the Company's products and services commercially viable.

Competitors may attempt to compete with the Consolidated entity directly through technological innovation, marketing, or price discounting. The Consolidated entity may fail to anticipate and adapt to technology changes or customer expectations.

Research and Development Risk

In order to maintain the Consolidated entity's competitive position in the market, the Company will undertake research and development from time to time, including on VTRAK, REWALTY and new products. The Consolidated entity considers R&D to be a key means by which it will sustain its market position and grow its business. There is a risk that despite significant time and expenditure being applied to R&D projects, certain projects may not result in an advancement of the Company's technology and products. There is no guarantee that the Consolidated entity's R&D projects will be successful or prove to be commercially viable. The failure of an R&D project could have a materially adverse impact on the Consolidated entity's operations and financial performance.

Faults with Products and Services

Because the Consolidated entity's products are technologically complex, errors or defects may be identified by the Consolidated entity or its customers which could harm the Consolidated entity's reputation and business. Technology-based products often contain undetected errors when first introduced or when new versions or enhancements are released.

Though the Consolidated entity provides support to clients and is continuously updating and improving its products, there is a risk that the products provided are faulty or do not perform as intended. The Company has a strategy in place to ensure that such faults are resolved prior to being provided to the customer, but in instances where a fault still occurs it could adversely impact the Company's brand and reputation.

Customers may need to engage with the Consolidated entity's customer service personnel in certain circumstances, such as if they have a question about its products or if there is a dispute. The Consolidated entity will continuously need to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If the Consolidated entity loses key customer service personnel or fails to provide adequate training and resources for customer service personnel, or if the computer systems relied on by customer service personnel are disrupted by technological failures, this could lead to adverse publicity, litigation, regulatory inquiries or a decrease in customers, all of which may negatively impact on the Consolidated entity's profitability.



**DIRECTORS' REPORT
HALF-YEAR ENDED 30 JUNE 2024**

International Operations

The Consolidated entity currently operates in Australia, Malaysia and Indonesia. The Consolidated entity will also consider expanding into other markets internationally in the future. Therefore, the Consolidated entity will be exposed to risks relating to operating in those countries. Many of these risks are inherent in doing business internationally, and will include, but are not limited to:

- Changes in the regulatory environment;
- Trade barriers or the imposition of taxes;
- Difficulties with staffing or managing any foreign operations;
- Issues or restrictions on the free transfer of funds;
- Technology export or import restrictions; and
- Delays in dealing across borders caused by customers or regulatory authorities.

Acquisitions

The Consolidated entity may make acquisitions of, or significant investments in, companies, products, technologies and products that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

Auditor's independence declaration

The lead auditor's independence declaration for the half-year ended 30 June 2024 has been received and can be found on page 5 of the Interim Report.

This report is made in accordance with a resolution of the directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Dato' Teo Chee Hong
Director
30 August 2024

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of I Synergy Group Limited

As lead auditor of the review of I Synergy Group Limited for the review for half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of I Synergy Group Limited and the entities it controlled during the half-year.

In.Corp Audit & Assurance Pty Ltd



Daniel Dalla
Director

Sydney, 30 August 2024

In.Corp Audit & Assurance Pty Ltd
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**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2024**

		The Group	
	Note	30 Jun 2024 AUD\$	30 Jun 2023 AUD\$
Revenue	6	482,557	542,633
Cost of sales		-	(3,520)
Gross profit		482,557	539,113
Other income		5,079	110,812
Selling and distribution costs		(7,709)	(4,534)
Administrative expenses		(766,329)	(1,214,049)
Finance costs		(13,545)	(13,893)
Loss before taxation	7	(299,947)	(582,551)
Income tax expense	8	-	(57)
Loss after taxation for the period		(299,947)	(582,608)
Other comprehensive income			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation differences		(8,700)	(41,247)
Total comprehensive income for the period		(308,647)	(623,855)
Loss attributable to:			
Members of the parent entity		(299,237)	(582,767)
Non-controlling interest		(710)	159
		(299,947)	(582,608)
Total comprehensive income attributable to:			
Members of the parent entity		(307,937)	(624,014)
Non-controlling interest		(710)	159
		(308,647)	(623,855)
		Cents	Cents
Basic and diluted loss per share (cents)	9	(0.09)	(0.20)

