



FRONTIER DIGITAL VENTURES LIMITED
ABN 25 609 183 959

AUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2017

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

I am pleased to report on a successful year for Frontier Digital Ventures (FDV).

It is with pleasure that I took over the role as Chairman in the company from David Baxby late last year, as I have a strong belief in FDV's growth potential, and an equally strong belief in the quality of FDV's management team, led by Shaun Di Gregorio. In 2017 Shaun and his management team have delivered as promised.

In 2017 FDV assisted its most promising portfolio companies consolidate their respective market positions. This, together with the exit and merger of several portfolio positions, meant that by the end of 2017, 12 out of 15 of FDV's portfolio companies were the market leaders in their respective jurisdictions. This is important as businesses need to be the market leaders to properly fulfill the potential within emerging markets. Revenue growth of 77% across our portfolio companies, coupled with operating costs remaining within budget, are both satisfying achievements, but I am even more pleased that FDV's relative share of EBITDA loss fell from 109% of revenue in 2016, to 49% of revenue in 2017. Further, based on management's current expectations, approximately half of FDV's existing portfolio companies are expected to achieve cash flow breakeven in the next 18 months. This is significant as further entrenchment of leadership will lead to future monetization opportunities.

In 2017 FDV invested approximately \$6.8m into new businesses and \$3.7m into our existing portfolio companies. Alongside our daily monitoring and assistance to our existing portfolio companies, FDV continued to research and identify further quality acquisition and merger opportunities for potential investment to further enhance shareholder value.

In 2018 Shaun and the management team will be focused on continuing the existing strong portfolio revenue growth and ensuring that disciplined cost control at portfolio company level is maintained to drive those companies towards breakeven and beyond. FDV will also be maintaining its research into potential investments in new opportunities where value accretive.

I am very much looking forward to the continued growth and maturing of our company in 2018.



Anthony Klok
Chairman

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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 2017. 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:

Anthony Klok	Independent Director, non-executive Chairman (appointed on 21 December 2017)
David Baxby	Independent Director, non-executive Chairman (resigned on 21 December 2017)
Shaun Di Gregorio	Non-independent executive Director and Chief Executive Officer
Mark Licciardo	Independent, non-executive Director and Company Secretary
Belinda Cleminson	Joint Company Secretary

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
Anthony Klok (Independent Director, non-executive Chairman)	Mr. Klok has more than 35 years' advisory and operational experience in diverse areas including legal, corporate advisory, media and technology and internet businesses. Mr. Klok is an experienced lawyer and senior executive with considerable experience in sourcing, negotiating and investing in online and technology companies. Mr. Klok has significant Board experience within the online classifieds sector as a former non-executive Director of both Carsales and Seek. Mr. Klok's current and previous board positions include Friendsurance International, Friendsurance Australia, Genero (alternate), Betfair Australia, Zoom2U, Temando, Service Seeking, Open Agent, Fox Sports, Carsales, Seek, NineMSN, Ticketek, Sydney SuperDome, Wizard and TMS. Mr. Klok holds a double degree of Bachelor of Commerce and Laws from the University of Tasmania.
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.

Directors' Report (cont'd)

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

Name	Experience
	Mr Di Gregorio spent eight years as General Manager at Australia-based REA Group, a global leader and publisher of as many as 20 real estate websites in 12 countries. As General Manager of the core Australian business and global leader at 'realestate.com.au', Mr Di Gregorio grew the business alongside a team of eight people with revenue of AU\$5million into a company with more than 300 staff and revenues exceeding AU\$150 million. Mr Di Gregorio holds a Master of Business Administration from the Australian Graduate School of Management, part of the University of New South Wales. Mr Di Gregorio was recently a director of iCar Asia Limited, an ASX listed entity.
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 Mr Licciardo is currently a director of Ensogo Limited and Mobilicom Limited, ASX listed entities. He was recently a director of iCar Asia Limited.
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 Master 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 2017, their relevant interest in shares and options in the Company as at that date.

Director	Fully paid ordinary shares	
	Number	%
Anthony Klok	80,000	0.04%
Shaun Di Gregorio	37,188,990	16.85%
Mark Licciardo	50,000	0.02%

Remuneration of Directors and senior management

Information about the remuneration of Directors and senior management is set out in the Remuneration Report on page 9 and in Note 31 Key management personnel compensation.

Share options and rights granted to Directors and senior management

There were no new share rights granted to Directors or senior management during the year (2016: 2,520,000) nor since the end of the financial year.

As at the date of this report, there were 1,300,000 unissued ordinary shares rights (2,045,000 at 31 December 2017).

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

Directors' Report (cont'd)

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.

Over the course of the year, the Group has narrowed its geographical focus of Target Markets from South Asia, East Africa, West Africa, Central America and Middle East/North Africa (MENA), to prioritising developing Asia (excluding China and India), Central and South America, and Africa/MENA.

Changes in State of Affairs

From the issue of 4,589,991 shares during the year, the issued share capital of the company increased by \$2,446,791 to \$60,118,042. Of the shares issued, 3,171,069 shares with a value of \$1,733,441 were issued as consideration for the acquisition of new investments. The remaining shares of 1,418,922 with a value of \$713,350 were issued to Directors, employees and vendors as share based payments. There was no net cash received as a result of these share issues.

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.

Due to the nature of Frontier's investment portfolio there is a difference between the economic interest in revenue and consolidated revenue reported. The current portfolio contains 12 investments that are accounted for on a consolidated basis and 5 investments (including **Zameen**) that are reported as "associates" under the equity method in AASB 128.

