Frontier Digital Ventures Limited

ABN 25 609 183 959

Appendix 4E
Preliminary Financial Report

"Results for announcement to the Market."

Information for the year ended 31 December 2016 given to ASX under listing rule 4.3A

Key Frontier Digital Ventures Limited information

Year ended 31 December	2016 $000	2015 $000	Change
Revenues from ordinary operations	2,140	-	N/A
Profit/(Loss) from ordinary activities after tax attributable to members	(3,667)	(2,537)	45%
Profit/(Loss) after tax attributable to members	(3,667)	(2,537)	45%
	Cents	Cents	
Profit/(Loss) per Share (basic)	(3.21)	(47.22)	(93%)
Profit/(Loss) per Share (diluted)	(3.21)	(47.22)	(93%)
NTA per Share	0.17	0.40	(58%)

Dividends

Frontier Digital Ventures Limited does not propose to pay a dividend for this reporting period (2015: nil).

Basis of this report

This report includes the attached audited financial statements of Frontier Digital Ventures Limited and controlled entities for the year ended 31 December 2016. Together these documents contain all information required by Appendix 4E of the Australian Securities Exchange Listing Rules. It should be read in conjunction with Frontier's Annual Report when released, and is lodged with the Australian Securities Exchange under listing rule 4.3A.

For and on behalf of the Board

David Baxby
Chairman
27 February 2017

FRONTIER DIGITAL VENTURES LIMITED
ABN 25 609 183 959

AUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

CONTENTS

DIRECTORS' REPORT

The Directors of Frontier Digital Ventures Limited ("the Company" or "Frontier") submit the annual financial report of the Company and its subsidiaries ("the Group") for the financial year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

Information about the Directors and senior management

The names and particulars of the Directors of the Company during, or since the end of, the financial year are as follows:

David Baxby	Independent Director, non-executive Chairman (appointed 15 July 2016)
Shaun Antony Di Gregorio	Non-independent executive Director and Chief Executive Officer
Mark Licciardo	Independent, non-executive Director and Company Secretary (appointed as Director 4 April 2016, appointed as Company Secretary 31 May 2016)
Nick Geddes	Independent, non-executive Director and Company Secretary (resigned as Director 15 July 2016, resigned as Company Secretary 31 May 2016)
Belinda Cleminson	Joint Company Secretary (appointed 11 October 2016)

Details of Directors of the Company, the Company Secretary, the Chief Executive Officer and key management personnel in office at the date of this report, and each of their qualifications, experience and special responsibilities are below.

Name	Experience
David Baxby (Independent Director, non-executive Chairman)	After 8 years with Goldman Sachs in London and Sydney, Mr Baxby joined Virgin Management in 2004 as the CEO of the Asia Pacific region. He was responsible for the Group's investments in Virgin Mobile, Virgin Active, Virgin Money and Virgin Australia. He moved to Shanghai in 2006 to establish a number of startup businesses in the Asia Pacific region and in 2008 moved to Geneva to assume responsibilities for the Virgin Group's investments in Aviation. In 2008 he joined the Board of Virgin Atlantic, Virgin America and Air Asia X and became Chairman of Virgin Unite in Australia, the Virgin Group's charitable foundation. In 2011 he was named the Co CEO of Virgin Group, a $6 billion family office, with responsibility for all of Virgin Group's global investments. In 2014 David assumed the role of CEO and President of Global Blue based in Switzerland. He recently returned to the Asia Pacific region to focus on his own investments and select directorships. David is currently a non-executive director of Virgin Australia. Mr Baxby holds a Bachelor of Commerce and Bachelor of Laws from Bond University.

Directors' Report (cont'd)

Information about the Directors and senior management (cont'd)

Name	Experience
Shaun Di Gregorio (Non-independent executive Director and Chief Executive Officer)	During Mr Di Gregorio's four year tenure as CEO of ASX listed company, iProperty Group Limited, he led the transformation of iProperty Group from a small online business with a market capitalisation of approximately $15 million into one of the largest listed Internet companies in ASEAN with a market capitalisation of approximately $524 million. He was a non-executive director of iCar Asia (ASX:ICQ) until June of 2016 and is an advisor to online classifieds businesses around the world. Mr Di Gregorio holds a Masters of Business Administration from the Australian Graduate School of Management, part of the University of New South Wales.
Mark Licciardo (Independent, non-executive Director and Company Secretary)	Mr Licciardo is the founder and Managing Director of Mertons Corporate Services Pty Ltd. As a former company secretary of ASX 50 companies, Transurban Group and Australian Foundation Investment Company Limited, his expertise includes working with boards of directors in the areas of corporate governance, business management, administration, consulting and company secretarial matters. He is also the former Chairman of the Governance Institute of Australia Victoria division and Melbourne Fringe Festival and a current non-executive director of a number of public and private companies. Mr Licciardo holds a Bachelor of Business Degree (Accounting) from Victoria University and a Graduate Diploma in Company Secretarial Practice, is a Fellow of the Australian Institute of Company Directors, the Institute of Chartered Secretaries and Administrators and the Governance Institute of Australia
Chan Shiao Mae (Chief Financial Officer)	Miss Chan was previously the CFO of iProperty Group, holding office through the period of acquisition by REA Group Ltd in 2016. Before joining iProperty Group, she served as the Finance Director of Redgrave Partners Group, a multi-tiered recruitment group based in London with operations in Hong Kong and Singapore which had, during her tenure, grown from one brand in one city in 2008 to three brands in three countries by 2012. Prior to that she was Group Financial Accountant for AIM-listed Imprint PLC. Miss Chan holds a Bachelor of Laws from the University of Exeter and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Directors' Report (cont'd)

Information about the Directors and senior management (cont'd)

Name	Experience
Shen Loh Lim (Director of Growth & Operations)	Mr Loh Lim has 16 years of experience in leadership roles in online classifieds, online marketing & advertising, technology, and telecommunications. Prior to joining Frontier as Director of Growth & Operations, he spent 7 and a half years at iProperty Group in multiple roles across the Asia Pacific region, the latest of which was as Country General Manager of Malaysia. Before that, he began his career as a consultant in the technology sector before joining one of Malaysia's Top 5 digital agencies at the time, XM Malaysia. Mr Loh Lim holds a Bachelor of Science in Business Administration – Marketing & Management from the University of Oregon.
Marco Rampazzo (Director of Corporate Development)	Mr Rampazzo leads the investment activities, structuring and deal valuation, market research and due diligence work streams, and engages with the Operating Companies throughout the entire investment process. Prior to joining Frontier he was involved in entrepreneurial activities within the internet industry, served as a management consultant in A.T. Kearney UK and was part of the founding team of SF Trust Ltd, a new born London based structured finance provider. Mr Rampazzo holds a Bachelor and a Masters degree in Engineering and Management from the University of Padua.

Directors' shareholdings

The following table sets out each director's shareholding as at 31 December 2016, their relevant interest in shares and options in the Company as at that date.

	Fully paid ordinary shares	
Director	**Number**	**%**
David Baxby *	2,155,689	1.00%
Shaun Antony Di Gregorio	37,020,359	17.13%

**David Baxby's shares are held through Annecy Capital Partners Pte Ltd which is owned 100% by David Baxby.*

Remuneration of Directors and senior management

Information about the remuneration of Directors and senior management is set out in the Remuneration Report on page 8 and in Note 26 Key management personnel compensation.

Directors' Report (cont'd)

Share options and rights granted to Directors and senior management

During the year, 2,520,000 share rights were granted to senior management (2015: Nil). Since the end of the financial year no share rights were granted to Directors or senior management.

As at the date of this report, there were 1,800,000 unissued ordinary shares rights (2,520,000 at reporting date).

Further details on the Share Rights Plan and outstanding share rights are disclosed in the Remuneration Report.

Principal activities

The principal activity of the Group during the year was investing in and operating developing online classifieds businesses ("Operating Companies") in underdeveloped, emerging countries or regions ("Target Markets") which are markets at a very early stage of online development, but with anticipated strong growth prospects.

The Target Markets on which the Group focuses for future growth and strategic investments are clustered in five regions – South Asia, East Africa, West Africa, Central America and Middle East/North Africa (MENA).

Changes in State of Affairs

As a result of the Initial Public Offering on 26 August 2016 on the Australian Securities Exchange, the Contributed equity of the Company increased by $30,000,000 (from $29,763,414 to $59,763,414) from the issue of 60,000,000 ordinary shares.

In the period since listing the net cash received from the increase in contributed equity was used to repay borrowings and to pay deferred consideration in respect of shares acquired in Operating Companies, meet contractual commitments to subscribe for additional shares and exercise Call Options over shares in the Operating Companies.

Review of Operations

A detailed review of operations and results of those operations will be set out in the Annual Report. A summary of the Group's performance is below.

The Group is reporting maiden revenues of $2,139,551 for the year ended 31 December 2016.
The net loss for the year was $4,603,325 (2015: $2,537,389), with corresponding adjusted loss before interest, tax, depreciation and amortisation (Adjusted EBITDA loss) of $3,681,880 (2015: $500,065).

	2016 $	2015 $
Net loss for the year ended 31 December	(4,603,325)	(2,537,389)
Depreciation and amortisation	(583,060)	(194)
Net interest	122,313	4,123
Significant one-off items excluded from EBITDA:		
Costs incurred in relation to initial public offering not capitalised	(1,353,942)	-
Gains from deemed disposal of Associate shareholding (step acquisitions)	3,980,674	-
Other items excluded from EBITDA		
Equity settled share-based payments	(680,298)	-
Unrealised currency exchange gains	1,389,895	531,444
Share of net loss of associates	(3,797,027)	(2,572,697)
Adjusted EBITDA loss (note 4)	(3,681,880)	(500,065)

During the year, the Group successfully completed the acquisition of ten subsidiaries (note 22).

- Seven of these subsidiaries were acquired on 26 August 2016 via step acquisition of investments previously accounted for as associates. Pre-acquisition results of these entities were disclosed within "Share of net loss of associates" and post-acquisition results were consolidated and reported with the Group's results for the financial year.
- A gain of $3,980,674 above was generated on the "deemed disposal" of previously held equity interests in these seven entities due to international standards on the accounting treatment for step acquisitions. The gain is reflected in the calculated Goodwill generated upon acquisition of subsidiaries of $14,474,176.

The performances of all ten subsidiaries along with that of five equity accounted associates (note 14) continues in line with management's expectations and, as such, the projected recoverable amounts of these investments significantly exceed their carrying values at the year end.

Directors' Report (cont'd)

Review of Operations (cont'd)

The Group carries a significant exposure to movements in the currency exchange rates between the United States Dollar (USD) and the Australian Dollar (AUD). This is because most acquisitions are denominated in USD, a reflection of the markets they operate in, and also, the USD is the functional currency of a few significant subsidiaries of the Group as well as that of the intermediate holding company of the Group. It is expected that the Group will continue to report significant unrealised currency exchange movements in future periods.

Dividends

No dividends have been paid or declared since the start of the financial year and the Group does not propose to pay a dividend for this reporting period.

Business Strategies & Future Developments

Frontier is focused on developing online classifieds businesses in underdeveloped, emerging countries or regions.

The Company's ambition is to become the leading operator of online classifieds businesses in its Target Markets by:

- owning and operating leading digital automotive, property or general classifieds websites in such markets across the globe;
- bringing best practices in management from more developed online classifieds markets to the Operating Companies

Each of the Operating Companies seek to provide the most accurate and comprehensive database of "for sale" listings in the relevant Operating Company's sector. This "listings first" approach to its classifieds business is being targeted to attract more potential buyers to the websites of the Operating Companies and generate more leads for its advertisers, and thus drive advertising revenue growth. Businesses that are able to establish early market leadership are likely to benefit from the "virtuous circle" of the online classified advertising business model, whereby growth in listings leads to growth in users, which leads to growth in advertisers which, in turn, leads to more listings growth.

Frontier also intends to pursue future growth opportunities in the online classifieds sector in its Target Markets through strategic investments.

In the opinion of the Directors, further information on its prospects for future years and likely developments in the operations of the Group would, if included in this report, be likely to result in unreasonable prejudice to the Group and has accordingly been omitted.

Environmental Issues

The Company takes a responsible approach in relation to the management of environmental matters. All significant environmental risks have been reviewed and the Group has no legal obligation to take corrective action in respect of any environmental matter.

Share Issues

During the course of the year, the Company issued shares as follows:

Month	No. of Shares	Net Amount $	Issue Type
February 16	2,100,000	2,100,000	Shares issued for cash
August 16	93,899,998	-	Share split
August 16	62,155,689	30,500,000	Shares issued for cash
August 16	9,837,289	4,918,645	Shares issued for acquisitions on 26 August 2016 (Note 20)
November 16	75,000	38,985	Shares issued as part of executive incentive plan

Events subsequent to reporting date

There have not been any transactions or events of a material and unusual nature between the end of the reporting period and the date of the report likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future years.

Directors' Report (cont'd)

Indemnification of officers

The Company has indemnified each Director of the Group, the Company Secretary and previous Directors and Secretaries (Officers) against all liabilities or loss (other than to the Company or a related body corporate) that may arise from their position as Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a breach of duties or negligence, or where indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an Officer of the Company.

The Company has also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a breach of duties or negligence, or where indemnification is otherwise not permitted under the Corporations Act.

The Company has executed deeds of indemnity with each of the Non-Executive Directors.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, PricewaterhouseCoopers, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify PricewaterhouseCoopers during or since the financial year.

Directors' and Officers' Insurance

The Company has paid insurance premiums for one year's cover in respect of Directors' and Officers' liability insurance contracts, for Officers of the Company and of its controlled entities. The insurance cover is on standard industry terms and provides cover for loss and liability for wrongful acts in relation to the relevant person's role as an Officer, except that cover is not provided for loss in relation to Officers gaining any profit or advantage to which they were not legally entitled, or Officers committing any criminal, dishonest, fraudulent or malicious act or omission, or any knowing or wilful violation of any statute or regulation.

The insurance does not provide cover for the independent auditors of the Company or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, there were 5 Board Meetings, no Remuneration and Nomination Committee meetings and no Audit and Risk Committee meetings.

	Board of Directors		Audit & Risk Committee		Nomination & Remuneration Committee	
Directors	Held	Attended	Held	Attended	Held	Attended
David Baxby	5	5	0	0	0	0
Shaun Antony Di Gregorio	5	5	0	0	0	0
Mark Licciardo	5	5	0	0	0	0

Although the Company has formally constituted Committees covering Audit and Risk and Remuneration and Nomination, there were no meetings of these Committees held during the year to 31 December 2016. This was predominately due to the fact that the Company only listed in August 2016 and given the size and composition of the current Board, all issues of a kind that would be ordinarily deliberated on by such committees, were considered and addressed by the full Board of Directors. The Board will give further consideration as to the requirement and operation of these Committees during the financial year to 31 December 2017.

Directors' Report (cont'd)

Directors' Interest in Contracts

No material contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the year, other than those transactions detailed in Note 25 to the Financial Statements.

Non-audit services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

Fees to the external auditors for non-audit services amounted to $611,557 during the financial year (2015: nil).

Auditor's independence declaration

The statement by the Consolidated Entity's external auditors to the members of the Frontier Digital Ventures Limited in relation to the auditors' compliance with the independence requirements of the Corporations Act and the professional code of conduct for external auditors, forms part of this Directors' Report and is set out after this Directors' Report on page 17.

No person who was an Officer of the Company during the financial year was a Director or partner of the Group's external auditor at a time when the Group's external auditor conducted an audit of the Group.