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 30 JUNE 2024

		The Group	
	Note	30 Jun 2024 AUD\$	31 Dec 2023 AUD\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	260,557	127,013
Other assets	11	73,558	82,480
Current tax receivables		92,705	92,304
TOTAL CURRENT ASSETS		426,820	301,797
NON-CURRENT ASSETS			
Plant and equipment	13	10,550	13,445
Right-of-use assets	14	-	57,967
Development costs	15	104,551	184,981
TOTAL NON-CURRENT ASSETS		115,101	256,393
TOTAL ASSETS		541,921	558,190
LIABILITIES			
CURRENT LIABILITIES			
Other liabilities	16	299,295	415,322
Convertible notes	17	600,000	-
Amount due to a Director		570,297	561,465
Lease liabilities	18	-	12,548
Deferred revenue	19	704,653	853,232
TOTAL CURRENT LIABILITIES		2,174,245	1,842,567
NON-CURRENT LIABILITIES			
Lease liabilities	18	-	53,165
Deferred revenue	19	689,166	1,025,301
TOTAL NON-CURRENT LIABILITIES		689,166	1,078,466
TOTAL LIABILITIES		2,863,411	2,921,033
NET ASSETS		(2,321,490)	(2,362,843)
EQUITY			
Issued capital	20	8,607,751	8,507,751
Share premium	21	250,000	-
Merger reserve	22	(1,042,123)	(1,042,123)
Foreign currency translation reserve	23	(13,200)	(4,500)
Option reserve	24	3,067,709	3,067,709
Retained earnings		(13,229,669)	(12,930,432)
Total equity attributable to equity holders of the Company		(2,359,532)	(2,401,595)
Non-controlling interest		38,042	38,752
TOTAL EQUITY		(2,321,490)	(2,362,843)

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 HALF-YEAR ENDED 30 JUNE 2024

	Ordinary Capital AUD\$	Share Premium AUD\$	Retained Earnings AUD\$	Foreign Currency Translation Reserve AUD\$	Option Reserve AUD\$	Merger Reserve AUD\$	Non- Controlling Interest AUD\$	Total AUD\$
Balance 1 January 2024	8,507,751	-	(12,930,432)	(4,500)	3,067,709	(1,042,123)	38,752	(2,362,843)
Loss attributable to members of the parent entity	-	-	(299,237)	-	-	-	-	(299,237)
Loss attributable to non-controlling interest	-	-	-	-	-	-	(710)	(710)
Foreign currency translation differences	-	-	-	(8,700)	-	-	-	(8,700)
Transactions with owners in their capacity as owners								
Shares issued during the year	100,000	250,000	-	-	-	-	-	350,000
Balance 30 June 2024	8,607,751	250,000	(13,229,669)	(13,200)	3,067,709	(1,042,123)	38,042	(2,321,490)
Balance 1 January 2023	8,327,751	-	(12,027,257)	23,992	3,067,709	(1,042,123)	39,439	(1,610,489)
Loss attributable to members of the parent entity	-	-	(582,767)	-	-	-	-	(582,767)
Loss attributable to non-controlling interest	-	-	-	-	-	-	159	159
Foreign currency translation differences	-	-	-	(41,247)	-	-	-	(41,247)
Balance 30 June 2023	8,327,751	-	(12,610,024)	(17,255)	3,067,709	(1,042,123)	39,598	(2,234,344)

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 HALF-YEAR ENDED 30 JUNE 2024

	The Group	
	30 Jun 2024	30 Jun 2023
	AUD\$	AUD\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	11,844	75,872
Payments to suppliers and employees	(558,952)	(345,815)
Finance costs	(13,545)	(13,893)
Income taxes paid	(401)	(8,373)
	<u>(561,054)</u>	<u>(292,209)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	461
Proceeds from refund of development cost	-	237,966
Purchase of plant and equipment	-	(114,817)
	<u>-</u>	<u>123,610</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from convertible notes	700,000	-
Repayment of lease liabilities	(5,402)	(55,120)
	<u>694,598</u>	<u>(55,120)</u>
Net increase/(decrease) in cash and cash equivalents	133,544	(223,719)
Cash and cash equivalents at the beginning of the financial period	127,013	323,704
Cash and cash equivalents at the end of the financial period	<u><u>260,557</u></u>	<u><u>99,985</u></u>

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



I SYNERGY GROUP LIMITED

ACN: 613 927 361

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Corporations Act 2001. The domicile of the Company is Australia. The registered office and principal place of business are as follows:

Registered office : Level 9, 505 Little Collins Street
Melbourne VIC 3000

Principal place of business : Unit 20-10, Tower A, The Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30 August 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged as a holding company for its businesses. The principal activities of the subsidiaries are providing affiliate marketing solutions to advertisers and affiliates. There was no significant change in the nature of activities of the Company during the period.