The Group reports revenues from continuing operations generated by 12 consolidated investments of \$10,041,144 (2016: \$2,098,779 from 11 consolidated investments) for the year ended 31 December 2017. Total revenues generated during the year, including contributions from its two discontinued operations (**IMCongo** and **Afribaba**), were \$10,150,627 (2016: \$2,139,551). Refer to Note 4 of the financial statements for segment revenues and results for the 12 consolidated investments.

The adjusted EBITDA loss from continuing operations (adjusted net loss before interest, tax, depreciation and amortisation) was \$6,334,667 (2016: \$3,266,107), corresponding to net loss for the year from continuing operations of \$17,474,144 (2016: \$4,113,210).

	2017 \$	2016 \$
Adjusted EBITDA loss from continuing operations (note 4)	(6,334,667)	(3,266,107)
Net loss from continuing operations (including significant items below)	(17,474,144)	(4,113,210)
Significant items excluded from Adjusted EBITDA:		
<u>One off items</u>		
Impairment of investment in Associate	550,872	-
Impairment of goodwill, intangibles, property, plant and equipment	1,789,406	-
Gains from deemed disposal of Associate shareholding (step acquisitions)	(175,484)	(3,980,674)
Costs incurred in relation to initial public offering not capitalised	64,637	1,353,942
<i>Total one off items excluded from Adjusted EBITDA</i>	<i>2,229,431</i>	<i>(2,626,732)</i>
<u>Other items</u>		
Equity settled share-based payments	682,368	680,298
Depreciation and amortisation	1,978,043	508,386
Share of net loss of associates	3,254,180	3,797,027
Unrealised currency exchange losses/(gains)	3,171,200	(1,389,563)
Net interest received	(193,441)	(122,313)
Income tax expense	17,696	-
<i>Total other items excluded from Adjusted EBITDA</i>	<i>8,910,046</i>	<i>3,473,835</i>

During the year, the Group successfully completed the acquisition of four subsidiaries (note 25) and invested in one new associate company (note 16). One of the new acquisitions was previously held as an investment in associate (note 16).

Also during the year, the Group acquired Jumia's 100% interests in Jumia House Ghana, Jumia House Nigeria and Jumia House Angola (Jumia Assets). Following the acquisition, the Group has proceeded to merge all traffic, listings, agents, advertisers and revenues into its existing portals to create 3 new market leaders in **ToLet**, **meQasa** and **Angocasa**. Consideration payable to Jumia consisted of the assets of **Afribaba** (note 25.2 (c)) and cash consideration of US\$500,000 (AUD equivalent of \$651,575), of which US\$250,000 (AUD equivalent of \$322,150) remains outstanding at the year end.

Directors' Report (cont'd)

Review of Operations (cont'd)

In December 2017, the Group decided to withdraw financial support from **Carwangu** and **CasaMozambique** as their performances had not met expectations. The Group continued to retain its equity interest in both investments and corresponding accounting control at the year end although it had relinquished its board positions. As a result of the withdrawal of financial support, the carrying value of the goodwill, intangibles, property, plant and equipment in relation to both cash generating units have been fully impaired. The impairment totalling \$1,789,406 includes the impairment of an interest bearing loan from the Group to CasaMozambique. After the year end, both entities were disposed for nominal consideration of US\$2 and US\$1 respectively.

The carrying value of the Group's investment in **Kupatana**, an associate company, was impaired by \$550,872 as a result of management's decision to decline its allocation of a rights issue in November following a poorer than expected performance. Revenue growth was partly impeded by a restructuring exercise which included the introduction of a new management team at the operational level. The Group intends to continue to provide operational and financial support to **Kupatana** through its next phase of growth.

The Group continues to carry a significant exposure to movements in the currency exchange rates between the United States Dollar (USD) and the Australian Dollar (AUD). Most acquisitions are denominated in USD and the USD is the functional currency of the intermediate holding company of the Group as well as a number of significant subsidiaries. The cash impact of movements in currency exchange rates is now largely mitigated by the Group holding 83% of its cash and Term Deposit balances in USD denominated accounts at the period end. However, since the Group reports its financial results in AUD, it continues to carry significant currency reporting risks. This is reflected in the current period reported unrealised currency exchange losses of \$3,171,200 (year ended 31 December 2016 unrealised currency exchange gains of \$1,389,563).

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 a leading operator of online classifieds businesses in underdeveloped, emerging countries or regions.

Since its incorporation in 2014, the Company has established a portfolio of online classified businesses across the property, automotive and general classifieds sectors. Frontier's portfolio currently consists of 15 market leading companies, operating businesses across 15 markets.

In December 2017, Frontier announced an update to its portfolio strategy following a period of significant operational growth (*refer to ASX announcement dated 20 December 2017*). The updated strategy has been informed by Frontier's experience within its portfolio and analysis of the most successful online classified businesses which operate in emerging markets.

The updated strategy has evolved to bias investments towards:

- **Property investments:** bias towards property classifieds due to stronger opportunities to establish larger, marketing leading businesses. In line with this bias, 3 out of the 4 new businesses added in 2017 were property investments (Infocasas, Propzy and Hoppler)
- **A narrowed geographic focus:** a geographic focus that prioritises developing Asia (ex China and India), Central and South America, and Africa/MENA. In line with this focus, 3 out of 4 new businesses added in 2017 were Asian classifieds in developing markets (Hoppler/Philippines, Propzy/Vietnam and AutoDeal/Philippines)

Frontier also announced broader strategic goals for 2018, which include:

- **Strong portfolio revenue growth:** by leveraging the market leadership position of its investments in 2018
- **Consolidation of market leaders:** opportunistic assessment of competitor consolidation opportunities within specific regions to expand Frontier's position of market leadership

Directors' Report (cont'd)

Business Strategies & Future Developments (cont'd)

The four focus areas of Frontier's updated portfolio strategy are provided below.