REMUNERATION REPORT

This Remuneration Report forms part of the Directors' Report and outlines the remuneration arrangements for executives and employees of Frontier Digital Ventures Limited and controlled entities, including Specified Directors and Specified Executives in accordance with section 300A and Regulation 2M.3.03 of the Corporations Regulations

Director and senior management details

The following persons acted as Directors of the Company during or since the end of the financial year:

- Shaun Di Gregorio
- David Baxby (appointed 15 July 2016)
- Mark Licciardo (appointed 4 April 2016)
- Lucas Elliott (resigned 15 July 2016)
- Nicholas Geddes (resigned 15 July 2016)

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Shaun di Gregorio (Chief Executive Officer)
- Shiao Chan (Chief Financial Officer) (from 11 July 2016)
- Shen Loh Lim (Director of Growth & Operations)
- Marco Rampazzo (Director of Corporate Development)

Remuneration & Nomination Committee

Role

The membership, responsibilities, authority and activities of the Remuneration & Nomination Committee are set out in the Remuneration & Nomination Committee Charter, which has been approved by the Board.

The responsibilities of the Remuneration Committee are to:

- monitor, review and recommend to the Board, as necessary and appropriate:
  - the remuneration, superannuation and incentive policies and arrangements for the Chief Executive Officer and key management personnel (i.e. those executives who report directly to the Chief Executive Officer);
  - the remuneration arrangements for Non-Executive Directors on the Board;
  - the recruitment, retention and termination policies and procedures for the Chief Executive Officer and key management personnel; and
  - key appointments and executive succession planning.
- oversee the Group's general remuneration strategy;
- review the composition of the Board including:
  - the criteria for selection of Directors, having regard to the need for the breadth and depth of skills and experience on the Board; and
  - the process for selecting new Directors.

Membership and meetings

As at the date of this report, the members of the Remuneration & Nomination Committee were:

- David Baxby (Chair)
- Mark Licciardo

The Chief Executive Officer and the Chief Financial Officer attend meetings by invitation to assist the Committee in its deliberations except on matters associated with their own remuneration. The Committee did not meet during the year.

Remuneration Report (cont'd)

Advisers

External specialist remuneration advice is sought on an as-needs basis in respect of remuneration arrangements for Non-Executive Directors of the Board and key management personnel of the Group. General reward advice is sought on an ad hoc basis. No external reward advice was received during the financial year in respect of executive rights (2015: Nil).

Reward policy

The Company has an established policy for determining the nature and amount of emoluments of Board members and key management personnel of the Company to align remuneration with the creation of shareholder value. The remuneration structure for the key management personnel seeks to emphasise payment for results.

Statutory performance indicators
Measures of the group's financial performance in 2016 is required by the Corporations Act 2001.

For the year ended 31 December 2016 the Group reported Revenue of $2,139,551 and loss before tax of $4,603,325. Comparatives for the previous four years (years ended 2012 to 2015) have not been included because the Group was newly formed in November 2015. Since the performance targets for variable remuneration is not yet determined, there may be no direct correlation between these measures and variable remuneration awarded.

Reward philosophy

The Company's overall philosophy is to manage the remuneration to:

- create an environment that will attract top talent, and where people can be motivated with energy and passion to deliver superior performance;
- recognise capabilities and promote opportunities for career and professional development;
- provide rewards, benefits and conditions that are competitive within the markets in which the Group operates; and
- provide fair and consistent rewards across the Group, which support corporate principles.

The Company has a policy of ensuring that at least part of the remuneration of key management personnel is based on the performance of the Company. Key management personnel are compensated with fixed remuneration and "at risk" remuneration based on revenue and earnings targets.

Key Management Personnel and Executive Director Remuneration

The Company aims to reward key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and:

- Reward key management personnel for achievement of pre-determined key performance indicators;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

The Remuneration for key management personnel and staff includes an annual review using a formal performance appraisal process. The Remuneration Committee recommends to the Board the level of fixed remuneration for the CEO each year based on his performance.

The remuneration structure is in two parts:

- Fixed remuneration; and
- Variable remuneration

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration comprises of payroll salary, superannuation and other benefits.

Remuneration Report (cont'd)

Key Management Personnel and Executive Director Remuneration (cont'd)

Variable Remuneration

Comprises a short term incentive plan and a long term incentive plan.

- *Short term incentive plan (STI)*

  Short term incentives are used to reward performance on a year by year basis. The principal performance indicator of the short term incentive plan will be the Company's financial performance during the year and individual achievement of specified goals, for example for achieving progress with growth initiatives. The percentage and threshold level can differ for each individual and will be reviewed each year. The Company has yet to determine performance targets which must be met in order to trigger payments to key management personnel under the STI. Payments will be made in the form of cash and shares. Key employees of Frontier will be eligible to participate in the STI program by invitation from the Board.

- *Long term incentive plan (LTI)*

  Frontier has established a long term incentive plan called the Frontier Digital Ventures Limited Rights Plan ("Rights Plan"). The Rights Plan is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in Frontier.

  The Rights Plan is part of the Company's remuneration strategy and is designed to align the interests of management and shareholders and assist Frontier in the attraction, motivation and retention of executives. In particular, the Plan is designed to provide relevant executives with an incentive for future performance, with conditions of vesting and exercise of performance rights under the Plan, encouraging those executives to remain with the Company and contribute to the future performance of the Company. Employees will be eligible to participate in the Plan by invitation from the Board.

  The Rights Plan allows the Company to grant rights to acquire Shares ("Rights"), subject to the terms of individual offers and the satisfaction of performance and/or service conditions determined by the Board from time to time.

The Rights Plan was approved by Directors of the Company at a Board of Directors' Meeting on 15 July 2016 and grants key management personnel and certain employees who contributed to the success of the Group's initial public offering ("Listing" or "IPO") on 26 August 2016 to Rights for 3,150,000 free shares in the Group to be issued at a later date ("2016 Rights" or "Initial Grants"). The total fair value of the 2016 Rights granted was $1,575,000 at the initial public offering price of A$0.50 each.

Date of Grant	No. of unissued ordinary shares under Share Rights Plan as at 31 December 2016	Vesting Period
26 August 2016	2,310,000	26 August 2016 to 31 December 2018
26 August 2016	840,000	26 August 2016 to 30 June 2019
	3,150,000	

The key terms of the Rights Plan and the initial grant of those Rights are set out in the table below.

Remuneration Report (cont'd)

Key Management Personnel and Executive Director Remuneration (cont'd)

The key terms of the Rights Plan and the initial grant of those Rights are set out in the table below

Eligibility	Offers may be made at the Board's discretion to employees of the Company or any of its subsidiaries.
Offers under the Rights Plan	The Board may make offers of Rights at its discretion, subject to any requirements for Shareholder approval. The Board has the discretion to set the terms and conditions on which it will offer Rights in individual offer documents. An offer must be accepted by the employee. The offers for the Initial Grants are made on an opt-in basis.
Grants of Rights	The Initial Grants will be made on or shortly after Listing. A Right entitles the holder to acquire a Share for nil consideration subject to meeting specific vesting conditions.
Grant price	For the Initial Grants, Rights will be granted for nil consideration.
Exercise price	For the Initial Grants, no exercise price is payable in respect of the Rights granted.
Performance period	The performance period for the Initial Grants will be: • for employees who commenced employment prior to 30 June 2016, the period commencing on the date of Listing and ending on 31 December 2018; and • for employees who commenced employment on or after 30 June 2016, the period commencing on the date of Listing and ending on 30 June 2019.
Vesting conditions and vesting	Rights granted under the Rights Plan will vest subject to the satisfaction of vesting conditions, as determined by the Board and specified in the offer document. For the Initial Grants to employees who commenced employment prior to 30 June 2016: • the first tranche of Rights will vest if the participant remains employed with the Frontier Group until 31 December 2016; • the second tranche of Rights will vest if the participant remains employed with the Frontier Group until 31 December 2017; and • the third tranche of Rights will vest if the participant remains employed with the Frontier Group until 31December 2018. For the Initial Grants to employees who commenced employment on or after 30 June 2016: • the first tranche of Rights will vest if the participant remains employed with the Frontier Group until 30 June 2017; • the second tranche of Rights will vest if the participant remains employed with the Frontier Group until 30 June 2018; and • the third tranche of Rights will vest if the participant remains employed with the Frontier Group until 30 June 2019. The portion of a participant's Rights that can vest in each tranche will be specified in their individual offer document.

Remuneration Report (cont'd)

Key Management Personnel and Executive Director Remuneration (cont'd)

Entitlements associated with Rights	Rights granted under the Rights Plan do not carry dividend rights, voting rights or rights to capital distributions prior to vesting. Shares issued upon vesting of the Rights will rank equally with all other Shares.
Restrictions on dealing	Participants in the Rights Plan must not sell, transfer, encumber or otherwise deal with Rights. Participants will be free to deal with the Shares allocated on vesting of Rights, subject to the requirements of the Company's Policy for Dealing in Securities.
Cessation of employment	If a participant ceases employment with the Frontier Group due to resignation or termination for cause, all unvested Rights held by the participant will lapse unless the Board determines otherwise. If a participant ceases employment for any other reason, unless the Board determines otherwise, a pro rata portion of their unvested Rights (calculated by reference to the portion of the performance period that has elapsed up to the date of cessation) will remain on foot subject to the original vesting conditions for those Rights, and will vest as if the participant had not ceased employment. The remainder of their unvested Rights will automatically lapse.
Clawback and Preventing inappropriate benefits	Under the terms of the Initial Offers, the Board has 'clawback' powers which may be exercised if, among others things, the participant: • has acted unlawfully, fraudulently or dishonestly; • is in serious breach of their obligations in relation to the affairs of a Frontier Group company; • has committed any act of fraud, defalcation, gross misconduct; • has acted in a manner which brings the Company or the Frontier Group into disrepute; • has been convicted or have had judgment entered against them in connection with the Frontier Group's affairs; or • has engaged in behaviour that may impact on the Frontier Group's financial soundness or require re-statement of the Frontier Group's financial accounts.
Change of control	Under the terms of the Initial Offers, the Board may determine that some or all of the Rights will vest on a change of control. If an actual change of control occurs before the Board exercises this discretion: • a pro rata portion of the Rights will vest, calculated based on the portion of the relevant performance period that has elapsed up to the date of the actual change of control; and • the Board retains a discretion to determine whether the remaining unvested Rights will vest or lapse.

Remuneration Report (cont'd)

Shares under rights or issued in exercise of rights

There were 720,000 (2015: Nil) shares or interests issued during or since the end of the financial year as a result of the exercise of rights by key management personnel.

The initial grant, vest and exercise of Share Rights are set out in the table below:

Table A						Vested		
Name	Date of Grant	Balance at 1 Jan 2016	Share Rights Granted No.	Vesting condition - Continued employment as at dates below	Vesting and Exercise Date	Number	%	Unvested Rights No.
Shen Loh Lim	26 Aug 2016	-	600,000	31 Dec 2016	31 Jan 2017	600,000	100%	-
	26 Aug 2016	-	600,000	31 Dec 2017		-	0%	600,000
	26 Aug 2016	-	600,000	31 Dec 2018		-	0%	600,000
		-	1,800,000			600,000		1,200,000
Shiao Chan	26 Aug 2016	-	100,000	30 Jun 2017		-	0%	100,000
	26 Aug 2016	-	120,000	30 Jun 2018		-	0%	120,000
	26 Aug 2016	-	140,000	30 Jun 2019		-	0%	140,000
		-	360,000			-		360,000
Marco Rampazzo	26 Aug 2016	-	120,000	31 Dec 2016	31 Jan 2017	120,000	100%	-
	26 Aug 2016	-	120,000	31 Dec 2017		-	0%	120,000
	26 Aug 2016	-	120,000	31 Dec 2018		-	0%	120,000
		-	360,000			120,000		240,000

Key Management Personnel Remuneration

The following table summarises the remuneration arrangements for the key management personnel for 2016. Details of remuneration of key management personnel and Directors are shown on Table B of this report.

Name	Mr S Di Gregorio	Ms S Chan	Mr S Loh Lim	Mr M Rampazzo
Position	Chief Executive Officer	Chief Financial Officer	Director of Growth and Operations	Director of Corporate Development
Term of employment	No fixed term	No fixed term	No fixed term	No fixed term
Notice period	6 months	3 months	3 months	3 months
Total employment cost	AUD340,000 per annum**	MYR486,000 per annum	MYR516,000 per annum	MYR420,000 per annum
Short term incentive	Variable. Basis to be confirmed	Variable. Basis to be confirmed	Variable. Basis to be confirmed	Variable. Basis to be confirmed
Long term incentive under Rights Plan	-	Share rights per Table A above	Share rights per Table A above	Share rights per Table A above
Termination by executive	6 months	3 months	3 months	3 months
Termination by company	6 months	3 months	3 months	3 months

** Annual contractual cost effective from 1 August onwards

Remuneration Report (cont'd)

Details of remuneration

The following tables show details of the nature and amount of each element of the remuneration paid or payable with respect to services provided for the period as Directors of the Company and key management personnel of the Group during the period.

Remuneration of Directors and senior management (Table B)

2016 Table B	Salary & Fees paid in cash	Other	Post employ-ment benefits	Shares	Share Rights	Total	Performance bonus as a% of total remuneration	% of compensation for the year consisting of rights
	$	$	$	$	$	$	%	%
Non exec Directors								
David Baxby	-	-	-	57,292	-	57,292	0%	0%
Lucas Elliot	-	-	-	-	-	-	0%	0%
Mark Licciardo	27,502	-	-	-	-	27,502	0%	0%
Nicholas Geddes	5,500	-	-	-	-	5,500	0%	0%
	33,002	-	-	57,292	-	90,294	0%	0%
Key Management Personnel								
S di Gregorio	260,000	-	-	-	-	260,000	0%	0%
S Chan	64,638	110	7,620	-	40,730	113,098	0%	36%
S Loh Lim	167,758	241	19,994	-	422,646	610,639	0%	69%
M Rampazzo	130,008	-	-	38,985	84,529	253,522	15%	33%
	622,404	351	27,614	38,985	547,905	1,237,259	15%	139%
	655,406	351	27,614	96,277	547,905	1,327,553	15%	139%

The Group was newly formed in November 2015 and remuneration for prior years is not comparable.

No retirement benefits were paid to Directors or Key Management Personnel in either 2015 or 2016.

Mr M Licciardo and Mr N Geddes, directors during the year, were also directors of Mertons Corporate Services Pty Ltd and Australian Company Secretaries Pty Ltd, respectively. Both companies were engaged to provide company secretarial services to the Company during the year for a fee of $35,000 and $12,500 respectively.

Remuneration Report (cont'd)

Share based payments to executives

On 14 November 2016 the Directors approved the issue of 75,000 shares with a fair value of $38,985 to Mr Rampazzo, the Director of Corporate Development, in relation to his performance for the year ended 2015, as part of the company executive incentive plan.

Share based payments to Non-Executive Directors

By an agreement between the Company and each of the Non-Executive Directors, the Non-Executive Directors have agreed to provide services to the Company. As detailed in the Frontier prospectus the Non-Executive Directors will be remunerated either by cash or by Frontier shares. During the financial year Directors' entitlement to shares vests monthly on a pro-rata basis provided they continue to be Directors of the Company at that time.

The remuneration of Non-Executive Directors for the year ended 31 December 2016 includes $57,292 (2015: Nil) in value of shares which are yet to be issued to Non-Executive Directors. The number of shares in respect of the 2016 remuneration is based on the VWAP from the date of initial public offering to 31 December 2016 and was calculated to be 51.33 cents for the period.