3. BASIS OF PREPARATION

The financial statements cover I Synergy Group Limited as a consolidated entity ("the Group") consisting of I Synergy Group Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2024.

These general purpose financial statements for the interim half-year reporting period ended 30 June 2024 ("Consolidated Interim Financial Report") have been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001. International Financial Reporting Standard ("IFRS") from the basis of Australian Accounting Standards ("AAS") adopted by the Australian Accounting Standard Board ("AASB"). The Consolidated Interim Financial Report also complies with International Accounting Standards IAS 34: Interim Financial Reporting.

The Consolidated Interim Financial Report does not include all of the information required for an annual financial report and should be read in conjunction with any public announcements made by the Company in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

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. For the purposes of the Consolidated Interim Financial Report, the presentation currency used is Australian Dollars ("AUD"), unless otherwise stated.



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024**

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information adopted by the Group in this Consolidated Interim Financial Report is 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.

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

5. GOING CONCERN

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred an operating loss of \$299,947 (2023: \$582,608) and a net cash outflow from operating activities amounting to \$561,054 (2023: \$292,209) for the period from 1 January 2024 to 30 June 2024 and as at 30 June 2024 had a deficiency in net assets of \$2,321,490 (31 December 2023: \$2,362,843). The ability of the Group to continue as a going concern is dependent on the Group achieving positive operating cash flows and/ or securing additional funding through debt and/or capital raisings or government grants to continue to fund its operational and marketing activities. These conditions indicate the existence of a material uncertainty that may cause significant doubt about the Group's ability to continue as a going concern.

The Directors are satisfied that the going concern basis of preparation is appropriate and there are reasonable grounds to believe that the Group will continue as a going concern due to the following factors:

- a) The Directors are confident in the outlook of the upcoming new product and believe it will deliver future profitable operations.
- b) Significant costs continue to be removed from the business.
- c) The company is able to raise further debt and/or equity based on historical success of raising additional debt and capital.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustment relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

The Group entered into a Convertible Note Agreement to provide a funding facility up to \$10,000,000. During the financial period, the Group issued seven (7) convertible notes at the value of \$700,000 where one (1) convertible note at the value of \$100,000 are converted into ordinary share.

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024****6. REVENUE**

	The Group	
	30 Jun 2024	30 Jun 2023
	AUD\$	AUD\$
<u>Revenue recognised at a point in time</u>		
Other revenue	-	6,434
Commission received	-	10,946
	-	17,380
<u>Revenue recognised over time</u>		
License right to access	482,557	525,253
	482,557	542,633

7. LOSS BEFORE TAXATION

	The Group	
	30 Jun 2024	30 Jun 2023
	AUD\$	AUD\$
Loss before taxation is arrived at after charging/(crediting):		
Amortisation of development costs	80,217	134,158
Audit fee	15,000	11,094
Depreciation of property, plant and equipment	2,780	21,924
Depreciation of right-of-use assets	7,018	70,973
Directors' remuneration:		
- Salaries, fees, bonuses and allowances	161,562	90,288
- Defined contribution plan	7,075	-
Interest expense on financial liability not at FVTPL:		
- Lease liabilities	5,507	11,358
- Others	8,037	2,534
Loss on financial instruments	250,000	-
Rental of equipment	487	523
Rental of premises	3,752	10,798
Employment costs:		
- Salaries, bonuses, commissions and allowances	37,136	182,249
- Defined contribution plan	4,787	2,104
- Others	5,480	11,201
Interest income on financial assets that are:		
- not at FVTPL	(250)	(461)
	(250)	(461)

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024****8. INCOME TAX EXPENSE**

There is no provision for taxation for the financial period as the Group has no taxable income.