Frontier expects to see an increase in monetisation opportunities at a portfolio level which it will assess in the interest of all shareholders. There are a number of monetisation options available to Frontier, for both its individual investments and groups of investments, which include (but not limited to):

- Sell down to existing shareholders
- Sale to financial investors
- Tranche sale to new shareholders
- Trade sale to strategic investors
- Initial Public Offering (or listing via a reverse takeover)
- Merger with a competitor

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
January 2017	770,000	385,000	Shares issued under employee Rights Plan
April 2017	133,824	68,250	Issued as part of executive incentive plan
April 2017	10,000	5,100	Issued as payment for work performed during IPO process
June 2017	245,098	125,000	Issued as Director's remuneration
June 2017	2,958,121	1,626,967	Shares issued for Autodeal acquisition (note 25.1.1.a)
August 2017	260,000	130,000	Shares issued under employee Rights Plan
December 2017	212,948	106,474	Shares issued to vendors of LankaPropertyWeb following approval of regulatory authorities in Sri Lanka for the share swap agreement dated 26 August 2016
Total for the year	4,589,991	2,446,791	

Directors' Report (cont'd)

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.

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 eight Board Meetings, no Remuneration and Nomination Committee meetings and two Audit and Risk Committee meetings.

Directors	Board of Directors		Audit & Risk Committee		Nomination & Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Anthony Klok	0	0	0	0	0	0
David Baxby	8	8	2	2	0	0
Shaun Di Gregorio	8	8	0	0	0	0
Mark Licciardo	8	8	2	2	0	0

Given the size and composition of the current Board, all issues of a kind that would be ordinarily deliberated on by the Remuneration Committee, were considered and addressed by the full Board of Directors. The Board will give further consideration as to the requirement and operation of the Remuneration Committee during the financial year to 31 December 2018.

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 30 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 \$ Nil during the financial year (2016: \$611,557).

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 18.

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
- Anthony Klok (appointed on 21 December 2017)
- David Baxby (resigned on 21 December 2017)
- Mark Licciardo

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)
- 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:

- Anthony Klok (Chairman)
- 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 (2016: 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 2017 is required by the Corporations Act 2001.

For the year ended 31 December 2017 the Group reported revenues from continuing operations of \$10,041,144 from 12 consolidated investments (2016: \$2,098,779 from 11 consolidated investments) and loss before tax from continuing operations of \$17,474,144 (2016: \$4,113,210). It is important to note that due to the nature of Frontier's portfolio, there is a difference between the "economic interest" in revenue and consolidated revenue reported. The portfolio at the year end consisted of 12 investments accounted for on a consolidated basis and 5 investments (including Zameen) reported as "associates" under the equity method in accordance with AASB 128

At the beginning of the year, an 'at risk' element of performance incentive was introduced with entitlement to incentives contingent upon the achievement of pre-determined revenue and operating expense targets by investments across the entire portfolio (both controlled entities and associate companies). This component of the remuneration structure will increase as a percentage of total executive remuneration as employee Share Rights diminish over time.

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 financial performance of the Operating Entities within the Group, including both controlled entities and associate companies, during the year. The percentage and threshold level can differ for each individual and will be reviewed each year. These financial performance targets 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 Rights to 3,150,000 of free shares in the Group to be issued at a later date. The total fair value of the 2016 Rights granted was \$1,575,000 at the initial public offering price of A\$0.50 each.

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 31 December 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 1,030,000 shares issued in exercise of rights during the year (2016: Nil), of which 820,000 were issued to key management personnel. Since the year end, a further 745,000 shares were issued as a result of the exercise of rights, of which 720,000 related to key management personnel.

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

Table A Name	Date of Grant	Balance at 1 Jan 2017	Share Rights Granted in the year No.	Vesting condition - Continued employment as at dates below	Vesting and Exercise Date	Vested		Unvested Rights No.
						Number	%	
Shen Loh Lim	26 Aug 2016	-	-	31 Dec 2016	11 Jan 2017	600,000	100%	-
	26 Aug 2016	600,000	-	31 Dec 2017	15 Jan 2018	600,000	100%	-
	26 Aug 2016	600,000	-	31 Dec 2018		-	0%	600,000
		1,200,000	-			1,200,000		600,000
Shiao Chan	26 Aug 2016	100,000	-	30 Jun 2017	11 Jul 2017	100,000	100%	-
	26 Aug 2016	120,000	-	30 Jun 2018		-	0%	120,000
	26 Aug 2016	140,000	-	30 Jun 2019		-	0%	140,000
		360,000	-			100,000		260,000
Marco Rampazzo	26 Aug 2016	-	-	31 Dec 2016	11 Jan 2017	120,000	100%	-
	26 Aug 2016	120,000	-	31 Dec 2017	15 Jan 2018	120,000	100%	-
	26 Aug 2016	120,000	-	31 Dec 2018		-	0%	120,000
		240,000	-			240,000		120,000

Key Management Personnel Remuneration

The following table summarises the remuneration arrangements for the key management personnel for 2017. 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	\$340,000 per annum	MYR486,000 per annum	MYR516,000 per annum	MYR420,000 per annum
Short term incentive	\$60,000 by cash or shares based on achievement of portfolio revenue, optimisation of portfolio, share price and capital management	15% based on 100% achievement of target portfolio revenue and operating expenses	15% based on 100% achievement of target portfolio revenue and operating expenses	60% based on 100% achievement of target portfolio revenue and operating expenses
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