A total of 111,613 shares outstanding to all directors at the end of the financial year was determined using a VWAP of 51.33 cents and is subject to shareholder approval at the next annual general meeting.

	2016			2015		
	Shares issued	Shares vested but not issued	Total	Shares issued	Shares vested but not issued in 2015	Total
David Baxby	-	111,613	111,613	-	-	-
	-	111,613	111,613	-	-	-

In addition to remuneration benefits above, the Company paid a premium for a contract insuring all Directors of the Company and specified executives of the Group as officers. It is not possible to allocate the benefit of this premium between individual Directors or specified executives. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the premium paid under the contract.

Non-Executive Director Remuneration

The following persons were Non-Executive Directors of the Company at 31 December 2016:

Name	Position
David Baxby	Non Executive Director
Mark Licciardo	Non-Executive Director

Remuneration Report (cont'd)

Remuneration Policy

Fees are established from time to time for the Chairman, Deputy Chairman and Non-Executive Directors. The appointment letters for the Non-Executive Directors set out the terms and conditions of their appointments. These terms and conditions are in conjunction with, and subject to, the Company's Constitution and the charters and policies approved by the Board from time to time.

Each Non-Executive Director receives a fee for being a Director of the Company. These fees are either paid in cash or by the issue of Frontier shares.

Options

There were no share options granted to Directors during or since the end of the financial year.

Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors

Dated 27 February 2017

....
David Baxby
Chairman

Auditor's Independence Declaration

As lead auditor for the audit of Frontier Digital Ventures Limited for the year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Frontier Digital Ventures Limited and the entities it controlled during the period.

Jon Roberts
Partner
PricewaterhouseCoopers

27 February 2017

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
As at 31 December 2016

	Note	2016 $	2015 $
Revenue	4	2,139,551	-
Administrative expenses		(1,398,905)	(205,125)
Employment expenses	5	(2,804,079)	(189,894)
Advertising and marketing expenses		(1,640,197)	-
Premises and infrastructure expenses		(728,345)	-
Transaction advisory costs		(1,353,942)	(52,333)
Other income	6	1,459,692	478,731
Depreciation and amortisation		(583,060)	(194)
Operating loss		(4,909,285)	31,185
Interest income		122,610	4,123
Interest expense		(297)	-
Gains from deemed disposal of Associate shareholding	22	3,980,674	-
Share of net loss of associates accounted for using the equity method	14	(3,797,027)	(2,572,697)
Loss before income tax		(4,603,325)	(2,537,389)
Income tax expense	7	-	-
Net loss after tax		(4,603,325)	(2,537,389)
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		310,764	(291,868)
Share of other comprehensive income of associates accounted for using the equity method	14	(573,745)	(73,796)
Other comprehensive income for the period, net of tax		(262,981)	(365,664)
Total comprehensive loss for the period		(4,866,306)	(2,903,053)
Loss attributable to:			
Owners of the Company		(3,667,433)	(2,537,389)
Non-controlling interests		(935,892)	-
		(4,603,325)	(2,537,389)
Total comprehensive loss attributable to:			
Owners of the Company		(4,033,009)	(2,903,053)
Non-controlling interests		(833,297)	-
		(4,866,306)	(2,903,053)
		Cents	**Cents**
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per share	8	(3.21)	(47.22)
Diluted loss per share	8	(3.21)	(47.22)

Notes to the financial statements are included on page 22 to 63.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Note	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	9	20,116,380	5,412,656
Term deposits	9	5,000,000	-
Trade and other receivables	10	737,449	-
Other assets		33,018	-
Related party advances		-	34,861
Tax receivables		4,822	-
Total current assets		25,891,669	5,447,517
Non-current assets			
Property, plant and equipment	11	520,266	967
Other intangible assets	12	4,996,473	-
Goodwill	13	15,307,178	-
Investments accounted for using the equity method	14	11,081,656	15,312,663
Total non-current assets		31,905,573	15,313,630
Total assets		57,797,242	20,761,147
LIABILITIES			
Current liabilities			
Related parties advances	16	3,731	1,006,171
Trade and other payables	17	1,473,603	191,494
Contingent consideration	18	-	315,112
Total current liabilities		1,477,334	1,512,777
Total liabilities		1,477,334	1,512,777
NET ASSETS		56,319,908	19,248,370
EQUITY			
Share capital and share premium	20	57,717,472	22,244,769
Reserves		105,965	(365,664)
Accumulated losses		(6,298,168)	(2,630,735)
		51,525,269	19,248,370
Non-controlling interests		4,794,639	-
TOTAL EQUITY		56,319,908	19,248,370

Notes to the financial statements are included on pages 22 to 63.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 December 2016

	Note	<--------Attributable to owners of the Company--------> Share capital $	Share rights plan reserves $	Other equity $	Foreign currency translation reserves $	Accumulated losses $	Total $	Non-controlling interests $	Total equity $
Balance as at 1 January 2015		100	-	-	-	(93,346)	(93,246)	-	(93,246)
Loss for the year		-	-	-	-	(2,537,389)	(2,537,389)	-	(2,537,389)
Foreign currency translation differences		-	-	-	(365,664)	-	(365,664)	-	(365,664)
Total comprehensive loss for the period		-	-	-	(365,664)	(2,537,389)	(2,903,053)	-	(2,903,053)
Capital reorganisation		(100)	-	-	-	-	(100)	-	(100)
22,377,871 shares issued during the year		22,377,871	-	-	-	-	22,377,871	-	22,377,871
Transaction costs relating to shares issued net of tax	20	(133,102)	-	-	-	-	(133,102)	-	(133,102)
Balance as at 31 December 2015		**22,244,769**	**-**	**-**	**(365,664)**	**(2,630,735)**	**19,248,370**	**-**	**19,248,370**
Loss for the year		-	-	-	-	(3,667,433)	(3,667,433)	(935,892)	(4,603,325)
Foreign currency translation differences		-	-	-	(365,575)	-	(365,576)	102,595	(262,981)
Total comprehensive loss for the period		-	-	-	(365,575)	(3,667,433)	(4,033,009)	(833,297)	(4,866,306)
64,255,689 shares issued during the year		32,600,000	-	-	-	-	32,600,000	-	32,600,000
Acquisition of subsidiaries	22	4,550,235	-	106,474	-	-	4,656,709	6,035,760	10,692,469
Increase in shareholding in subsidiaries		368,410	-	32,125			400,535	(407,824)	(7,289)
Transaction costs relating to shares issued	20	(2,084,927)	-	-	-	-	(2,084,927)	-	(2,084,927)
Recognition of share based expense		38,985	641,313	57,292	-	-	737,590	-	737,590
Balance as at 31 December 2016		**57,717,472**	**641,313**	**195,891**	**(731,239)**	**(6,298,168)**	**51,525,269**	**4,794,639**	**56,319,908**

Notes to the financial statements are included on pages 22 to 63.
Included in Other Equity is $106,474 representing 212,948 shares to be issued to the vendors of LankaPropertyWeb (Private) Limited (Note 22.2.6).

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2016

	Note	2016 $	2015 $
Cash (used in)/from operations		(5,123,912)	6,357
Interest paid		(297)	-
Interest received		73,943	4,123
Net cash (outflow)/inflow from operating activities	**23**	(5,050,266)	10,480
Cash flows from investing activities			
Purchase of property, plant and equipment	**11**	(316,658)	(1,192)
Purchase of other intangible assets	**12**	(81,820)	-
Investment in associates		(8,063,296)	(12,820,481)
Net investment in term deposits	**9**	(5,000,000)	-
Payment for acquisition of subsidiaries	**22.1**	(1,152,033)	-
Cash acquired on acquisition of subsidiaries	**22.1**	4,055,434	-
Net cash outflow from investing activities		(10,558,373)	(12,821,673)
Cash flows from financing activity			
Proceeds from issuance of shares		32,600,000	22,377,771
Payment of capitalised transaction costs related to issuance of shares		(2,084,927)	(133,102)
Repayment of loans from related parties		(1,002,440)	(4,021,066)
Net cash inflow from financing activities		29,512,633	18,223,603
Net increase in cash and cash equivalents		13,903,994	5,412,410
Cash and cash equivalents as at 1 January		5,412,656	97
Effects of exchange rate changes on cash and cash equivalents		799,730	149
Cash and cash equivalents as at 31 December	**9**	20,116,380	5,412,656

Notes to the financial statements are included on pages 22 to 63.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The financial statements for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution on the 27 February 2017 have been audited.

The principal activity of the Company is to invest in developing online classified businesses in underdeveloped, emerging countries or regions. The principal activities of its subsidiaries and associated companies are online classified advertising and overseas headquarters.

Frontier Digital Ventures Limited ("the Company" or "Frontier") was incorporated and domiciled in Australia under the name of Frontier Digital Ventures Pty Ltd on 9 November 2015 and assumed the current name upon the conversion into a public company on 15 April 2015. On 26 August 2016, Frontier has successfully listed on the Australian Securities Exchange.

The registered office of the Company is located at Level 7, 330 Collins Street, Melbourne VIC 3000.
The principal place of business of the Company is located at 39-8, The Boulevard Mid Valley City Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

2. Summary of significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board, and complies with other requirements of the law.

These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Directors on 27 February 2017. The Directors have the power to amend and reissue the financial report.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical cost, except for financial instruments measured at fair value through profit or loss. All amounts are presented in Australian dollars and are rounded to the nearest dollar unless otherwise stated.

The preparation of the financial statements requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Comparative financial information

Frontier Digital Ventures Limited (formerly known as Frontier Digital Ventures Pty Limited) was incorporated as a private company limited by shares on 9 November 2015. On 15 April 2016 it was converted to a public company limited by shares.

On 7 December 2015, as a result of a capital reorganisation, Frontier Digital Ventures Pte Ltd (a company incorporated in Singapore) became a 100% owned subsidiary of the Company. The Group determined that the capital reorganisation of Frontier Digital Ventures Pte Ltd did not represent a business combination as defined by AASB 3 Business Combinations since the reorganisation was considered to be a combination of entities under common control, hence outside the scope of AASB 3.

As such, these consolidated financial statements reflect the continuation of Frontier Digital Ventures Pte Ltd's financial statements. The prior year comparatives shown for the year ended 31 December 2015 include the results of Frontier Digital Ventures Pte Ltd.

The accounting policies set out below have been consistently applied to all years, except for the impact of the Standards and Interpretations described below.

Adoption of new and amended standards

The group has applied the following standards and amendments for the first time for the reporting period commencing 1 January 2016:

- Clarification of acceptable methods of depreciation and amortisation – Amendments to AAS 116 and AAS 138
- Annual improvements to AASBs 2012 – 2014 cycle
- Disclosure initiative – amendments to AASB 101, and
- Investment entities: Applying the consolidation exception – Amendments to AASB 10, AASB 12 and AASB 128

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not been early adopted by the group. The Group is currently assessing the impact of the new standards and interpretations below.

i) AASB 9 *Financial instruments*

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Must be applied for financial years commencing on or after 1 January 2018.

ii) AASB 15 Revenue from contracts with customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 18 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Mandatory for financial years commencing on or after 1 January 2018.

iii) Amendments to AASB 112 Income tax

Amendments made to AASB 112 in January 2016 clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets.

Mandatory for financial years commencing on or after 1 January 2017.

iv) AASB 16 Leases

AASB 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Mandatory for financial years commencing on or after 1 January 2019.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a) Principles of consolidation and equity accounting

The consolidated financial statements comprise the financial statements of Frontier Digital Ventures Limited, the Company, and its subsidiaries (referred to as the "Group" in these financial statements). Control is achieved where the Group is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those returns through it through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from the involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

a) Principles of consolidation and equity accounting (cont'd)

(i) *Subsidiaries*
Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group (note 2(b)). Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(ii) Associates
Associates are all entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, see Note 14, after initially being recognised at cost.

(iii) Equity method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in see Note 2(i).

(iv) Changes in ownership interests
The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture, associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

b) Business combinations

Business combinations are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement are measured at the acquisition date fair value and any adjustments to the fair value are recognised in the income statement.

b) Business combinations (cont'd)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 are recognised at their fair value at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian Dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

e) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Amounts expected to be paid under short term incentive plans are recognised if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by employees.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting.

Share-based payments

The fair value of share rights granted to employees is recognised as an employee benefit expense over the period during which the employees become unconditionally entitled to the rights with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest which are revised at the end of each reporting period. The impact of the revision to original estimates, if any, is recognised in the consolidated statement of comprehensive income, with a corresponding adjustment to equity. The fair value is measured at grant date and the expense recognised over the life of the plan.

f) Investments and other financial assets

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' investments, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. At the balance date the following categories of financial assets were held:

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets carried at cost

Financial assets carried at cost are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownerships of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of transferred financial assets, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

g) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated using either straight line or diminishing value based on the assessed appropriateness of each method for each entity within the Company. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation on a straight line basis:

	Useful lives
Computer equipment	3 years
Office equipment, furniture & fittings	5 years
Leasehold improvements	Life of lease
Motor vehicles	7 years
Plant and machinery	5 years

h) Intangible assets

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquire (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Other intangible assets

Brands and other website development costs acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.
Directly attributable costs that are capitalised as part of the software development include employee costs. Capitalised development costs are recorded as intangible assets and amortised on a straight line basis from the point at which the asset is ready for use.

	Useful lives
Brands	5 years
Website development costs	3 years

i) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

k) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

l) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

The financial performances of each operating segment is disclosed in Note 14 Investment in associate companies and Note 22 Business combinations.

m) Leases

Leases of plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

n) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

o) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market 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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

o) Fair value measurements (cont'd)

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3:	Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

p) Income taxes

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period in the countries where the group operates and generates taxable income. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet at the reporting date. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. Significant accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

(i) Determining the functional currency

Some subsidiaries of the Group operate in overseas jurisdictions but conduct transactions in multiple currencies. Judgement is applied in determining the functional currency.

The Group uses the currency of sales and purchases to determine functional currency for the Operating Companies. In most cases this is the same as the currency of the related jurisdiction.

There are a number of intermediary entities between the Parent and the Operating Companies and the Group uses, in a hierarchy, the currency in which consideration is payable for the investment holding as the primary basis, followed by purchase and operating expense indicators, and in the event that those indicators are not conclusive, the currency in which borrowings and other funds are raised for financing the operations.

(ii) Control over an investee

As disclosed in Note 22, the Group obtained accounting control of TechAfrica Pte Ltd ("TechAfrica"), IMCongo Properties Pte Ltd ("IMCongo"), ToLet Property Classifieds Pte Ltd ("Tolet"), Afribaba Holdings Pte Ltd ("Afribaba"), Rebbiz Pte Ltd ("CarsDB"), Carwangu Pte Ltd ("Carwangu"), Lanka Property Web (Private) Ltd ("LankaPropertyWeb"), iMyanmar Pte Ltd ("iMyanmarhouse"), Encuentra24.com AG ("Encuentra24") and Meqasa Holdings Pte Ltd ("Meqasa") during the financial year with the equity interest summaried as follows.

Name of business acquired	Principal activity	Date of Acquisition	Percentage of shares held %
TechAfrica	Operator of online property and car classifieds portals	5 February 2016	40.00%
IMCongo	Operator of online property classifieds portal	16 February 2016	43.18%
ToLet	Operator of online property classifieds portal	13 May 2016	37.48%
Encuentra24	Operator of online general classifieds portals	26 August 2016	34.88%
iMyanmarhouse	Operator of online property classifieds portal	26 August 2016	39.19%
Carwangu	Operator of online car classifieds portals	26 August 2016	60.05%
CarsDB	Operator of online car classifieds portals	26 August 2016	76.48%
Afribaba	Operator of online general classifieds portals	26 August 2016	64.84%
Meqasa	Operator of online property classifieds portal	26 August 2016	60.24%
LankaPropertyWeb	Operator of online property classifieds portal	26 August 2016	37.30%

There are a number of factors considered by the Group in determining control over an investee and these are outlined at note 2a). A key component of the Group's assessment of control over an investee is the Group's power to direct the relevant activities of these companies. The Company is able to appoint, remove and set compensation of the key management personnel of these companies and actively dominates the decision-making process of these companies through its board representations. Accordingly, these companies had been treated as subsidiaries of upon application of the new control model in AASB 10 Consolidated Financial Statements.