A reconciliation of the income tax expense applicable to the profit 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	
	30 Jun 2024	30 Jun 2023
	AUD\$	AUD\$
Loss before taxation	(299,947)	(582,551)
Tax at the statutory tax rates	(71,987)	(139,812)
Tax effects of:		
Non-deductible expenses and tax losses not recognised	71,987	166,381
Non-taxable income	-	(26,512)
Income tax expense for the financial period	-	57

9. LOSS PER SHARE

	The Group	
	30 Jun 2024	30 Jun 2023
	AUD\$	AUD\$
Loss after taxation	(299,947)	(582,608)
Non-controlling interest	710	(159)
Loss after taxation attributable to the owners of the parent	(299,237)	(582,767)

	The Group	
	30 Jun 2024	30 Jun 2023
	Number	Number
<u>Basic profit per share</u>		
Weighted average number of ordinary shares used in calculating basic loss per share	329,080,368	289,080,368
	Cents	Cents
Basic loss per share	(0.09)	(0.20)

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024****10. CASH AND CASH EQUIVALENTS**

	The Group	
	30 Jun 2024	31 Dec 2023
	AUD\$	AUD\$
Cash and bank balances	260,557	127,013

11. OTHER ASSETS

	The Group	
	30 Jun 2024	31 Dec 2023
	AUD\$	AUD\$
Other receivables	10,896	11,837
Deposits	62,662	62,899
Prepayments	-	7,744
	<u>73,558</u>	<u>82,480</u>

12. CONTROLLED ENTITIES

Details of the subsidiaries are as follows:

	Principal place of business/Country of incorporation	Percentage owned (%) 30 Jun 2024	Percentage owned (%) 31 Dec 2023
I Synergy (Singapore) Pte. Ltd. ("ISS")	Singapore	100	100
<i>Held by ISS</i>			
I Synergy Consolidated Sdn. Bhd. ("ISC")	Malaysia	100	100
PT Inovatif Sinergi Internasional ("PTISI")	Indonesia	100	100
<i>Held by ISC</i>			
Wyde Global Sdn. Bhd. ("WG")	Malaysia	100	100
I Synergy Universal Sdn. Bhd. ("ISU")	Malaysia	70	70
I Synergy Edutech Sdn. Bhd. ("ISE")	Malaysia	100	100
Ocean Nexus Sdn. Bhd. ("ONSB")	Malaysia	100	100



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024**

13. PLANT AND EQUIPMENT

	At 1.1.2024	Additions	Written Off	Disposal	Depreciation Charges	Foreign Currency Translation Difference	At 30.6.2024
	AUD\$	AUD\$	AUD\$	AUD\$	AUD\$	AUD\$	AUD\$
The Group							
Computers, handphone and printer	13,445	-	-	-	(2,780)	(115)	10,550

	At 1.1.2023	Additions	Written Off	Disposal	Depreciation Charges	Foreign Currency Translation Difference	At 31.12.2023
	AUD\$	AUD\$	AUD\$	AUD\$	AUD\$	AUD\$	AUD\$
The Group							
Computers, handphone and printer	28,001	6,536	(2,077)	(1,704)	(17,311)	-	13,445
Furniture and fittings	10,071	-	(7,603)	(95)	(5,948)	3,575	-
Office equipment	36,217	-	(32,277)	-	(3,940)	-	-
Renovation	67,800	-	(59,684)	-	(8,116)	-	-
	142,089	6,536	(101,641)	(1,799)	(35,315)	3,575	13,445

	At Cost AUD\$	Accumulated Depreciation AUD\$	At Net Book Value AUD\$
The Group			
30.6.2024			
Computers, handphone and printer	31,587	(21,037)	10,550
31.12.2023			
Computers, handphone and printer	31,808	(18,363)	13,445

For personal use only

**I SYNERGY GROUP LIMITED**

ACN: 613 927 361

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024****14. RIGHT-OF-USE ASSETS**

	Motor vehicles	Total
	AUD\$	AUD\$
Year ended 30 June 2024		
Balance at beginning of period	57,967	57,967
Depreciation charge	(7,018)	(7,018)
Derecognition due to lease termination	(50,949)	(50,949)
Balance at end of period	<u>-</u>	<u>-</u>
Year ended 31 December 2023		
Balance at beginning of year	401,635	401,635
Depreciation charge	(27,872)	(27,872)
Derecognition due to lease termination	(315,796)	(315,796)
Balance at end of year	<u>57,967</u>	<u>57,967</u>

The Group has leased a motor vehicle under hire purchase arrangements. The lease is secured by the leased assets. During the financial period, the Group derecognised the motor vehicle due to lease termination.