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)

2017									
Table B	Salary & Fees	Post employment benefits	Short term incentive payable in cash	Short term incentive payable in shares	Share Rights	Total	Short term incentive included in total remuneration	Short term incentive as a % of total remuneration	% of compensation for the year consisting of rights
	\$	\$	\$	\$	\$	\$	\$	%	%
Non exec Directors									
Anthony Klok	3,616	-	-	-	-	3,616	-	0%	0%
David Baxby	121,233	-	-	-	-	121,233	-	0%	0%
Mark Licciardo	50,000	-	-	-	-	50,000	-	0%	0%
	174,849	-	-	-	-	174,849	-	0%	0%
Key Management Personnel									
S Di Gregorio	340,000	-	120,000	-	-	460,000	120,000	26%	0%
S Chan	147,715	17,393	-	11,713	86,372	263,193	11,713	4%	33%
S Loh Lim	156,818	18,482	-	12,436	349,732	537,468	12,436	2%	65%
M Rampazzo	127,541	-	-	142,365	69,946	339,852	142,365	42%	21%
	772,074	35,875	120,000	166,514	506,050	1,600,513	286,514	18%	32%
Total	946,923	35,875	120,000	166,514	506,050	1,775,362	286,514	16%	29%

2016									
Table B	Salary & Fees	Post employment benefits	Short term incentive payable in cash	Short term incentive payable in shares	Share Rights	Total	Short term incentive included in total remuneration	Short term incentive 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%
	90,294	-	-	-	-	90,294	-	0%	0%
Key Management Personnel									
S Di Gregorio	260,000	-	-	-	-	260,000	-	0%	0%
S Chan	64,748	7,620	-	-	40,730	113,098	-	0%	36%
S Loh Lim	167,999	19,994	-	-	422,646	610,639	-	0%	69%
M Rampazzo	130,008	-	-	38,985	84,529	253,522	38,985	15%	33%
	622,755	27,614	-	38,985	547,905	1,237,259	38,985	3%	44%
Total	713,049	27,614	-	38,985	547,905	1,327,553	38,985	3%	41%

No retirement benefits were paid to Directors or Key Management Personnel in either 2016 or 2017. Included in short term incentive payable in cash to Mr Di Gregorio in 2017 is \$60,000 in respect of 2016.

Mr M Licciardo, a director during the year, is also director of Mertons Corporate Services Pty Ltd, which was engaged to provide company secretarial services to the Company during the year for a fee of \$60,840 (2016: \$35,000).

Mr N Geddes, a director during the year ended 31 December 2016, was also director of Australian Company Secretaries Pty Ltd, which was engaged to provide company secretarial services to the Company for a fee of \$12,500.

Remuneration Report (cont'd)

Share based payments to executives

Total remuneration to key management personnel included short term incentive payable in shares to executives of \$166,514 (2016: \$38,985).

On 12 April 2017, the Directors approved the issue of 133,824 (2016:75,000) shares with a fair value of \$68,250 (2016:\$38,985) to Mr Rampazzo, the Director of Corporate Development, as part of the company executive incentive plan.

At the end of the financial year, \$98,264 (2016: \$nil) in value of shares were yet to be issued to key management personnel. Based on the variable VWAP of shares over the period of service, a total of 161,735 (2016: nil) shares are outstanding to all key management personnel. The VWAP for the year ended 31 December 2017 was 60.76 cents (2016: 51.33 cents).

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. 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 2017 includes \$78,523 (2016: \$57,292) in value of shares which are yet to be issued to Non-Executive Directors. The number of shares in respect of the 2017 remuneration is based on the VWAP over the period of service. The VWAP for the year ended 31 December 2017 was 60.76 cents (2016: 51.33 cents).

A total of 125,027 (2016: 111,613) shares outstanding to all directors at the end of the financial year was determined using variable VWAP based on the period of service and is subject to shareholder approval at the next annual general meeting.

	Shares issued	2017 Shares vested but not issued	Total	Shares issued	2016 Shares vested but not issued	Total
David Baxby	245,098	88,281	333,379	-	111,613	111,613
Mark Licciardo	-	36,746	36,746	-	-	-
	245,098	125,027	370,125	-	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 2017:

Name	Position
Anthony Klok	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 2018



.....
Anthony Klok
Chairman



Auditor's Independence Declaration

As lead auditor for the audit of Frontier Digital Ventures Limited for the year ended 31 December 2017, 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 year.

A handwritten signature in black ink, appearing to read 'J. Roberts' with a stylized flourish at the end.