3. Significant accounting estimates and assumptions (cont'd)

(iii) Joint control or significant influence over the investee

As disclosed in Note 14, the Group holds equity interest between 20% and 50% of certain companies. Although the Group is represented on the Board of Directors of these companies and actively participates in the strategic policy decisions in Executive Committee meetings, it is unable to direct the decisions arrived at in these meetings. On this basis, the Group concludes that it exercises significant influence over these companies and thus treats these companies as associates.

(iv) Valuation technique

The finance department of the group performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties are derived from credit risk gradings incorporating country risk premiums.
- Revenue growth factor for unlisted equity securities are estimated based on the Group's expectations from past experience of similar types of companies and specific knowledge of each investment.
- Contingent consideration – expected cash outflows are estimated based on the Group's knowledge of each investment and their likelihood of achieving non financial operating targets as determined in their respective subscription agreements.

Changes in level 2 and 3 fair values are analysed during the annual impairment review process.

(v) Impairment of non-financial assets

The Group assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount. This assessment of impairment is carried out on the carrying value of investments in associated companies as well as the carrying value of goodwill on acquisitions. For the purpose of assessing impairment, assets (including goodwill) are grouped at the lowest level where there are separately identifiable cash flows (cash-generating units).

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. Management has determined recoverable amounts by assessing fair value less cost of disposal. The valuation is considered to be level 2 and level 3 in the fair value hierarchy due to combination of observable and unobservable inputs used in the valuation, as disclosed in Note 13.

(vi) Useful lives of other intangible assets

The Group estimates the useful lives to amortise other intangible assets based on the future performance of the assets acquired and management's judgement of the period over which economic benefits will be derived from the assets. The estimated useful lives of other intangible assets are reviewed periodically, taking into consideration factors such as changes in technology. The amount and timing of recorded expenses for any period would be affected by changes in the estimates. A reduction in the estimated useful lives of the other intangible assets would increase the recorded expenses and decrease the non-current assets. The carrying amounts of the other intangible assets are disclosed Note 12.

4. Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is focused on each individual business combinations, essentially by brand. Due to the widespread geography and variety of types of classifieds portals (property, automotive and general classifieds) there is little commonality between each business combination and hence each business combination reviewed separately.

The Company's reportable segments under AASB 8 are as follows:

- Afribaba (.cm, .sn, .ci)
- CarsDB.com
- Carwangu.com
- Encuentra 24.com
- IMCongo.com
- iMyanmarhouse.com
- LankaPropertyWeb.com
- Meqasa.com
- TechAfrica (Angolacarro.com and Angocasa.com)
- ToLet.com.ng
- Corporate (representing the cost of administrating the Company and the Group)

The performances of the operating segments are primarily assessed using a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA, see below). However, the segments' revenue and assets are also assessed on a monthly basis.

Information regarding these segments is presented on the following page. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment revenues and results

The following is an analysis of the Company's revenue and results by reportable operating segment for the periods under review:

	Revenue		Segment results	
	2016 $	2015 $	2016 $	2015 $
Afribaba	20,319	-	(146,567)	-
CarsDB	43,064	-	(173,913)	-
Carwangu	-	-	(61,069)	-
Encuentra24	1,587,520	-	(694,002)	-
IMCongo	20,453	-	(269,206)	-
iMyanmarhouse	312,014	-	(6,743)	-
LankaPropertyWeb	42,338	-	(78,955)	-
Meqasa	10,058	-	(141,643)	-
TechAfrica	-	-	(144,463)	-
ToLet	103,785	-	(105,670)	-
Corporate (and consolidation)	-	-	(1,859,649)	(500,065)
Segment Revenue and adjusted EBITDA	2,139,551	-	(3,681,880)	(500,065)
Equity settled share-based payments	-	-	(680,298)	-
Transaction advisory costs relating to initial public offering	-	-	(1,353,942)	-
Unrealised currency exchange differences	-	-	1,389,895	531,444
Depreciation and amortisation	-	-	(583,060)	(194)
Gain on deemed disposal of Associates (step acquisition)	-	-	3,980,674	-
Share of net loss of Associates	-	-	(3,797,027)	(2,572,697)
Net interest	-	-	122,313	4,123
Consolidated segment revenue and net loss for the year	**2,139,551**	**-**	**(4,603,325)**	**(2,537,389)**

Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, legal expenses, and other isolated, non-recurring events. It also excludes the effects of equity-settled share-based payments and unrealised gains or losses on financial instruments.

4. Segment Information (cont'd)

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

All revenue is generated from external customers. No single customer contributes 10% or more to the Group's revenue for 2015 or 2016.

Segment assets and liabilities

	Segment assets	
	2016 $	2015 $
Afribaba	1,544,780	-
CarsDB	4,186,096	-
Carwangu	1,154,108	-
Encuentra24	10,578,418	-
IMCongo	336,754	-
iMyanmarhouse	2,902,657	-
LankaPropertyWeb	841,977	-
Meqasa	2,052,071	-
TechAfrica	235,950	-
ToLet	1,899,921	-
Corporate (and consolidation)	32,064,510	20,761,147
Total segment assets	57,797,242	20,761,147
Consolidated total assets	57,797,242	20,761,147

The segment assets disclosed in the table above include goodwill and other intangible assets. Further details on the amount of goodwill and intangible assets attributable to each segment are set out in Notes 22.1 and 12.

	Segment liabilities	
	2016 $	2015 $
Afribaba	529	-
CarsDB	58,226	-
Carwangu	6,857	-
Encuentra24	703,135	-
IMCongo	8,931	-
iMyanmarhouse	112,581	-
LankaPropertyWeb	18,887	-
Meqasa	15,358	-
TechAfrica	11,603	-
ToLet	27,664	-
Corporate (and consolidation)	513,563	1,512,777
Total segment liabilities	1,477,334	1,512,777
Consolidated total liabilities	1,477,334	1,512,777

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than interests in associates, 'other financial assets' and current and deferred tax assets. Assets used by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than borrowings, 'other financial liabilities', current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

5. Employment expenses

	2016 $	2015 $
Salaries and wages	1,790,105	172,047
Employer statutory contribution and pension related	140,871	3,208
Social contribution	9,978	32
Others	92,533	13,690
Director fees	90,294	917
	2,123,781	189,894
Share based payment		
Equity settled share-based payments	680,298	-
Total employee benefit expense	2,804,079	189,894

6. Other income

	2016 $	2015 $
Realised currency exchange differences	46,191	(52,713)
Unrealised currency exchange differences	1,389,895	531,444
Other income	23,606	-
	1,459,692	478,731

7. Income tax expense

Income tax recognised in profit or loss

	2016 $	2015 $
Tax expense attributable to profit is made up of:		
- Current income tax	-	-

The income tax expense for the year can be reconciled to the accounting loss as follows:

	2016 $	2015 $
Loss before income tax	(4,603,325)	(2,537,389)
Tax at the Australian tax rate 30% (2015: 30%)	(1,380,998)	(761,216)
Tax effect of amounts which are not deductible in calculating taxable income:		
Difference in overseas tax rates	78,893	(15,444)
Gain on deemed disposal due to accounting treatment	(1,194,202)	-
Non assessible income	(40,838)	(90,345)
Non deductible charges relating to share of associate losses and amortisation charge	1,283,744	771,809
Deductible costs relating to share issue expenses	(625,478)	(39,931)
Unused tax losses and temporary differences not recognised as deferred tax assets	1,878,879	135,127
Income tax expense	-	-

The tax rate used for the 2016 and 2015 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

7. Income tax expense (cont'd)

Unrecognised deferred tax assets

Share issue costs
A deferred tax asset has not been recognised in relation to deferred share issue costs (which have been recognised directly into share capital) because, in the opinion of the Directors, it is not probable that sufficient taxable income will be generated to utilise the future deductions.

Carry forward losses
A deferred tax asset has not been recognised in relation to the carry forward taxation losses and temporary differences due to insufficient sources of taxable income to utilise the losses and/or future deductions.

	2016 $	2015 $
Temporary differences	30,368	32
Tax losses - revenue	1,318,229	95,164
Share issue costs deferred	665,409	39,931
	2,014,006	135,127

Tax related contingencies
The Group anticipates that tax audits may occur in the future and the Group is subject to routine tax audits in certain overseas jurisdictions. The ultimate outcome of any future tax audits cannot be determined with an acceptable degree of reliability at this time. Nevertheless, the Group believes that it is making adequate provision for its taxation liabilities (including amounts shown as current tax liabilities) and is taking reasonable steps to address potentially contentious issues with tax authorities. However, there may be an impact to the Group if any of the tax authority investigations result in an adjustment that increases the Group's taxation liabilities.

8. Earnings per share

	2016 cents	2015 cents
Basic earnings per share	(3.21)	(47.22)
Diluted earnings per share	(3.21)	(47.22)

8.1 Reconciliations of earnings used in calculating earnings per share

	2016 $	2015 $
Basic earnings per share		
Loss attributable to the ordinary equity holders of the company used in calculating basic earnings per share:	(3,667,433)	(2,537,389)
Diluted earnings per share		
Loss attributable to the ordinary equity holders of the company used in calculating diluted earnings per share:	(3,667,433)	(2,537,389)

8. Earnings per share (cont'd)

8.2 Weighted average number of shares used as the denominator

	2016 Number of shares	2015 Number of shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	114,418,560	5,373,479
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	114,540,387	5,373,479

During 2016, there were no potential ordinary shares that are considered dilutive as they did not meet the requirements for inclusion as per AASB 133 Earnings per share since the consolidated entity generated a loss during the 2016 financial year.

In calculating diluted earnings per share the weighted average number of ordinary shares and potential ordinary shares used as the denominator was adjusted for employee share rights vested and exercised after the year end (Note 26) as well as other shares to be issued after the year end as described in Note 25 and Note 22.2.6.

9. Cash and Term deposits

	2016 $	2015 $
Cash at bank and in hand	20,116,380	5,412,656
Term deposits	5,000,000	-

Term deposits above mature in September 2017 (2015: nil).

10. Trade and other receivables

	2016 $	2015 $
Trade receivables	127,422	-
Other receivables		
Other receivables	318,601	-
Prepayments	254,043	-
Deposits	37,383	-
	610,027	-
	737,449	-

	2016 $	2015 $
Not past due	113,247	**-**
Age of trade receivables that are past due but not impaired		
- 1 to 30 days	13,462	-
- 31 to 60 days	43	-
- 61 to 90 days	18	-
- 91 plus days	652	-
	127,422	-

11. Property, plant and equipment

	2016 $	2015 $
Computer equipment		
At cost	342,157	1,167
Less: Accumulated depreciation	(104,516)	(200)
	237,641	967
Office equipment and furniture & fittings		
At cost	156,028	-
Less: Accumulated depreciation	(32,321)	-
	123,707	-
Leasehold improvements		
At cost	95,190	-
Less: Accumulated depreciation	(9,685)	-
	85,505	-
Motor vehicles		
At cost	83,168	-
Less: Accumulated depreciation	(33,817)	-
	49,351	-
Plant and machinery		
At cost	26,114	-
Less: Accumulated depreciation	(2,052)	-
	24,062	-
Total Property, Plant and Equipment	520,266	967

	Computer equipment $	Office equipment, furniture & fittings $	Leasehold improvements $	Motor vehicles $	Plant and machinery $	Total $
At 1 Jan 2015	-	-	-	-	-	-
Additions	1,192	-	-	-	-	1,192
Depreciation charge	(194)	-	-	-	-	(194)
Exchange difference	(31)	-	-	-	-	(31)
At 31 Dec 2015	967	-	-	-	-	967
Acquisition of subsidiaries	182,685	69,052	2,456	24,544	562	279,299
Additions	82,265	70,015	91,888	46,504	25,986	316,658
Depreciation charge	(23,044)	(12,086)	(9,077)	(14,537)	(1,816)	(60,560)
Exchange difference	(5,232)	(3,274)	238	(7,160)	(670)	(16,098)
At 31 Dec 2016	237,641	123,707	85,505	49,351	24,062	520,266

12. Intangible assets

Intangible assets are allocated to the cash-generating units for which they relate, as follows:

	2016 $	2015 $
Afribaba	389,649	-
CarsDB	246,779	-
Carwangu	28,986	-
Encuentra24	3,137,247	-
IMCongo	54,603	-
iMyanmarhouse	379,375	-
LankaPropertyWeb	288,203	-
Meqasa	170,891	-
TechAfrica	16,405	-
ToLet	284,335	-
Total Intangible Assets	4,996,473	-

Intangible assets comprise of websites and domains $2,210,983, brands $2,629,677 and other intangibles $155,813.

	$
Cost	
At 1 January 2016	-
Acquisition of subsidiaries	5,190,925
Additions	81,820
Exchange difference	275,478
At 31 December 2016	5,548,223
Accumulated amortisation	
At 1 January 2016	-
Acquisition of subsidiaries	11,423
Amortisation for the period	522,500
Exchange difference	17,827
At 31 December 2016	551,750
Carrying amount	
At 31 December 2016	4,996,473
At 31 December 2015	-

13. Goodwill

	2016 $	2015 $
At 1 January	-	-
Additional amounts recognised from business combination during the year (Note 22)	14,474,176	-
Exchange difference	833,002	-
At 31 December	15,307,178	-

13. Goodwill (cont'd)

The recoverable amounts of the cash-generating units are determined based on a fair value less cost of disposal calculations, which is based on management's measured and reasonable expectation of selling price achievable in the open market at a revenue multiple appropriate for the markets the CGUs operate. Given the relative stages of development and the markets in which the Group trades, a range of possible scenarios are modelled to assess the carrying value of goodwill for impairment. Of the range of scenarios modelled, none of them indicated impairment. Management believes that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the aggregated carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Management have determined the appropriate discount rate applied based on the risk free rate plus a risk margin appropriate for the market that the CGU operates in. The discount rates applied ranged from 14.2% (for Panama) to 35.12% (for Angola), with an average of 22.9% and a mean of 22.5%. Having completed a review of completed mergers and acquisitions of comparable companies and their respective implied revenue multiples, management have applied comparable revenue multiples from that range, relevant to growth profiles of CGUs. Depending on the relative stage of growth, assumptions of annual growth in revenues ranged from 20% (for the most developed CGU in its most conservative scenario) to 720% (for the least developed CGU in its most aggressive scenario). Estimates of growth in revenue and operating expenses have been prepared based on management's experience of the sector and intimate knowledge of each CGU.

Management annually reviews the carrying amount of CGUs, which include carrying amounts of goodwill and intangible assets, to determine whether there is any indication that CGUs are impaired. For details of acquisitions from business combinations refer to Note 22.