15. DEVELOPMENT COSTS

	The Group	
	30 Jun 2024	31 Dec 2023
	AUD\$	AUD\$
Cost		
Balance at beginning of period/year	812,572	1,579,551
Reversal during the financial period	-	(766,979)
Foreign currency translation differences	(10,398)	-
Balance at end of period/year	<u>802,174</u>	<u>812,572</u>
Accumulated amortization		
Balance at beginning of period/year	(627,591)	(470,392)
Amortisation during the financial period/year	(80,217)	(157,199)
Foreign currency translation differences	10,185	-
Balance at end of period/year	<u>(697,623)</u>	<u>(627,591)</u>
Carrying value at end of period/year	<u>104,551</u>	<u>184,981</u>

**I SYNERGY GROUP LIMITED**

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024****15. DEVELOPMENT COSTS (CONT'D)**

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

16. OTHER PAYABLES AND ACCRUALS

	The Group	
	30 Jun 2024	31 Dec 2023
	AUD\$	AUD\$
Current		
Other payables	270,922	382,791
Accruals	28,373	32,531
	<u>299,295</u>	<u>415,322</u>

17. CONVERTIBLE NOTES

In April 2024, the Company entered into convertible notes agreements for the issuance of seven (7) convertible notes to the value of \$700,000 to raise funds for working capital. The notes are unsecured, interest-bearing at 2% per annum and were approved by Shareholders at the General Meeting held on 6 March 2024.

Key terms and conditions:

- Each note has a face value of \$100,000;
- Maturity date is 22 April 2025;
- Convert into Ordinary Shares of the Company based on the 15-day VWAP of the Shares immediately prior to conversion;
- Interest at 2% per annum on each drawdown.
- Shares issued the upon conversion will be subject to voluntary escrow for 90-days following allotment.

	The Group	
	30 Jun 2024	31 Dec 2023
	AUD\$	AUD\$
Cost		
At 1.1.2024/2023	-	-
Addition	700,000	-
Conversion to ordinary shares	(100,000)	-
At 30.6.2024/31.12.2023	<u>600,000</u>	<u>-</u>

**I SYNERGY GROUP LIMITED**

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024****18. LEASE LIABILITIES**

	The Group	
	30 Jun 2024	31 Dec 2023
	AUD\$	AUD\$
At 1.1.2024/2023	65,713	296,374
Repayment of principal	(5,402)	(12,000)
Derecognition due to lease termination	(71,381)	(218,661)
Foreign currency translation differences	11,070	-
	<u>-</u>	<u>65,713</u>
At 30.6.2024/31.12.2023	-	65,713
<i>Analysed by:</i>		
<i>Current liabilities</i>	-	12,548
<i>Non-current liabilities</i>	-	53,165
	<u>-</u>	<u>65,713</u>

19. DEFERRED REVENUE

	The Group	
	30 Jun 2024	31 Dec 2023
	AUD\$	AUD\$
License right to access:		
Current liabilities	704,653	853,232
Non-current liabilities	689,166	1,025,301
	<u>1,393,819</u>	<u>1,878,533</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 (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 period/year are summarised below:

	The Group	
	30 Jun 2024	31 Dec 2023
	AUD\$	AUD\$
Deferred revenue balance at the beginning of the financial period/year recognised as revenue	<u>482,557</u>	<u>1,031,829</u>

**I SYNERGY GROUP LIMITED**

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024****19. DEFERRED REVENUE (CONT'D)**

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

	The Group	
	30 Jun 2024	31 Dec 2023
	AUD\$	AUD\$
Financial year ending 31 December 2024	369,696	853,232
Financial year ending 31 December 2025	575,078	575,739
Financial year ending 31 December 2026	326,025	326,400
Financial year ending 31 December 2027	105,886	106,008
Financial year ending 31 December 2028	17,134	17,154
	1,393,819	1,878,533

20. ISSUED CAPITAL

	The Group/The Company			
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	Number of Shares		AUD\$	AUD\$
Fully Paid-Up Ordinary Shares				
At 1.1.2024/2023	304,080,368	289,080,368	8,507,751	8,327,751
Issuance of shares	50,000,000	15,000,000	100,000	180,000
At 30.6.2024/31.12.2023	354,080,368	304,080,368	8,607,751	8,507,751

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. SHARE PREMIUM

The share premium arose from the loss on fair value of the embedded derivatives at the time of the conversion of convertible note.