Jon Roberts
Partner
PricewaterhouseCoopers

Melbourne
27 February 2018

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2017

		2017	2016*
		\$	\$
Continuing operations	Note		
Revenue	4	10,041,144	2,098,779
Administrative expenses		(1,981,472)	(1,104,229)
Offline production costs		(1,094,023)	(168,785)
Employment expenses	5	(6,756,545)	(2,698,466)
Advertising and marketing expenses		(5,405,573)	(1,560,423)
Premises and infrastructure expenses		(1,738,016)	(524,295)
Transaction advisory costs		(313,002)	(1,413,468)
Other income	6	165,815	70,540
Unrealised foreign exchange (loss)/gain		(3,171,200)	1,389,563
Depreciation and amortisation		(1,978,043)	(508,386)
Operating loss from continuing operations		(12,230,915)	(4,419,170)
Interest income		197,715	122,610
Interest expense		(4,274)	(297)
Gains from deemed disposal of Associate shareholding	25	175,484	3,980,674
Impairment of investment in associate	7	(550,872)	-
Impairment of goodwill, intangibles, property, plant and equipment	8	(1,789,406)	-
Share of net loss of associates accounted for using the equity method	16	(3,254,180)	(3,797,027)
Loss before income tax		(17,456,448)	(4,113,210)
Income tax expense	9	(17,696)	-
Net loss from continuing operations		(17,474,144)	(4,113,210)
Loss from discontinued operations, net of tax	26	(351,172)	(490,115)
Net loss after tax		(17,825,316)	(4,603,325)
Other comprehensive income, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(567,350)	306,809
Other comprehensive income arising from discontinued operation		-	3,956
Share of other comprehensive income of associates accounted for using the equity method	16	449,793	(573,745)
Other comprehensive income for the period, net of tax		(117,557)	(262,980)
Total comprehensive loss for the period		(17,942,873)	(4,866,305)
Loss attributable to:			
Owners of the Company		(13,894,501)	(3,667,433)
Non-controlling interests		(3,930,815)	(935,892)
		(17,825,316)	(4,603,325)
Total comprehensive loss attributable to:			
Owners of the Company		(14,027,030)	(4,033,008)
Non-controlling interests		(3,915,843)	(833,297)
		(17,942,873)	(4,866,305)
Total comprehensive loss attributable to owners of the Company arises from:			
Continuing operations		(13,843,242)	(3,652,538)
Discontinued operations		(183,788)	(380,470)
		(14,027,030)	(4,033,008)

* 2016 comparative numbers have been restated for discontinued operations (see note 26)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2017

	Note	2017 Cents	2016 Cents
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the			
Basic loss per share	10	(6.27)	(2.87)
Diluted loss per share	10	(6.27)	(2.87)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per share	10	(6.35)	(3.21)
Diluted loss per share	10	(6.35)	(3.21)

Notes to the financial statements are included on pages 24 to 65.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	11	12,751,409	20,116,380
Term deposits	11	43,157	5,000,000
Trade and other receivables	12	2,492,519	737,449
Other assets		35,084	33,018
Tax receivables		23,158	4,822
Total current assets		15,345,327	25,891,669
Non-current assets			
Property, plant and equipment	13	532,027	520,266
Other intangible assets	14	8,618,366	4,996,473
Goodwill	15	15,546,551	15,307,178
Investments accounted for using the equity method	16	7,966,202	11,081,656
Total non-current assets		32,663,146	31,905,573
Total assets		48,008,473	57,797,242
LIABILITIES			
Current liabilities			
Related party advances	18	54,641	3,731
Trade and other payables	19	1,794,829	1,309,489
Borrowings	21	149,618	-
Billings in advance		335,979	164,114
Finance lease liabilities		5,962	-
Contingent consideration	20	562,237	-
Contingent liabilities	8	216,656	-
Total current liabilities		3,119,922	1,477,334
Non-current liabilities			
Deferred tax liability		126,502	-
Borrowings	21	165,308	-
Total non-current liabilities		291,810	-
Total liabilities		3,411,732	1,477,334
NET ASSETS		44,596,741	56,319,908
EQUITY			
Share capital and share premium	22	60,118,042	57,717,472
Reserves		657,368	105,965
Accumulated losses		(20,192,669)	(6,298,168)
		40,582,741	51,525,269
Non-controlling interests		4,014,000	4,794,639
TOTAL EQUITY		44,596,741	56,319,908

Notes to the financial statements are included on pages 24 to 65.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 December 2017

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 2016	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)	-	(365,575)	102,595	(262,980)
Total comprehensive loss for the period	-	-	-	(365,575)	(3,667,433)	(4,033,008)	(833,297)	(4,866,305)
Shares issued during the year	22 32,600,000	-	-	-	-	32,600,000	-	32,600,000
Acquisition of subsidiaries	25 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	22 (2,084,927)	-	-	-	-	(2,084,927)	-	(2,084,927)
Recognition of share based expense	23 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
Loss for the year	-	-	-	-	(13,894,501)	(13,894,501)	(3,930,815)	(17,825,316)
Foreign currency translation differences	-	-	-	(132,529)	-	(132,529)	14,972	(117,557)
Total comprehensive loss for the period	-	-	-	(132,529)	(13,894,501)	(14,027,030)	(3,915,843)	(17,942,873)
Acquisition of subsidiaries	25 1,733,441	-	(106,474)	-	-	1,626,967	4,214,317	5,841,284
Disposal of subsidiaries	-	-	-	-	-	-	(14,704)	(14,704)
Increase in shareholding in subsidiaries	-	-	670,057	-	-	670,057	(1,064,409)	(394,352)
Transaction costs relating to shares issued	22 (46,221)	-	-	-	-	(46,221)	-	(46,221)
Share based payments	23 713,350	99,118	21,231	-	-	833,699	-	833,699
Balance as at 31 December 2017	60,118,042	740,431	780,705	(863,768)	(20,192,669)	40,582,741	4,014,000	44,596,741

Notes to the financial statements are included on pages 24 to 65.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2017