14. Investment in associate companies

	2016 $	2015 $
Equity investments at cost	16,546,862	17,980,582
Share of losses	(5,465,206)	(2,667,919)
At 31 December	11,081,656	15,312,663

On 26 August 2016, the Group purchased additional shares in some of the Operating Companies from other shareholders. Variations to share sale agreements as well as the purchase of additional shares resulted in the Group assuming accounting control of seven of the twelve investments listed below. As such, under AASB 3 the results of these seven entities were consolidated from the date of acquisition of 26 August 2016 (Note 22.2)

- Afribaba
- CarsDB
- Carwangu
- Encuentra24
- iMyanmar
- LankaPropertyWeb
- Meqasa

On 3 February 2016, the Group acquired an additional 15.35% equity interest in CasaMoz. The acquisition was settled by way of cash consideration of US$250,000 (AUD equivalent of $336,293), increasing the Group's holding from 26.32% to 41.67%.

On 28 April 2016, the Group acquired an additional 5.81% equity interest in Encuentra24. The acquisition was settled by way of cash consideration of US$1,050,000 (AUD equivalent of $1,412,429), increasing the Group's holding from 16.67% to 22.48%. On 26 August 2016 the Group acquired accounting control of Encuentra24 (Note 22.2.4).

On 18 May 2016, the Group acquired an additional 1.84% equity interest in Pakwheels. The acquisition was settled by way of cash consideration of US$250,000 (AUD equivalent of $336,292), increasing the Group's holding from 33.3% to 35.14%. On 30 September 2016, the Group acquired a further 1.71% equity interest in Pakwheels. The acquisition was settled by way of cash consideration of US$250,000 (AUD equivalent of $336,293), increasing the Group's holding from 35.14% to 36.84%.

On 19 May 2016, the Group acquired an additional 14.19% equity interest in iMyanmarhouse. The acquisition was settled by way of cash consideration of US$700,000 (AUD equivalent of $941,620), increasing the Group's holding from 25.0% to 39.19%. On 26 August 2016 the Group acquired accounting control of iMyanmarhouse (Note 22.2.5).

14. Investment in associate companies (cont'd)

On 30 May 2016 and 31 May 2016, the Group acquired additional 16.65% equity interest in CarsDB. The acquisitions were settled by way of cash consideration of US$830,000 (AUD equivalent of $1,116,492), increasing the Group's holding from 39.47% to 56.1 2%. On 26 August 2016 the Group acquired accounting control of CarsDB (Note 22.2.2).

On 26 August 2016 the Group acquired accounting control of Afribaba, Carwangu, LankaPropertyWeb and Meqasa through variations to shareholder agreements (Note 22.2).

Details of the associated group companies (collectively referred to as Operating Companies) during the year are as follows. Each subsidiary of the associated groups shown below is a wholly owned subsidiary of the investment holding parent company.

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding		Accounting method at 31 December 2016
			As at the earlier of 31 Dec 2016 or Prior to Acquisition	As at 31 Dec 2015	
Afribaba	Investment holding	Singapore	45.05%	45.05%	Consolidated
Afribaba SARL	Online classified advertising and event management	Cameroon	45.05%	45.05%	
Afribaba Senegal SARL	Online classified advertising and event management	Senegal	45.05%	N/A	
Rebbiz	Investment holding	Singapore	56.12%	39.47%	Consolidated
Rebbiz Co Ltd ("CarsDB")	Online classified advertising and event management	Myanmar	56.12%	39.47%	
Carwangu	Investment holding	Singapore	40.00%	40.00%	Consolidated
Carwangu RDC SARL	Online classified advertising and event management	Republic of Congo	40.00%	40.00%	
African Property Portals Group ("CasaMoz")	Investment holding	Mauritius	41.67%	26.32%	Equity Accounted
Casa Mozambique Limitida	Online classified advertising and event management	Mozambique	41.67%	26.32%	
Kupatana AB ("Kupatana")	Online classified advertising, event management, and investment holding	Sweden	31.22%	31.22%	Equity Accounted
Kupatana Ltd	Online classified advertising and event management	Tanzania	31.22%	31.22%	
Kupatana Ltd	Online classified advertising and event management	Uganda	31.22%	31.22%	
Buyandsell Tanzania AB	Online classified advertising and event management	Sweden	31.22%	31.22%	
Lanka Property Web (Private) Limited ("LankaPropertyWeb")	Online classified advertising and event management	Sri Lanka	30.00%	30.00%	Consolidated

14. Investment in associate companies (cont'd)

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding: As at the earlier of 31 Dec 2016 or Prior to Acquisition	Equity holding: As at 31 Dec 2015	Accounting method at 31 December
iMyanmar	Investment holding	Singapore	39.19%	25.00%	Consolidated
iMyanmar Co. Ltd	Online classified advertising and event management.	Myanmar	39.19%	25.00%	
Encuentra24	Online classified advertising, event management and investment holding	Switzerland	22.48%	16.67%	Consolidated
Swiss Panama Group, Corp	Online classified advertising and event management	Panama	22.48%	16.67%	
Encuentra24.com Classificados S.A.	Online classified advertising and event management	Panama	22.48%	16.67%	
Encuentra24.com Nicaragua S.A.	Online classified advertising and event management	Nicaragua	22.48%	16.67%	
Encuentra Veinticuatro.com SA	Online classified advertising and event management	Costa Rica	22.48%	16.67%	
Meqasa	Investment holding	Singapore	29.40%	29.40%	Consolidated
Meqasa Limited	Online classified advertising and event management	Ghana	29.40%	29.40%	
Moteur.MA ("Moteur")	Online classified advertising and event management	Morocco	48.67%	32.00%	Equity Accounted
Pakwheels Pte Ltd ("Pakwheels")	Investment holding	Singapore	36.84%	33.30%	Equity Accounted
Pakwheels (Private) Ltd	Online classified advertising and event management	Pakistan	36.84%	33.30%	
Zameen Limited ("Zameen")	Investment holding	United Kingdom	30.00%	30.00%	Equity Accounted
Zameen Media Pvt Ltd	Online classified advertising and event management	Pakistan	30.00%	30.00%	

14. Investments in associate companies (cont'd)

A summary of the Group's investment in groups of associated companies (collectively referred to as "Operating Companies") is as follows:

Year ended 31 December 2016											
	Cost of investment					Share of total comprehensive income					Carrying amount
Operating Company	1-Jan-16	Addition	Step Acquisition	Exchange difference	31-Dec-16	1-Jan-16	Addition	Step Acquisition	Exchange difference	31-Dec-16	31-Dec-16
	$	$	$	$	$	$	$	$	$	$	$
Zameen	3,699,137	2,824,859	-	164,967	6,688,963	(746,591)	(2,188,397)	-	-	(2,934,988)	3,753,975
Pakwheels	4,110,152	672,585	-	94,632	4,877,369	(737,799)	(717,837)	-	-	(1,455,636)	3,421,733
CarsDB	1,027,538	1,116,492	(2,072,675)	(71,355)	-	(91,142)	(196,231)	287,373	-	-	-
iMyanmar house	685,025	941,620	(1,574,183)	(52,462)	-	(63,090)	(74,716)	137,806	-	-	-
Encuentra24	2,740,101	1,412,429	(4,001,049)	(151,481)	-	(475,329)	(256,366)	731,695	-	-	-
Kupatana	3,211,436	-	-	55,045	3,266,481	(331,239)	(448,160)	-	-	(779,399)	2,487,082
Moteur	548,020	443,906	-	25,354	1,017,280	(19,335)	(93,608)	-	-	(112,943)	904,337
Meqasa	685,025	-	(655,910)	(29,115)	-	(55,700)	(106,330)	162,030	-	-	-
Other associates	1,274,148	336,293	(892,038)	(21,634)	696,769	(147,694)	(289,127)	254,581	-	(182,240)	514,529
	17,980,582	7,748,184	(9,195,855)	13,951	16,546,862	(2,667,919)	(4,370,772)	1,573,485	-	(5,465,206)	11,081,656

14. Investments in associate companies (cont'd)

Year ended 31 December 2015											
	Cost of investment					Share of total comprehensive income					Carrying amount
Operating Company	1-Jan-15	Addition	Step Acquisition	Exchange difference	31-Dec-15	1-Jan-15	Addition	Step Acquisition	Exchange difference	31-Dec-15	31-Dec-15
	$	$	$	$	$	$	$	$	$	$	$
Zameen	-	3,591,858	-	107,279	3,699,137	-	(745,733)	-	(858)	(746,591)	2,952,546
Pakwheels	2,443,196	1,330,318	-	336,638	4,110,152	(16,466)	(719,016)	-	(2,316)	(737,798)	3,372,354
CarsDB	916,198	-	-	111,340	1,027,538	1,409	(92,572)	-	21	(91,142)	936,396
iMyanmar house	610,799	-	-	74,226	685,025	(1,800)	(61,058)	-	(233)	(63,091)	621,934
Encuentra24	-	2,660,636	-	79,465	2,740,101	-	(474,783)	-	(546)	(475,329)	2,264,772
Kupatana	-	3,118,301	-	93,135	3,211,436	-	(330,859)	-	(380)	(331,239)	2,880,197
Moteur	-	532,127	-	15,893	548,020	-	(19,313)	-	(22)	(19,335)	528,685
Meqasa	-	665,159	-	19,866	685,025	-	(55,636)	-	(64)	(55,700)	629,325
Other associates	-	1,237,194	-	36,954	1,274,148	-	(147,523)	-	(171)	(147,694)	1,126,454
	3,970,193	13,135,593	-	874,796	17,980,582	(16,857)	(2,646,493)	-	(4,569)	(2,667,919)	15,312,663

14. Investments in associate companies (cont'd)

The movement of share of total comprehensive income is as follows:

Year ended 31 December 2016											
	Share of associates profit or loss					Share of other comprehensive income					Share of total comprehensive income
Operating Company	1-Jan-16	Addition	Step Acquisition	Exchange difference	31-Dec-16	1-Jan-16	Addition	Step Acquisition	Exchange difference	31-Dec-16	31-Dec-16
	$	$	$	$	$	$	$	$	$	$	$
Zameen	(725,797)	(1,603,288)	-	-	(2,329,085)	(20,794)	(585,109)	-	-	(605,903)	(2,934,988)
Pakwheels	(717,293)	(679,353)	-	-	(1,396,646)	(20,506)	(38,484)	-	-	(58,990)	(1,455,636)
CarsDB	(88,600)	(134,121)	222,721	-	-	(2,542)	(62,110)	64,652	-	-	-
iMyanmar house	(61,338)	(91,512)	152,850	-	-	(1,752)	16,796	(15,044)	-	-	-
Encuentra24	(462,090)	(281,973)	744,063	-	-	(13,239)	25,607	(12,368)	-	-	-
Kupatana	(322,013)	(464,273)	-	-	(786,286)	(9,226)	16,113	-	-	6,887	(779,399)
Moteur	(18,796)	(93,515)	-	-	(112,311)	(539)	(93)	-	-	(632)	(112,943)
Meqasa	(54,149)	(115,182)	169,331	-	-	(1,551)	8,852	(7,301)	-	-	-
Other associates	(143,580)	(333,810)	257,828	-	(219,562)	(4,114)	44,683	(3,247)	-	37,322	(182,240)
	(2,593,656)	(3,797,027)	1,546,793	-	(4,843,890)	(74,263)	(573,745)	26,692	-	(621,316)	(5,465,206)

14. Investments in associate companies (cont'd)

Year ended 31 December 2015											
	Prior Year Share of associates profit or loss					Prior Year Share of other comprehensive income					Share of total comprehensive income
Operating Company	1-Jan-15	Addition	Step Acquisition	Exchange difference	31-Dec-15	1-Jan-15	Addition	Step Acquisition	Exchange difference	31-Dec-15	31-Dec-15
	$	$	$	$	$	$	$	$	$	$	$
Zameen	-	(724,939)	-	(858)	(725,797)	-	(20,794)	-	-	(20,794)	(746,591)
Pakwheels	(16,010)	(698,967)	-	(2,317)	(717,294)	(456)	(20,049)	-	-	(20,505)	(737,799)
CarsDB	1,370	(89,991)	-	21	(88,600)	39	(2,581)	-	-	(2,542)	(91,142)
iMyanmar house	(1,750)	(59,355)	-	(233)	(61,338)	(50)	(1,703)	-	-	(1,753)	(63,091)
Encuentra24	-	(461,544)	-	(546)	(462,090)	-	(13,239)	-	-	(13,239)	(475,329)
Kupatana	-	(321,633)	-	(380)	(322,013)	-	(9,226)	-	-	(9,226)	(331,239)
Moteur	-	(18,774)	-	(22)	(18,796)	-	(539)	-	-	(539)	(19,335)
Meqasa	-	(54,085)	-	(64)	(54,149)	-	(1,551)	-	-	(1,551)	(55,700)
Other associates	-	(143,409)	-	(170)	(143,579)	-	(4,114)	-	-	(4,114)	(147,693)
	(16,390)	(2,572,697)	-	(4,569)	(2,593,656)	(467)	(73,796)	-	-	(74,263)	(2,667,919)

14. Investments in associate companies (cont'd)

The tables below provide the summarised financial position of associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Company's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments (such as amortisation charges of intangible assets identified at investment) and modifications for differences in accounting policy.

The summarised financial position of the associated companies at the period end, are as follows:

31 Dec 16	Assets					Liabilities						
	Current assets			Non-current assets		Current liabilities			Non-current liabilities			
Operating Company	Cash and cash equivalents $	Other current assets $	Total current assets $	Non-current assets $	Intangible assets on investment $	Financial liabilities $	Other current liabilities $	Total current liabilities $	Financial liabilities $	Other non-current liabilities $	Total non-current liabilities $	Net assets $
Zameen	7,108,844	958,602	8,067,446	1,223,018	3,008,473	1,745,710	52,895	1,798,605	-	-	-	10,500,332
Pakwheels	157,383	849,359	1,006,742	346,311	391,974	571,902	-	571,902	-	-	-	1,173,125
Kupatana	230,367	79,682	310,049	121,332	-	54,011	57,663	111,674	-	-	-	319,707
Other associates	478,468	266,391	744,859	135,289	83,234	96,720	18,800	115,520	-	-	-	847,862
	7,975,062	2,154,034	10,129,096	1,825,950	3,483,681	2,468,343	129,358	2,597,701	-	-	-	12,841,026

31 Dec 15	Assets					Liabilities						
	Current assets			Non-current assets		Current liabilities			Non-current liabilities			
Operating Company	Cash and cash equivalents $	Other current assets $	Total current assets $	Non-current assets $	Intangible assets on investment $	Financial liabilities $	Other current liabilities $	Total current liabilities $	Financial liabilities $	Other non-current liabilities $	Total non-current liabilities $	Net assets $
Zameen	4,438,735	383,185	4,821,920	580,548	2,199,578	193,229	923,418	1,116,647	-	-	-	6,485,399
Pakwheels	1,914,992	565,159	2,480,151	292,801	340,852	797,896	-	797,896	-	-	-	2,315,908
Kupatana	1,682,398	67,630	1,750,028	-	-	38,141	3,996	42,137	-	-	-	1,707,891
Other associates	2,412,614	254,182	2,666,796	317,308	2,856,184	1,034,957	12,330	1,047,287	-	-	-	4,793,001
	10,448,739	1,270,156	11,718,895	1,190,657	5,396,614	2,064,223	939,744	3,003,967	-	-	-	15,302,199

14. Investments in associate companies (cont'd)

The summarised financial performance of associated companies for the financial year is as follows:

	2016				2015			
Operating Company	**Net loss**	**Other comprehensive income**	**Amortisation of intangible assets**	**Total comprehensive income**	**Net loss**	**Other comprehensive income**	**Amortisation of intangible assets**	**Total comprehensive income**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Zameen	(4,736,315)	(1,656,020)	(570,344)	(6,962,679)	(2,149,326)	(69,314)	(267,137)	(2,485,777)
Pakwheels	(1,853,757)	(3,977)	(144,794)	(2,002,528)	(2,019,406)	(60,755)	(98,674)	(2,178,835)
Kupatana	(1,487,265)	118,999	-	(1,368,266)	(1,030,878)	(29,570)	-	(1,060,448)
Other associates								-
- Step acquisition	(1,843,801)	24,567	(648,946)	(2,468,180)	(3,013,846)	(103,909)	(608,665)	(3,726,420)
- Others	(547,357)	112,921	(17,503)	(451,939)	(278,484)	(8,192)	(7,109)	(293,785)
	(10,468,495)	(1,403,510)	(1,381,587)	(13,253,592)	(8,491,940)	(271,740)	(981,585)	(9,745,265)

Associated companies reported using the equity accounting method at the year end generated revenues of $10,805,055 (2015: $5,217,931), of which $5,750,072 (2015: $1,065,375) was generated by Zameen.