22. MERGER RESERVE

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

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

23. FOREIGN EXCHANGE TRANSLATION RESERVE

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



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024**

24. OPTION RESERVE

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

The Group provides benefits to employees and directors of the Group in the form of share-based payments, whereby the employees and directors render services in exchange for share options and performance rights over shares. The total equity-settled share-based payment expense for the financial period/year was AUD\$nil.

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 24,160,371.

25. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identifies of Related Parties

Parties are considered to be related to the Group if they have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Related Party Transactions and Balances

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2024 AUD\$	2023 AUD\$
Interest expense	<u>8,038</u>	<u>13,535</u>

All transactions were made on normal commercial terms and conditions and at market rates.

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

**I SYNERGY GROUP LIMITED**

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024****25. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)****(c) Key Management Personnel Compensation**

	2024	2023
	AUD\$	AUD\$
Key management personnel compensation (including Directors' remuneration):		
- short-term employee benefits	37,136	182,249
- defined contribution plan	<u>4,787</u>	<u>2,104</u>
	<u><u>41,923</u></u>	<u><u>184,353</u></u>

26. OPERATING SEGMENTS**(a) BUSINESS SEGMENT**

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

(b) 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	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	AUD\$	AUD\$	AUD\$	AUD\$
The Group				
Australia	-	17,380	-	-
Indonesia	-	-	2,101	35,810
Malaysia	<u>482,557</u>	<u>525,253</u>	<u>113,000</u>	<u>1,232,367</u>
	<u><u>482,557</u></u>	<u><u>542,633</u></u>	<u><u>115,101</u></u>	<u><u>1,268,177</u></u>

(c) MAJOR CUSTOMERS

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

**I SYNERGY GROUP LIMITED**

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 JUNE 2024****26. OPERATING SEGMENTS (CONT'D)****(d) DISAGGREGATION OF REVENUE**

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

	Australia AUD\$	Indonesia AUD\$	Malaysia AUD\$	The Group AUD\$
30.6.2024				
Over time	-	-	482,557	482,557
	-	-	482,557	482,557
	Australia AUD\$	Indonesia AUD\$	Malaysia AUD\$	The Group AUD\$
30.6.2023				
At a point of time	10,946	6,434	-	17,380
Over time	-	-	525,253	525,253
	10,946	6,434	525,253	542,633

27. CAPITAL COMMITMENT

There were no capital commitments as at 30 June 2024 (2023: \$ nil).

28. EVENTS OCCURRING AFTER THE REPORTING DATE

On 19 July 2024, the Company issued 2,137,413 ordinary shares at \$0.006.

No other matter or circumstance have arisen since the end of the financial period which significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.



I SYNERGY GROUP LIMITED

ACN: 613 927 361

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of I Synergy Group Limited, the directors of the Company declare that:

1. The Consolidated Interim Financial Report and notes are in accordance with the Corporations Act 2001, including:
 - a. complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the financial position as at 30 June 2024 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in on behalf of the directors, and accordance with a resolution of the Board of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Dato' Teo Chee Hong', written over a horizontal line.

Dato' Teo Chee Hong
Director
30 August 2024

I SYNERGY GROUP LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of I Synergy Group Limited

Conclusion

We reviewed the half-year financial report of I Synergy Group Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's review report.

In.Corp Audit & Assurance Pty Ltd
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I SYNERGY GROUP LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Material Uncertainty Related to Going Concern

Without modifying our conclusion, we draw attention to Note 5 of the financial report, which discloses a loss of \$299,947 for the half-year ended 30 June 2024 and as at that date a deficiency in net assets of \$2,321,490. These conditions along with other matters that are set forth in Note 5, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group maybe unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In.Corp Audit & Assurance Pty Ltd



Daniel Dalla
Director

Sydney, 30 August 2024