	Note	2017 \$	2016 \$
Cash used in operations		(7,201,286)	(5,123,912)
Interest paid		(4,274)	(297)
Interest received		197,408	73,943
Net cash outflow from operating activities	27	(7,008,152)	(5,050,266)
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(197,437)	(316,658)
Purchase of other intangible assets	14	(828,047)	(81,820)
Proceeds from disposal of property, plant and equipment		9,922	-
Investment in associates	16	(1,386,953)	(8,063,296)
Net investment in term deposits	11	4,956,843	(5,000,000)
Payment for acquisition of subsidiaries	25	(3,607,620)	(1,152,033)
Cash acquired on acquisition of subsidiaries	25	2,892,242	4,055,434
Proceeds from disposal of subsidiaries	26	241,511	-
Cash flows from loans to other entities		(386,580)	-
Net cash inflow/(outflow) from investing activities		1,693,881	(10,558,373)
Cash flows from financing activities			
Proceeds from issuance of shares		-	32,600,000
Payment of capitalised transaction costs related to issuance of shares		(41,121)	(2,084,927)
Repayment of loans from related parties		-	(1,002,440)
Repayment of other borrowings		(393,809)	-
Transactions with other non-controlling entities		(363,598)	-
Net cash (outflow)/inflow from financing activities		(798,528)	29,512,633
Net (decrease)/increase in cash and cash equivalents		(6,112,799)	13,903,994
Cash and cash equivalents as at 1 January		20,116,380	5,412,656
Effects of exchange rate changes on cash and cash equivalents		(1,252,172)	799,730
Cash and cash equivalents as at 31 December	11	12,751,409	20,116,380

Notes to the financial statements are included on pages 24 to 65.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution on the 27 February 2018 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.

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 2018. 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.

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 2017:

- Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to AASB 12, and
- Disclosure initiative – amendments to AASB 7.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to materially 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 2017 reporting periods and have not been early adopted by the group. The adoption of the following new standards and interpretations is not expected to have a material impact on the Group.

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) **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 16, 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:

	<u>Useful lives</u>
Computer equipment	3 years
Leasehold improvements	Life of lease
Motor vehicles	7 years
Office equipment, furniture & fittings	5 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 software and website 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.

	<u>Useful lives</u>
Brands	5 years
Customer lists	2 years
Non competes	3 years
Software development costs	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 are disclosed in Note 16 Investment in associate companies and Note 25 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.

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

(ii) Control over an investee

There are a number of factors considered in determining control over an investee and these are outlined at note 2(a). A key component of the Company's assessment of control over an investee is the Company's power to direct the relevant activities of these companies. The Group achieves accounting control over these investees through Key Special Majority Matters which results in the Group's absolute and unfettered discretion over operational matters, significant to the Group's ability to direct the business activities of the investments. Accordingly, these companies are treated as subsidiaries and their results consolidated in the presentation of the Group's Consolidated Financial Statements.

Name of business acquired	Principal activity	Date of Acquisition	Percentage of shares held at 31 December 2017 %
TechAfrica	Operator of online property and car classifieds portals	5 February 2016	75.00%
ToLet	Operator of online property classifieds portal	13 May 2016	39.48%
Encuentra24	Operator of online general classifieds portals	26 August 2016	42.07%
iMyanmarhouse	Operator of online property classifieds portal	26 August 2016	42.63%
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	100.00%
Meqasa	Operator of online property classifieds portal	26 August 2016	86.20%
LankaPropertyWeb	Operator of online property classifieds portal	26 August 2016	47.76%
CasaMozambique	Online classified advertising and event management	16 May 2017	41.67%
AutoDeal	Operator of online car classifieds portals	1 June 2017	33.33%
Propzy	Operator of online property classifieds portal	1 June 2017	28.57%
Hoppler	Operator of online property classifieds portal	5 October 2017	20.59%

(iii) Joint control or significant influence over the investee

As disclosed in Note 16, 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.

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

(iv) Valuation technique

The finance department of the group performs the valuations of non-property items required for financial reporting purposes.

The main areas of significant accounting estimates used by the Group in relation to valuations are derived and evaluated as follows:

- a) In present value calculations
 - 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 risks specific to the asset.
 - Specific risk adjustments are derived from credit risk gradings incorporating country risk premiums.
- b) In purchase price allocation for business combinations
 - Valuation of brands
 - Relief from royalty method applied.
 - 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.
 - Valuation of website and software development costs
 - Based on replacement cost derived from estimated man hours and cost per hour.

(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 based on management's measured and reasonable expectation of selling price achievable in the open market. In doing so, a range of possible discounted cash flow scenarios are modelled over 5 years with a revenue multiple, appropriate for the markets the CGUs operate, applied to terminal year revenue.

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.

(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 14.

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.

4. Segment Information (cont'd)

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

- Autodeal.com.ph
- CarsDB.com
- Carwangu.com
- CasaMozambique.co.mz
- Encuentra 24.com
- Hoppler.com.ph
- iMyanmarhouse.com
- LankaPropertyWeb.com
- Meqasa.com
- Propzy.vn
- 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 below. The accounting policies of the reportable segments are the same as the Group's accounting policies. The performance of associate companies is laid out in note 16.