15. Investment in subsidiaries

The group's principal subsidiaries at 31 December 2016 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding as Subsidiary	
			As at 31 Dec 2016	At Acquisition
Frontier Digital Ventures Pte Ltd ("FDVSG")	Investment holding	Singapore	100.00%	N/A
Frontier Digital Ventures Sdn Bhd ("FDVMY")	Management services	Malaysia	100.00%	N/A
Frontier Digital Nepal Pte Ltd ("FDNPL")	Dormant	Singapore	100.00%	N/A
TechAfrica	Operator of online property and car classifieds portals	Angola	60.00%	40.00%
IMCongo	Investment holding	Democratic Republic of Congo	65.91%	43.18%
IMCongo SARL	Operator of online property classifieds portal	Democratic Republic of Congo	65.91%	43.18%
Tolet	Investment holding	Singapore	39.48%	37.48%
Tolet.com.ng limited	Operator of online property classifieds portal	Nigeria	39.48%	37.48%
Afribaba	Investment holding	Singapore	64.84%	64.84%
Afribaba SARL	Operator of online general classifieds portals	Cameroon	64.84%	64.84%
Afribaba Senegal SARL	Operator of online general classifieds portals	Senegal	64.84%	64.84%

15. Investment in subsidiaries (cont'd)

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding as Subsidiary	
			As at 31 Dec 2016	At Acquisition
Rebbiz	Investment holding	Singapore	76.48%	76.48%
Rebbiz Co Ltd	Operator of online car classifieds portals	Myanmar	76.48%	76.48%
Carwangu	Investment holding	Singapore	60.05%	60.05%
Carwangu RDC SARL	Operator of online car classifieds portals	Republic of Congo	60.05%	60.05%
Lanka Perperty Web (Private) Limited	Operator of online property classifieds portal	Sri Lanka	37.30%	37.30%
iMyanmar	Investment holding	Singapore	42.63%	42.63%
iMyanmar Co. Ltd	Operator of online property classifieds portal	Myanmar	42.63%	42.63%
Encuentra24	Operator of online general classifieds portals	Switzerland	38.69%	34.88%
Swiss Panama Group, Corp	Operator of online general classifieds portals	Panama	38.69%	34.88%
Encuentra24.com Classificados S.A.	Operator of online general classifieds portals	Panama	38.69%	34.88%
Encuentra24.com Nicaragua S.A.	Operator of online general classifieds portals	Nicaragua	38.69%	34.88%
Encuentra Veinticuatro.com SA	Operator of online general classifieds portals	Costa Rica	38.69%	34.88%
Meqasa	Operator of online property classifieds portal	Singapore	66.20%	60.24%
Meqasa Limited	Operator of online property classifieds portal	Ghana	66.20%	60.24%

16. Related party advances

	2016 $	2015 $
Non-trade amount due to:		
- Director	-	722,584
- other related parties	3,731	283,587
	3,731	1,006,171

Non-trade amounts due to related parties are unsecured, interest free and repayable on demand.

17. Trade and other payables

	2016 $	2015 $
Trade payables	288,686	-
Other payables	646,358	189,241
Accruals	374,445	2,253
Deferred revenue	164,114	-
	1,473,603	191,494

18. Contingent consideration

	2016 $	2015 $
Current		
Contingent consideration	-	315,112

During the year, contingent consideration of $315,112 (2015: nil) was paid to investments upon exceeding the required operational hurdles.

Contingent consideration is in the form of investment tranche payments to associate companies depending on whether they achieved the various operational hurdles necessary to qualify for payment, as laid out in their respective subscription agreements.

19. Non-cancellable operating leases

	2016 $	2015 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	10,075	-
Later than one year but not later than five years	11,088	-
Total	21,163	-

20. Share capital

	2016 Shares	2015 Shares	2016 $	2015 $
Fully paid ordinary shares				
At 1 January	48,000,000	100	22,244,769	100
Capital reorganisation	-	(100)	-	(100)
Share splits	93,899,998	25,622,329	-	-
Issued for cash	64,255,689	22,377,671	32,600,000	22,377,871
Issued for share swap	9,837,289	-	4,918,645	-
Issued to employee	75,000	-	38,985	-
	216,067,976	48,000,000	59,802,399	22,377,871
Less: Transaction costs	-	-	(2,084,927)	(133,102)
At 31 December	216,067,976	48,000,000	57,717,472	22,244,769

20. Share capital (cont'd)

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the year the Company issued 64,255,689 ordinary shares with a value of $32,600,000 for cash, 60,000,000 of those ordinary shares with a value of $30,000,000 were issued upon the Company's initial public offering on the Australian Securities Exchange. Upon initial public offering 9,837,289 ordinary shares with a value of $4,918,645 were issued as purchase consideration for the acquisition of business combinations acquired via step acquisition as detailed in Note 22. In the same period 75,000 ordinary shares were issued to employees as share based payments with a value of $38,985 (2015: Nil).

21. Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future investments not denominated in Australian dollars Recognised financial assets and liabilities not denominated in Australian dollars	Cash flow forecasting Sensitivity analysis	Holding US Dollars Forward foreign exchange contracts when appropriate
Market risk – interest rate	Return on cash deposits	Rolling forecasts of free cashflows	Periodic comparison of rates and diversification of bank deposits
Credit risk	Cash and cash equivalents, trade and other receivables	Debtor Aging analysis Credit ratings	Diversification of bank deposits and credit limits
Liquidity risk	Liabilities	Rolling cash flow forecasts	Availability of cash and reserves

The Group's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, and liquidity risk. The Group's corporate treasury function identifies and evaluates financial risks in close co-operation with the Group's operating units.

The Group's overall financial risk management objective is to optimise value for their shareholders. The Group does not trade in financial instruments. The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

The following table analyses the fair value of the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	2016 $	2015 $
Financial assets		
Cash and cash equivalents	20,116,380	5,412,656
Term deposits	5,000,000	-
Trade and other receivables	483,406	-
Related party receivables	-	34,861
Tax receivables	4,822	-
	25,604,608	5,447,517
Financial liabilities		
Related party payables	3,731	1,006,171
Trade and other payables	1,473,603	191,494
Contingent consideration	-	315,112
	1,477,334	1,512,777

21. Financial risk management (cont'd)

(a) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's net investments in foreign subsidiaries, which is predominantly denominated in United States Dollars (USD).

There is no other material exposure to foreign currency risks within the financial assets and financial liabilities outside of each operating entity's functional currency, and as such no foreign currency exposure arises. However, the translation of these foreign entities' results from their respective non-Australian dollar functional currencies into the Australian dollar presentation currency of the Group represents a foreign currency reporting risk to the Group.

A 5% movement in the average exchange rate of the USD over the course of the year would have impacted earnings by $158,608 (2015: $107,422) and a 5% movement in the spot rate of the USD would have impacted cash and cash equivalents reported at the year end by $684,690 (2015: nil).

Management has set up a practise to monitor changes in foreign exchange rates on an ongoing basis. The Group also takes advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current accounts in foreign currencies.

(b) Interest rate risk management

The Group's exposure to interest rate risk is limited to the movement in interest rate in terms of its cash held at bank.

Interest rate sensitivity

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2016 would increase/decrease by $104,994 (2015: $13,532). This is mainly attributable to the Group's exposure to interest rates on its cash held at bank. The Group earned $122,610 in interest income (2015: $4,123) which is an average annual return of 3.5% (2015: 0.15%) on its average cash balance for the year.

(c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopted a policy of generally dealing with reputable counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers and ongoing credit evaluation is performed on the accounts regularly. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk.

(d) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders by maintaining an optimal capital structure. In order to do so, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group had no borrowings as at the end of the financial year.

(e) Liquidity risk management

Liquidity risk is the risk that the Group may encounter difficulty in meeting financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's liquidity risk management policy is to monitor and maintain a level of cash and cash equivalents deemed adequate for the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

22. Business Combinations

22.1 Controlled entities

During the year the Group gained accounting control of the following groups of companies (collectively referred to as “Operating Companies”) either via step acquisition, whereby the investments were previously reported in the results of the Group using the equity accounting method, or via new investments in the year. The Group has up to twelve months from the date of acquisition to complete its initial acquisition accounting. Any adjustment to the fair values based on circumstances existing at acquisition date, including associated tax adjustments, within this twelve month period will have an equal and opposite impact on the provisional intangible asset recorded on acquisition.

As of 31 December 2016 the Group is still finalising acquisition accounting adjustments, including tax adjustments specially the recognition of deferred tax assets and liabilities, related to the acquired business.

The group recognises non-controlling interests in an acquired entity either at fair value or at the noncontrolling interest’s proportionate share of the acquired entity’s net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in the subsidiaries listed below, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2b) for the group’s accounting policies for business combinations.

The following summarises the effect of the acquisition of subsidiaries as at the date of acquisition:

	Afribaba $	CarsDB $	Carwangu $	Encuentra24 $	IMCongo $	iMyanmar house $	LankaProp Web $	Meqasa $	TechAfrica $	Tolet $	Total $
Fair value of consideration transferred											
Cash and cash equivalents	-	-	-	-	245,064	-	-	-	83,811	823,158	1,152,033
Shares valued at $0.50 per share	236,769	1,029,215	154,558	2,309,457	-	-	106,474	820,236	-	-	4,656,709
Liability for contingent consideration	196,773	-	223,009	-	154,040	-	-	-	251,432	823,158	1,648,412
Total consideration	433,542	1,029,215	377,567	2,309,457	399,104	-	106,474	820,236	335,243	1,646,316	7,457,154
Fair value of previously held equity interest	987,512	2,836,260	754,003	4,185,891	-	1,618,098	439,205	782,075	-	-	11,603,044
	1,421,054	3,865,475	1,131,570	6,495,348	399,104	1,618,098	545,679	1,602,311	335,243	1,646,316	19,060,198
Allocation of purchase consideration											
Cash and bank balances	41,841	667,649	68,612	872,249	245,064	988,030	214,721	45,728	85,149	826,391	4,055,434
Current tax liabilities	-	(1,332)	-	(376)	-	(39,719)	-	-	-	(3,148)	(44,575)
Intangible assets – Domain (Note 12)	-	1,879	-	67,927	4,684	-	-	471	-	60,836	135,797
Intangible assets – Brand (Note 12)	-	104,591	-	2,133,555	-	245,210	71,083	-	-	108,135	2,662,574
Intangible assets – Website (Note 12)	412,651	149,643	30,697	986,199	42,011	144,300	230,579	180,979	22,769	181,303	2,381,131
Plant and equipment (Note 11)	-	24,722	-	103,708	2,107	62,427	8,691	28,284	-	49,360	279,299
Trade and other receivables	196,773	11,898	224,673	71,126	168,211	130,691	33,816	16,695	251,432	829,947	1,935,262
Trade and other payables	(21,581)	(78,432)	-	(421,953)	(41,394)	(137,302)	(26,813)	(11,163)	(3,234)	(41,268)	(783,140)
Less: Non-controlling interest’s share of net assets	(221,427)	(207,090)	(129,437)	(2,482,517)	(239,024)	(847,505)	(333,618)	(103,778)	(213,670)	(1,257,694)	(6,035,760)
Goodwill (Note 13)	1,012,797	3,191,947	937,025	5,165,430	217,445	1,071,966	347,220	1,445,095	192,797	892,454	14,474,176
Total identifiable net assets acquired	1,421,054	3,865,475	1,131,570	6,495,348	399,104	1,618,098	545,679	1,602,311	335,243	1,646,316	19,060,198

22. Business Combinations (cont'd)

22.1 Controlled entities (cont'd)

	Afribaba $	CarsDB $	Carwangu $	Encuentra 24 $	IMCongo $	iMyanmar house $	LankaProp Web $	Meqasa $	TechAfrica $	Tolet $	Total $
Effect of acquisition on cash flows of the Company:											
Fair value of consideration transferred	-	-	-	-	(245,064)	-	-	-	(83,811)	(823,158)	(1,152,033)
Less: Cash and cash equivalents acquired	41,841	667,649	68,612	872,249	245,064	988,030	214,721	45,728	85,149	826,391	4,055,434
	41,841	667,649	68,612	872,249	-	988,030	214,721	45,728	1,338	3,233	2,903,401

From the date of acquisition, the subsidiaries contributed revenue and net losses as follows:

	Afribaba $	CarsDB $	Carwangu $	Encuentra 24 $	IMCongo $	iMyanmar house $	LankaProp Web $	Meqasa $	TechAfrica $	Tolet $	Total $
Revenue	20,319	43,064	-	1,587,520	20,453	312,014	42,338	10,058	-	103,785	2,139,551
Loss for the financial period	(234,094)	(299,699)	(92,201)	(936,199)	(285,322)	(91,150)	(117,012)	(317,555)	(144,534)	(131,227)	(2,648,993)
Other comprehensive expense for the financial period	-	(61,821)	-	(59,577)	-	(181,480)	(1,430)	39,727	-	(54,815)	(319,396)

If the acquisition had occurred on 1 January 2016, the consolidated results for the financial period ended 31 December 2016 would have been as follows:

	Afribaba $	CarsDB $	Carwangu $	Encuentra 24 $	IMCongo $	iMyanmar house $	LankaProp Web $	Meqasa $	TechAfrica $	Tolet $	Total $
Revenue	30,919	92,155	-	5,024,731	20,453	737,713	127,395	10,386	-	146,991	6,190,743
Loss for the financial period	(340,834)	(439,619)	(138,876)	(1,655,744)	(305,084)	(278,487)	(210,372)	(594,130)	(146,441)	(142,681)	(4,252,268)
Other comprehensive expense for the financial period	-	(180,271)	-	(60,421)	-	(178,132)	(7,011)	48,662	-	165,481	(211,692)

In line with AASB 3, increases in the Group's shareholding of subsidiaries after the date of acquisition do not result in changes in goodwill. Instead the difference between the fair value of consideration and the change in non-controlling interest is reflected in Other Equity, as detailed below:

	Afribaba	CarsDB	Carwangu	Encuentra 24	IMCongo	iMyanmar house	LankaProp Web	Meqasa	TechAfrica	Tolet	Total
Date of increase in shareholding	-	-	-	23/12/2016	26/8/2016	10/10/2016	-	30/9/2016	26/8/2016	26/8/2016	-
% of increase	-	-	-	3.80%	22.73%	3.45%	-	5.96%	20.0%	2.00%	-
Fair value of net identifiable assets at date of increase of shareholding	-	-	-	4,388,094	212,337	2,077,264	-	605,560	243,550	1,816,888	9,343,493
Consideration paid to non-controlling interest via share swap	-	-	-	-	(166,250)	-	-	-	(119,700)	(82,460)	(368,410)
Increase in the Other Equity at the date of increase in shareholding	-	-	-	(166,853)	117,992	(71,597)	-	(36,107)	71,030	46,122	(39,413)
Exchange difference	-	-	-	-	7,349	(4,938)	-	(2,420)	4,424	2,873	7,288
Increase in Other Equity at year end	-	-	-	(166,853)	125,341	(76,355)	-	(38,527)	75,454	48,995	(32,125)
Changes to Non-controlling interests	-	-	-	166,853	48,258	71,597	-	36,107	48,670	36,338	407,823

22. Business Combinations (cont'd)

22.1 New acquisition of companies

During the year the Group gained accounting control of the following group of companies (collectively referred to as "Operating Companies") via new investments in the year.