Segment revenues and results

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

	Revenue		Segment results	
	2017 \$	2016 \$	2017 \$	2016 \$
Continuing Operations				
Autodeal	546,121	-	(161,596)	-
CarsDB	296,785	43,064	(382,995)	(173,913)
Carwangu	1,433	-	(114,676)	(61,069)
CasaMozambique	165,371	-	(133,262)	-
Encuentra24	6,617,180	1,587,520	(370,029)	(694,002)
Hoppler	76,759	-	(117,981)	-
iMyanmarhouse	929,069	312,014	(244,123)	(6,743)
LankaPropertyWeb	284,142	42,338	(163,040)	(78,955)
Meqasa	86,292	10,058	(337,830)	(141,643)
Propzy	681,429	-	(1,000,652)	-
TechAfrica	1,982	-	(130,011)	(144,463)
ToLet	348,415	103,785	(422,419)	(105,670)
Corporate (and consolidation)	6,166	-	(2,756,053)	(1,859,649)
Segment Revenue and adjusted EBITDA from continuing operations	10,041,144	2,098,779	(6,334,667)	(3,266,107)
Equity settled share-based payments	-	-	(682,368)	(680,298)
Transaction advisory costs relating to initial public offering	-	-	(64,637)	(1,353,942)
Unrealised currency exchange differences	-	-	(3,171,200)	1,389,563
Depreciation and amortisation	-	-	(1,978,043)	(508,386)
Gain on deemed disposal of associates (step acquisition)	-	-	175,484	3,980,674
Impairment on investment in associate	-	-	(550,872)	-
Impairment of goodwill, intangibles, property, plant and equipment	-	-	(1,789,406)	-
Share of net loss of Associates	-	-	(3,254,180)	(3,797,027)
Net interest	-	-	193,441	122,313
Income tax expense	-	-	(17,696)	-
Consolidated segment revenue and net loss for the year from continuing operations	10,041,144	2,098,779	(17,474,144)	(4,113,210)
Revenue and net loss from discontinued operations (note 26)	109,483	40,772	(351,172)	(490,115)
Consolidated segment revenue and net loss for the year	10,150,627	2,139,551	(17,825,316)	(4,603,325)

4. Segment Information (cont'd)

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.

Interest income and finance costs 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 revenues are generated from external customers. No single customer contributes 10% or more to the Group's revenue for 2016 or 2017.

Segment assets and liabilities

	Segment assets	
	2017 \$	2016 \$
Afribaba	-	1,544,780
Autodeal	4,462,686	-
CarsDB	3,461,402	4,186,096
Carwangu	655	1,154,108
CasaMozambique	67,583	-
Encuentra24	9,889,163	10,578,418
Hoppler	1,747,904	-
IMCongo	-	336,754
iMyanmarhouse	2,368,947	2,902,657
LankaPropertyWeb	787,046	841,977
Meqasa	2,643,368	2,052,071
Propzy	2,576,850	-
TechAfrica	1,016,159	235,950
ToLet	1,569,898	1,899,921
Corporate (and consolidation)	17,416,812	32,064,510
Total segment assets	48,008,473	57,797,242
Consolidated total assets	48,008,473	57,797,242

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 15 and 14.

	Segment liabilities	
	2017 \$	2016 \$
Afribaba	-	529
Autodeal	205,054	-
CarsDB	85,143	58,226
Carwangu	-	6,857
CasaMozambique	299,162	-
Encuentra24	865,448	703,135
Hoppler	349,639	-
IMCongo	-	8,931
iMyanmarhouse	109,567	112,581
LankaPropertyWeb	33,974	18,887
Meqasa	14,155	15,358
Propzy	226,275	-
TechAfrica	583,307	11,603
ToLet	217,094	27,664
Corporate (and consolidation)	422,914	513,563
Total segment liabilities	3,411,732	1,477,334
Consolidated total liabilities	3,411,732	1,477,334

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

	2017	2016
	\$	\$
Salaries and wages	5,090,365	1,790,105
Employer statutory contribution and pension related	198,569	140,871
Social contribution	169,168	9,978
Others	678,926	205,767
Directors' fees	174,849	90,294
	6,311,877	2,237,015
Equity settled share-based payments	682,368	680,298
Total employee benefit expense	6,994,245	2,917,313
Less: Employee benefit expense from discontinued operations (note 26)	(237,700)	(218,847)
Employee benefit expense from continuing operations	6,756,545	2,698,466

6. Other income

	2017	2016
	\$	\$
Realised currency exchange differences	(28,820)	46,191
Other income	193,660	23,607
	164,840	69,798
Less: Other expenses from discontinued operations (note 26)	975	742
Other income from continuing operations	165,815	70,540

7. Impairment of investment in associate

The carrying value of the Group's investment in Kupatana, an associate company, was impaired by \$550,872 (2016: nil) to \$1,654,823 following an annual impairment review. The charge was triggered by management's decision to decline its allocation of a rights issue in November 2017 following a poorer than expected performance during the year. The recoverable amount of the investment was determined by assessing fair value less cost of disposal in line with note 3(v). The scenarios tested generated five year compound annual growth rates ranging from 71% to 85% in revenue and -2% to 1% in expense, following a restructuring exercise in the second half of 2017 which is expected to reduce annual expenses by 54% in the year ended 31 December 2018. A discount rate of 22% was used in calculating the impairment.

The Group intends to continue to provide operational and financial support to Kupatana through its next phase of growth.

8. Impairment of goodwill, intangibles, property, plant and equipment

In December 2017, the Group decided to withdraw financial support from two subsidiaries, Carwangu and CasaMozambique, as a result of performances falling below expectations. After the year end, both entities were disposed for nominal consideration of US\$2 and US\$1 respectively. The carrying value of goodwill, intangible assets, property, plant and equipment in relation to both cash generating units have been fully impaired as a result. Total impairment of goodwill, intangibles, property, plant and equipment of \$1,789,406 (2016: nil) has been recognised during the year.

Impairment charges relating to Carwangu of \$888,580 consisted of an impairment of goodwill of \$871,529 and an impairment on the fair value of intangible assets acquired of \$17,051. A gain on deemed disposal of \$630,157 had been recognised in relation to Carwangu in the year ended 2016 as a result of accounting treatment for step acquisitions and change in accounting control.

Impairment charges relating to CasaMozambique of \$900,826 consisted of an impairment of goodwill of \$522,393, an impairment on the fair value of intangible assets acquired of \$151,102 and \$6,808 on the carrying value of property, plant and equipment. The remaining \$220,523 of impairment charges relate to a provision for contingent liability for interest bearing loans, eliminated upon consolidation, extended by the Group during the year. A gain on deemed disposal of \$149,400 was recognised during the year, resulting from step acquisition due to change in accounting control (note 25.1.1.d).