Name of business acquired	Principal activity	Date of Acquisition	Percentage of shares held %	Total cost of acquisition $	
				US$	AUD equivalent
TechAfrica	Operator of online property and car classifieds portals	5 February 2016	40.00%	240,000	335,243
IMCongo	Operator of online property classifieds portal	16 February 2016	43.18%	285,000	399,104
ToLet	Operator of online property classifieds portal	13 May 2016	37.48%	1,200,000	1,646,316

22.1.1 Acquisition of TechAfrica

On 5 February 2016 the Group acquired a 40.00% equity interest and control in TechAfrica. TechAfrica operates an online advertising classified portal in Angola.

Total consideration due is in the form of cash consideration of US$240,000 (AUD equivalent of $335,243) for which 40 ordinary shares were issued to the Company. In February 2016, US$60,000 (AUD equivalent of $83,811) of cash consideration was paid for 40 shares issued by TechAfrica. The balance of deferred cash consideration of US$180,000 (AUD equivalent of $251,431) is contingent upon TechAfrica achieves a variety of operational targets over the eighteen (18) month period from completion date.

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

On 26 August 2016, the Group had acquired 20.00% equity interest or 60 ordinary shares in TechAfrica via Share Swaps (refer to Note 22.2) for shares of holding company valued at A$119,700 (equivalent to US$91,247).

In September 2016, Group made a tranche payment for a cash consideration of US$60,000 (AUD equivalent to $83,810). This has led to a total investment in subsidiary of US$331,247 (AUD equivalent of $454,942) with a balance tranche of US$120,000 (AUD equivalent of US$167,621) payable in year 2017.

22.1.2 Acquisition of IMCongo

On 16 February 2016 the Group acquired a 43.18% equity interest and control in IMCongo. IMCongo is the owner of a company incorporated in Democratic Republic of the Congo which operates an online advertising classified portal in Democratic Republic of the Congo.

Total consideration due is in the form of cash consideration of US$285,000 (AUD equivalent of $399,104) for which 76 ordinary shares were issued to the Company. As at the reporting period end, US$175,000 (AUD equivalent of $245,064) of cash consideration was paid for 76 shares issued by IMCongo. The balance of deferred cash consideration of US$110,000 (AUD equivalent of $154,040), contingent on IMCongo achieving a variety of operational targets over a six-month period from the date of acquisition.

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

On 26 August 2016, the Group had acquired 22.73% equity interest or 40 ordinary shares in IMCongo via Share Swaps (refer to Note 22.2) for shares of holding company valued at A$166,250 (equivalent to US$126,732).

In September 2016, Group made a tranche payment for a cash consideration of US$110,000 (AUD equivalent of $154,040). This has led to a total investment in subsidiary of US$411,732 (AUD equivalent of $565,354).

22. Business Combinations (cont'd)

22.1 New acquisition of companies (cont'd)

22.1.3 Acquisition of ToLet

On 13 May 2016 the Group acquired a 37.48% equity interest and control in ToLet. ToLet is the owner of ToLet.com.ng Limited a company incorporated in Nigeria which operates an online advertising classified portal in Nigeria.

Total consideration due is in the form of cash consideration of US$1,200,000 (AUD equivalent of $1,646,316) for which 120,000 ordinary shares were issued to the Company. As at the reporting period end, US$600,000 (AUD equivalent of $823,158) of cash consideration was paid for 120,000 shares issued by ToLet. The balance of deferred cash consideration of US$600,000 (AUD equivalent of $823,158) is contingent upon ToLet achieving, to the reasonable satisfaction of the Company, agreed revenues target by no later than 31 May 2017.

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

On 26 August 2016, the Group had acquired 2.00% equity interest or 6,404 ordinary shares in ToLet via Share Swaps (refer to Note 22.2) for shares of holding company valued at A$82,460 (equivalent to US$62,859). This has led to a total investment in subsidiary of US$1,262,859 (AUD equivalent of $1,728,776).

22.2 Change of accounting control and step acquisitions

On 26 August 2016, the Group purchased additional shares in some of the Operating Companies from other shareholders in those entities.

The purchase of additional shares was contingent upon the initial public offering of the Company. Company shares were issued in exchange for additional Operating Company shares ("Share Swaps") and variations of share sale agreements.

As a result of these variations, Share Swaps and the Group's existing Call Options, the Group assumed accounting control of seven companies listed below and has consolidated their results from the date of acquisition of 26 August 2016.

The table below sets out the interest of the group has in the Operating Companies as at the date of acquisitions and the total cost of acquisition. Equity interest previously held in the Operating Companies are as disclosed in Note 22.1.

Name of business acquired	Principal activity	Date of Acquisition	Percentage of shares held at acquisition %	Total cost of acquisition	
				US$	AUD equivalent
Encuentra24	Operator of online general classifieds portals	26 August 2016	34.88%	4,951,404	6,495,348
iMyanmarhouse	Operator of online property classifieds portal	26 August 2016	39.19%	1,233,476	1,618,098
Carwangu	Operator of online car classifieds portals	26 August 2016	60.05%	862,596	1,131,570
CarsDB	Operator of online car classifieds portals	26 August 2016	76.48%	2,946,651	3,865,475
Afribaba	Operator of online general classifieds portals	26 August 2016	64.84%	1,083,270	1,421,054
Meqasa	Operator of online property classifieds portal	26 August 2016	60.24%	1,221,442	1,602,311
LankaPropertyWeb	Operator of online property classifieds portal	26 August 2016	37.30%	415,971	545,679

22. Business Combinations (cont'd)

22.2 Change of accounting control and step acquisitions (cont'd)

Upon acquiring control of the Operating Companies above, there was a deemed disposal by the Group of the previously held equity interest at fair value. As a result of the deemed disposal, $4,081,878 of gains were generated.

	Afribaba $	CarsDB $	Carwangu $	Encuentra 24 $	iMyanmar house $	LankaProp Web $	Meqasa $	Total $
Fair value of previously held equity interest	987,512	2,836,260	754,003	4,185,891	1,618,098	439,205	782,075	11,603,044
Cost of investments	(327,955)	(2,072,675)	(170,537)	(4,001,049)	(1,574,183)	(393,546)	(655,910)	(9,195,855)
Less: Share of losses at acquisition	138,122	287,373	46,691	731,695	137,806	69,768	162,030	1,573,485
Carrying amount of investment at 26 August 2016	(189,833)	(1,785,302)	(123,846)	(3,269,354)	(1,436,377)	(323,778)	(493,880)	(7,622,370)
Gain on deemed disposal of associate	797,679	1,050,958	630,157	916,537	181,721	115,427	288,195	3,980,674

22.2.1 Acquisition of Afribaba

In February 2016, the Group made a tranche payment for a cash consideration of US$150,000 (AUD equivalent of $199,548). This has led to a total investment cost of US$250,000 (AUD equivalent of $327,955).

On 26 August 2016, the Group had acquired 19.78% equity interest or 36 ordinary shares in Afribaba via Share Swaps for shares of holding company valued at A$236,769 (equivalent to US$180,489).

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

In September 2016, Group made another tranche payment for a cash consideration of US$150,000 (AUD equivalent of $196,773). This has led to a total investment in subsidiary of US$580,489 (AUD equivalent of $761,497).

22.2.2 Acquisition of CarsDB

In May 2016, the Group acquired 10.00 % equity interest or 13,569 ordinary shares in Rebbiz from other shareholders for a cash consideration of US$330,000 (AUD equivalent of $443,906). In the same month, the Group exercised a share option to acquire a 6.65% equity interest or 20,559 ordinary shares in Rebbiz for a cash consideration of US$500,000 (AUD equivalent of $672,586). These had led to a total investment cost of US$1,580,000 (AUD equivalent of $2,072,675).

On 26 August 2016, the Group had acquired 20.36% equity interest or 119,523 ordinary shares in Rebbiz via Share Swaps for shares of holding company valued at A$1,029,215 (equivalent to US$784,571). This thus bring the total investment in subsidiary amounting to US$2,364,571 (AUD equivalent of $3,101,890).

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

22.2.3 Acquisition of Carwangu

In March 2016, the Group made a tranche payment for a cash consideration of US$80,000 (AUD equivalent of $106,425). This has led to a total investment cost of US$130,000 (AUD equivalent of $170,537).

On 26 August 2016, the Group had acquired 20.04% equity interest or 334 ordinary shares in Carwangu via Share Swaps for shares of holding company valued at A$154,558 (equivalent to US$117,819).

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

In October 2016, Group made another tranche payment for a cash consideration of US$80,000 (AUD equivalent of $104,946). This has led to a total investment in subsidiary of US$417,819 (AUD equivalent of $548,105) with a balance tranche of USS$90,000 (AUD equivalent of $118,064) payable in first half of year 2017.

22. Business Combinations (cont'd)

22.2 Change of accounting control and step acquisitions (cont'd)

22.2.4 Acquisition of Encuentra24

In April 2016, the Group exercised a share option to acquire a 5.81% equity interest or 29 ordinary shares in Encuentra24 for a cash consideration of US$1,050,000 (AUD equivalent of $1,412,429). This has led to a total investment cost of US$3,050,000 (AUD equivalent of $4,001,049).

On 26 August 2016, the Group had acquired 12.40% equity interest or 45 ordinary shares in Encuentra24 via Share Swaps for shares of the holding company valued at A$2,309,457 (equivalent to US$1,760,499).

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

In December 2016, the Group exercised another share option to acquire a 3.80% equity interest or 53 ordinary shares in Encuentra24 for a cash consideration of US$933,333 (AUD equivalent of $1,295,936). This thus bring the total investment in subsidiary amounting to US$5,743,832 (AUD equivalent of $7,606,442).

22.2.5 Acquisition of iMyanmarhouse

In May 2016, the Group exercised a share option to acquire a 14.19% equity interest or 2,333 ordinary shares in iMyanmarhouse for a cash consideration of US$700,000 (AUD equivalent of $941,620). This has led to a total investment cost of US$1,200,000 (AUD equivalent of $1,574,183).

On 26 August 2016, the Group had acquired accounting control of iMyanmarhouse via shareholders agreement.

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

In September 2016, the Group exercised another share option to acquire a 3.45% equity interest or 741 ordinary shares in iMyanmarhouse for a cash consideration of US$300,000 (AUD equivalent of $391,083). This thus bring the total investment in subsidiary amounting to US$1,500,000 (AUD equivalent of $1,965,266).

22.2.6 Acquisition of LankaPropertyWeb

On 26 August 2016, the Group had acquired accounting control of LankaPropertyWeb via shareholders agreement. According to the Share Swaps agreement, the Group will acquire 7.28% equity interest or 104 ordinary shares in LPW via Share Swaps for shares of holding company valued at A$106,474 (equivalent to US$81,165). This will bring the total investment in subsidiary amounting to US$381,165 (AUD equivalent of $500,020). The completion of share swap arrangement is still pending certain approvals of the Controller of Exchange of the Central Bank of Sri Lanka which is an administrative process and approval is expected to be granted, as a matter of course. In the event that these conditions are not satisfied or waived the equity holding in respect of LPW will reduce to 30.00% or USD300,000 (AUD equivalent of $393,546).

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

22.2.7 Acquisition of Meqasa

On 26 August 2016, the Group had acquired 30.84% equity interest or 126,666 ordinary shares in Meqasa via Share Swaps for shares of holding company valued at A$820,236 (equivalent to US$625,266).

The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

In September 2016, the Group exercised a share option to acquire a 5.96% equity interest or 72,464 ordinary shares in Meqasa for a cash consideration of US$300,000 (AUD equivalent of $391,798). This thus bring the total investment in subsidiary amounting to US$1,425,266 (AUD equivalent of $1,867,944).

23. Notes to the statement of cash flows

	2016 $	2015 $
Cash flows from operating activities		
Net (loss)/profit before tax	(4,603,325)	(2,537,389)
Adjustments for:		
Amortisation of intangible assets	522,500	-
Depreciation	60,560	194
Net foreign exchange difference	(1,529,701)	(216,517)
Share of loss of associated companies	3,797,027	2,572,697
Interest income	(122,610)	(4,123)
Interest expense	297	-
Non-cash employee benefits expense – share based payments	680,298	-
Net gain on deemed disposal of equity interest	(3,980,674)	-
	(5,175,628)	(185,138)
Change in operating assets and liabilities, net of effects from purchase of controlled entities:		
Trade and other receivables	(400,089)	-
Trade and other payables	451,805	191,495
Cash (used in)/from operations	(5,123,912)	6,357
Interest paid	(297)	-
Interest received	73,943	4,123
Net cash (used in)/from operating activities	(5,050,266)	10,480

24. Unexercised call options

As the period end, there were unexercised call options in the following subsidiary companies.

Operating companies	Option expiring	Consideration US$	Increase in shareholding %	Group equity holding % after exercise of option
Encuentra24	April 2017	1,051,095	3.38%	42.07%
TechAfrica	February 2018	276,000	11.22%	71.22%
IMCongo	February 2018	200,000	9.50%	75.41%
LankaPropertyWeb	10 business days after approval from the Controller of Exchange of the Central Bank of Sri Lanka	200,000	10.46%	47.76%

25. Related party transactions

	2016 $	2015 $
S Di Gregorio		
Repayment of loan by capitalisation of debt	630,000	4,313,328
Cash repayment of loan	92,677	-
Increase in loan	-	(3,044,984)
Catcha Group		
Repayment of loan by capitalisation of debt	1,470,000	10,064,433
Increase in loan	(1,219,670)	(6,044,466)
Mertons Corporate Services Pty Ltd		
Company secretarial fees	35,000	-
Australian Company Secretaries Pty Ltd		
Company secretarial fees	12,500	2,500

As at the year end, Catcha Group held more than 20% of the Company issued share capital (2015: more than 20%).

Mark Licciardo and Nicholas Geddes were engaged as both Director and Company Secretary through Mertons Corporate Services Pty Ltd and Australian Company Secretaries Pty Ltd, respectively.

By an agreement between the Company and each of the Non-Executive Directors, the Non-Executive Directors have agreed to provide services to the Company. As detailed in the Company prospectus the Non-Executive Directors will be remunerated using a mixture of cash and shares.

The remuneration of Non-Executive Directors for the year ending 31 December 2016 includes $57,292 (2015: nil) in respect of 111,613 shares which have not yet been issued to Non-Executive Directors. The issue of these shares to Non-Executive Directors is subject to shareholder approval at the next annual general meeting.

	2016			2015		
	Shares issued	Shares vested but not issued	Total	Shares issued	Shares vested but not issued in 2015	Total
David Baxby	-	111,613	111,613	-	-	-
	-	111,613	111,613	-	-	-

There were no other transactions between the Group and other related party other than employment expenses paid to key management personnel as disclosed in Note 26.

26. Key management personnel compensation

(a) Key management personnel compensation

The aggregate compensation made to key management personnel of the Group is set out below:

	Group 2016 $	Group 2015 $
Director fees	90,294	917
Other key management personnel		
Salaries and wages	622,404	40,098
Employer statutory contribution and pension related	27,614	4,812
Social contribution	351	48
Share based payment		
Equity settled share-based payments	586,890	-
	1,327,553	45,875

The share based payment expense primarily relates to employee share rights, as described in Note 26(b) and the Remuneration Report on pages 8 to 16. There were no share rights issued in 2015.

(b) Share based payments

Name	Date of Grant	Balance at 1 Jan 2016	Share Rights Granted No.	Vesting condition - Continued employment as at dates below	Vesting and Exercise Date	Vested Number	Vested %	Unvested Rights No.
Shen Loh Lim	26 Aug 2016	-	600,000	31 Dec 2016	31 Jan 2017	600,000	100%	-
	26 Aug 2016	-	600,000	31 Dec 2017		-	0%	600,000
	26 Aug 2016	-	600,000	31 Dec 2018		-	0%	600,000
		-	1,800,000			600,000		1,200,000
Shiao Chan	26 Aug 2016	-	100,000	30 Jun 2017		-	0%	100,000
	26 Aug 2016	-	120,000	30 Jun 2018		-	0%	120,000
	26 Aug 2016	-	140,000	30 Jun 2019		-	0%	140,000
		-	360,000			-		360,000
Marco Rampazzo	26 Aug 2016	-	120,000	31 Dec 2016	31 Jan 2017	120,000	100%	-
	26 Aug 2016	-	120,000	31 Dec 2017		-	0%	120,000
	26 Aug 2016	-	120,000	31 Dec 2018		-	0%	120,000
		-	360,000			120,000		240,000

The statement of comprehensive income includes the amortisation of employee share rights amounting to $641,313 (2015: nil). The expense relating to the amortisation of these share rights in future years is expected to be: 2017 $653,482; 2018 $254,073; and, 2019 $26,131.

27. Parent entity disclosures

The accounting policies of the parent entity (Frontier Digital Ventures Ltd), which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

	Parent	
	2016 $	2015 $
Financial position		
ASSETS		
Current assets		
Cash and cash equivalents	11,088,514	5,362,962
Investment in short term cash deposits	5,000,000	-
Trade and other receivables	144,903	-
Related party advances	24,671,002	2,641,149
Total current assets	**40,904,419**	**8,004,111**
Non-current assets		
Investments in subsidiaries	16,573,361	14,377,761
Total assets	**57,477,780**	**22,381,872**
LIABILITIES		
Current liabilities		
Trade and other payables	294,212	189,241
Total current liabilities	294,212	189,241
Total liabilities	294,212	189,241
NET ASSETS	**57,183,568**	**22,192,631**
EQUITY		
Share capital	57,717,472	22,244,661
Reserves	805,079	-
Accumulated losses	(1,338,983)	(52,030)
TOTAL EQUITY	**57,183,568**	**22,192,631**
Financial performance		
Loss of the parent entity	(1,286,952)	(52,030)
Total comprehensive loss	**(1,286,952)**	**(52,030)**

28. Auditors’ remuneration

	2016 $	2015 $
Remuneration of the auditor of the parent entity for:		
a) PricewaterhouseCoopers Australia		
Auditing or reviewing the financial report	220,000	-
Services relating to initial public offering	611,557	-
Total remuneration	831,557	-
b) Network firms of PricewaterhouseCoopers Australia		
Auditing the financial statements	74,100	-
Total auditors’ remuneration	905,657	-

29. Subsequent events

There have been no other transactions or events of a material and unusual nature between the end of the reporting period and the date of this report that will, in the opinion of the Directors of the Company, significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the consolidated entity in future years.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Frontier Digital Ventures Limited, the Directors declare that:

1. In the opinion of the Directors:

   (a) The financial statements and notes of Frontier Digital Ventures Limited for the financial year ended 31 December 2016:

      (i) Giving a true and fair view of the financial position and performance of the Group

      (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*

   (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2

   (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2016.

On behalf of the Board,

....
David Baxby
Chairman

Independent auditor's report

To the shareholders of Frontier Digital Ventures Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Frontier Digital Ventures Limited (the Company) and its controlled entities (together, the Group) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group's financial report comprises:

- the consolidated statement of financial position as at 31 December 2016;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, which include a summary of significant accounting policies; and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

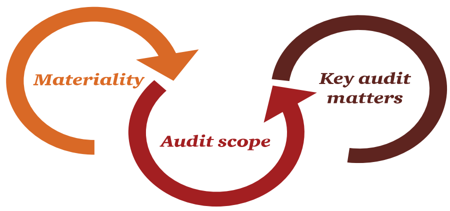
An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, Southbank VIC 3006, GPO BOX 1331, Melbourne VIC 3001
T +61 3 8603 1000, F +61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The company invests in online classified businesses in underdeveloped, emerging countries or regions. Classified businesses in these countries or regions are generally at a very early stage of online development and at the very early stage of the print to digital transition for classified advertising. The Group holds investments in 15 businesses which operate across 19 geographical locations, including Pakistan, Myanmar and countries in Central America and Africa. During the year the Group has made a number of new investments and has increased its interest in many of its investments, with a large number of its investments now accounted for as controlled entities. The company is headquartered in Kuala Lumpur, Malaysia where the finance and key management function is located. On 26 August 2016 the company completed an initial public offering of its stock on the Australian Stock Exchange (ASX).



Materiality

- For the purpose of our audit we used overall group materiality of $280,000, which represents approximately 0.5% of the Group's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose total assets as the benchmark because, in our view, it is the metric against which the performance of the Group is most commonly measured given the parent company's focus on management of the portfolio of investments. We selected 0.5% based on our professional judgement, noting that it is within the range of commonly accepted thresholds.

Audit scope

- Our audit focused on where the directors made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- We decided the nature, timing and extent of work that needed to be performed by us and component auditors from other PwC network firms or other networks. We then structured our audit approach as follows in relation to the significant components of the Group:
  - We, PwC Australia, conducted an audit of the financial information of the parent company, Frontier Digital Ventures Limited given its financial significance. The parent company holds the largest share of the Group's total assets and received the proceeds arising from the initial public offering. We also performed audit procedures at a Group level, including procedures for components not deemed financially significant, and over business combinations, impairment assessments, consolidation of the Group's reporting units and the preparation of the financial report. For components not deemed financially significant, we performed risk assessment analytics and specified procedures over cash.
  - PwC network firms conducted audits of the financial information prepared for consolidation of Encuentra24, Kupatana Group and PakWheels (Private) Ltd given their financial significance with respect to the overall Group.
  - A non-PwC network firm performed audit procedures on the financial information prepared for consolidation purposes for Zameen Media Pvt Limited given its financial significance with respect to the overall Group.
  - We, PwC Australia, performed risk focused audit procedures on the Encuentra24.com Classificados S.A. reporting unit covering revenue and cash balances.
  - A PwC network firm performed specified risk focused audit procedures on iMyanmar Co. Ltd covering revenue, expenses, cash and journals.

- In cases where the work was performed by component auditors, we, PwC Australia were involved as necessary to assess whether sufficient appropriate audit evidence had been obtained for the purpose of our opinion on the Group as whole. Our involvement included issuing detailed instructions, discussions with component auditors and local management to understand key risks and issues identified, and review of a selection of working papers.
- We utilised PwC valuation specialists to assist in performing testing over acquired controlled businesses and in impairment testing of intangible assets.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. Amongst other relevant topics, we communicated the key audit matters to the Audit and Risk Committee.

The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Investment classification - control vs significant influence over operating companies (Refer to note 14) The Group holds investments in 15 businesses. The determination of whether the Group has control or significant influence over the businesses was a key audit matter because the determination: • was a matter of judgement and specific to each investment including, but not limited to, consideration of the terms in individual shareholder agreements, current equity ownership levels and options available to increase equity ownership. The judgement includes whether rights in the shareholder agreements give the Group the ability to control the strategic and operational direction of the investment • had a significant impact on the balances recorded in the financial statements as the determination was likely to impact whether investments would be consolidated (because the Group controls the investee) or equity accounted (because the Group has significant influence over the investee) • was impacted by multiple changes to shareholder agreements and equity holdings during the year, which may have resulted in changes to whether investments are accounted for on an equity basis or consolidated.	In considering the appropriateness of the directors' conclusion of whether control or significant influence over investments existed we performed the following procedures: - we read the initial shareholder agreements, together with amendments made during the period, to develop an understanding of the various arrangements - we agreed the calculated equity ownership levels to the respective shareholder agreements, equity issue documents and option agreements as applicable - we analysed special voting rights within the shareholder agreements to assess whether these rights were likely to give the Group the ability to control the strategic and operational direction of the investment - in circumstances where control was contingent on the exercise of call options in the future, we evaluated the substantive rights of the Group to exercise these options and whether these options were likely to give the Group control if exercised.
Accounting for acquired controlled businesses (Refer to note 22) The Group obtained control of 10 operating businesses during the period. Three new businesses were acquired during the period, the remaining operating businesses were initially recognised as investments in associates prior to the Group acquiring a controlling interest during the year.	Our audit procedures to assess the accounting treatment of the acquired controlled businesses included: - reading key executed transaction documents to understand the key terms and conditions of the transactions; - comparing the assets and liabilities recognised on acquisition against the executed agreements and the historical financial information of the acquired

Key audit matter	How our audit addressed the key audit matter
The Group was required to identify the assets and liabilities of the newly acquired or controlled businesses and estimate the fair value of each item. This was a key audit matter because of: • the significance of the acquisitions (purchase price of $19.1 million) and associated goodwill as of acquisition date ($14.5 million) to the financial position of the Group • the complexities and judgement inherent in determining the fair value of the assets and liabilities acquired, particularly relating to the identification and recognition of identifiable intangible assets such as brands and websites; • the nature of the purchase consideration, including consideration payable on the achievement of certain operational performance targets, and • the complexity related to the acquisition accounting for the disposal of interests previously accounted for as investments in associates.	businesses; and - assessing how the Group estimated the fair value of the assets and liabilities identified in the acquisitions. In particular, in focussing on the valuation of the intangible assets, including brands and websites, we: - assessed the reasonableness of revenue cash flow forecasts used in the brand valuation models by agreeing the forecasted cashflow inputs of the model to the latest CEO approved budgets, comparing revenue forecasts to those forecast by external security analysts, and comparing revenue growth rates to comparable companies in the industry - used our valuation specialists to establish a range of royalty rates from comparable companies to compare to the royalty rates used in the brand valuation models - assessed the reasonableness of internally developed estimates of hours incurred and rates applied to support the fair value of the websites. We also analysed the fair value of website development costs as a proportion of total enterprise value and compared to comparable companies - evaluated the useful life of intangibles assets acquired by comparing to a range of comparable companies with intangible assets of a similar nature.
Carrying value of goodwill and other indefinite life intangible assets (Refer to note 13) The Group has goodwill and other indefinite life intangible assets of $15.3 million which arose during the period through acquisitions as detailed in note 13. Australian Accounting standards require an annual assessment of whether there should be an impairment of such assets. Impairment assessments are carried out at the level of the lowest identifiable cash generating units (CGU), which, for the Group, represents each operating business. The directors prepared a discounted cashflow model to assess impairment for each CGU. The key assumptions in the models included short to medium term revenue growth, the revenue multiplier applied as part of the terminal value cash flow calculation, and discount rates. This was a key audit matter because the impairment assessment involved significant judgements by the Group about the future results of the operating businesses and the wider economies in which they operate. As the majority of operating companies are in the earlier stages of their lifecycle and are still attempting to establish a foothold in their respective markets, there was a high degree of estimation, complexity and uncertainty in developing key assumptions for the cash flow models. We focussed on the impairment calculations of the Afribaba, Carwangu, CarsDB, and Meqasa CGUs.	For each CGU with goodwill and other indefinite life intangible assets, we evaluated the directors' future cash flow forecasts and the process by which they were prepared, and we challenged key assumptions by: - comparing the directors' assumptions for revenue growth against the historic results and other non-financial measures such as growth in site visits, classified listings and mobile app users to identify unusual or unrealistic growth assumptions - using our valuation specialists, we obtained revenue multiples from comparable companies to establish an independent range to compare against those used in the terminal value cash flow calculation - comparing valuation and revenue forecasts calculated by external security analysts against those used in the models - agreeing the forecasted cashflow inputs of the models to the latest CEO approved budgets - using our valuations specialists, we created our own independent expected range of discount rates for those CGUs we focussed on, taking into consideration local market risk - performing tests over the mathematical accuracy of the model and underlying calculations. We also performed a sensitivity analysis on the key financial assumptions in the models. These included revenue forecasts, revenue multipliers used in the terminal year of cash flows, and the discount rates applied. Having ascertained the extent of change in those assumptions that either individually or collectively would be required for the goodwill and other indefinite life intangible assets to be impaired, we

Key audit matter	How our audit addressed the key audit matter
We determined that we needed to focus on these CGUs as these entities were more sensitive to changes in the revenue multiplier applied in the terminal value cash flow calculation.	considered the likelihood of such a movement in those key assumptions arising. We read and considered the disclosures made by the directors in relation to the sensitivities of the assumptions impacting the carrying value of goodwill and other indefinite life intangible assets.
Carrying value of associates (Refer to note 14) The Group has a carrying value of investments in associates of $11.1 million as at 31 December 2016 including the significant components of Zameen Media Pvt Limited, Kupatana Group and PakWheels (Private) Ltd. For each investment in an associate, the directors assessed whether there were indicators the investments were impaired. This was a key audit matter as the determination of whether there is an indicator of impairment for investments in associates is a matter of judgement, including consideration of factors impacting estimated future cash flows. This can be complex considering the online classified markets in which the investments operate are in the early stages of their lifecycle and the operating businesses are still attempting to establish a foothold in their respective markets.	For each investment in an associate where the directors asserted there were no indicators of impairment, we performed the following procedures: - we evaluated the current period financial performance of the business against previous period financial performance - we reviewed reporting from auditors of significant components and held discussions with them and local management with regards to performance outlook and other factors such as market place and competition, political and economic changes, regulator developments, signs of significant financial difficulty and legal status - we evaluated key non-financial performance indicators of each investment in an associate throughout the period and compared against previous periods. This included an analysis of number of site visits, classified listings and mobile application users - we read Board meeting minutes to identify matters that could indicate an impairment.

Other information

The directors are responsible for the other information. The other information comprises the Director's Report (but does not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and other information which will include other documents, which are expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar2.pdf This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 8 to 16 of the directors' report for the year ended 31 December 2016.

In our opinion, the remuneration report of Frontier Digital Ventures Limited for the year ended 31 December 2016 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 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.

PricewaterhouseCoopers

Jon Roberts
Partner

27 February 2017

Corporate Directory

Registered Office	Share Registry
Level 7, 330 Collins Street, Melbourne VIC 3000 Australia Tel: +61 3 8689 9997 Fax: +61 3 9602 4709	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067

Principal Place of Business	Company Secretary
39-8 The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur, Malaysia Tel: +60 3 2201 0790	Mertons Corporate Services Pty Ltd Mark Licciardo Email: markl@mertons.com.au

The Board	
David Baxby	Independent Director, non-executive Chairman
Shaun Antony Di Gregorio	Non-independent executive Director and Chief Executive Officer
Mark Licciardo	Independent, non-executive Director and Company Secretary

Chief Executive Officer	Chief Financial Officer
Shaun Antony Di Gregorio Email: shaundig@frontierdv.com	Shiao Mae Chan Email: shiao@frontierdv.com

Websites	Auditors
http://frontierdv.com/	PricewaterhouseCoopers 2 Riverside Quay Southbank VIC 3006

ASX Listing Code
FDV