After impairment, the segment carrying values as at 31 December 2017 of Carwangu and CasaMozambique were net assets of \$655 and net liabilities of \$231,579 respectively.

9. Income tax

Income tax recognised in profit or loss

	2017 \$	2016 \$
Tax expense attributable to profit is made up of:		
- Current income tax expense	41,384	-
- Deferred tax credit	(50,956)	-
	(9,572)	-
Less: Income tax credit from discontinued operations (note 26.2)	27,268	-
Income tax expense	17,696	-

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

	2017 \$	2016 \$
Loss before income tax is made up of:		
- Continuing operations	(17,456,448)	(4,113,210)
- Discontinued operations	(378,440)	(490,115)
	(17,834,888)	(4,603,325)
Tax at the Australian tax rate 30% (2016: 30%)	(5,350,466)	(1,380,998)
Tax effect of amounts which are not deductible in calculating taxable income:		
Difference in overseas tax rate	1,329,586	78,893
Non assessable income	649,448	(40,838)
Non deductible charge relating to share of associates losses	11,123	1,283,744
Deductible costs relating to share issue expenses	(19,391)	(625,478)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	2,975,696	1,878,879
Gains from deemed disposal due to accounting treatment	(29,832)	(1,194,202)
Non deductible charge relating to impairments	424,264	-
	(9,572)	-
Less: Income tax credit from discontinued operations (note 26.2)	27,268	-
Income tax expense	17,696	-

The tax rate used for the 2017 and 2016 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

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.

	2017 \$	2016 \$
Temporary differences	162,978	30,368
Tax losses - Revenue	3,935,338	1,318,229
Share issue costs deferred	684,800	665,409
	4,783,116	2,014,006

9. Income tax (cont'd)

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.

10. Earnings per share

Earnings per share

Loss attributable to the ordinary equity holders of the company
used in calculating earnings per share:

From continuing operations

From discontinued operation

2017	2016
\$	\$
(13,710,713)	(3,278,493)
(183,788)	(388,940)
(13,894,501)	(3,667,433)

Weighted average number of ordinary shares used as the
denominator in calculating basic earnings per share

Weighted average number of ordinary shares and potential
ordinary shares used as the denominator in calculating
diluted earnings per share

2017	2016
Number of shares	Number of shares
218,786,556	114,418,560
218,786,556	114,418,560

During 2017, 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 2017 financial year.

Basic earnings per share

From continuing operations attributable to the ordinary equity
holders of the company

From discontinued operation

**Total basic earnings per share attributable to the ordinary
equity holders of the company**

2017	2016
cents	cents
(6.27)	(2.87)
(0.08)	(0.34)
(6.35)	(3.21)

Diluted earnings per share

From continuing operations attributable to the ordinary equity
holders of the company

From discontinued operation

**Total diluted earnings per share attributable to the ordinary
equity holders of the company**

(6.27)	(2.87)
(0.08)	(0.34)
(6.35)	(3.21)

11. Cash and cash equivalents and term deposits

	2017 \$	2016 \$
Cash at bank and in hand	12,751,409	20,116,380
Term deposits	43,157	5,000,000

Term deposits above mature in March 2018 (2016: September 2017).

12. Trade and other receivables

	2017 \$	2016 \$
Trade receivables	745,488	127,422
Other receivables		
Other receivables	1,179,719	318,601
Prepayments	460,203	254,043
Deposits	107,109	37,383
	1,747,031	610,027
	2,492,519	737,449

	2017 \$	2016 \$
Not past due	462,782	113,247
Age of trade receivables that are past due but not impaired		
- 1 to 30 days	106,781	13,462
- 31 to 60 days	51,133	43
- 61 to 90 days	47,833	18
- 91 plus days	76,959	652
	745,488	127,422

Included in Other Receivables is US\$300,000 (AUD equivalent \$386,580) (2016: nil) of convertible loan notes issued by Pakwheels Pte Ltd ("Pakwheels"), an associate company, and subscribed for by the Group in two tranches in October 2017 (US\$200,000) and December 2017 (US\$100,000).

Interest at 10% per annum on a monthly rest basis will accrue six months from the date of issue of the convertible loan notes. The whole of the outstanding loan balance will be automatically converted into ordinary shares in Pakwheels should equity financing from the sale of new equity exceed a minimum amount stipulated in the agreement. If that minimum amount is not achieved by Pakwheels through equity financing, the majority of noteholders have the option to convert any part of their outstanding loan balances into equity at a prevailing fair value at the time of conversion.

The convertible loan notes mature on 3 October 2022.

13. Property, plant and equipment

	2017	2016
	\$	\$
Computer equipment		
At cost	281,159	342,157
Less: Accumulated depreciation	(128,697)	(104,516)
	152,462	237,641
Office equipment and furniture & fittings		
At cost	320,948	156,028
Less: Accumulated depreciation	(122,360)	(32,321)
	198,588	123,707
Leasehold improvements		
At cost	156,111	95,190
Less: Accumulated depreciation	(38,763)	(9,685)
	117,348	85,505
Motor vehicles		
At cost	88,192	83,168
Less: Accumulated depreciation	(40,394)	(33,817)
	47,798	49,351
Plant and machinery		
At cost	23,150	26,114
Less: Accumulated depreciation	(7,319)	(2,052)
	15,831	24,062
Total Property, Plant and Equipment	532,027	520,266

	Note	Computer equipment	Office equipment, furniture & fittings	Leasehold improvements	Motor vehicles	Plant and machinery	Total
		\$	\$	\$	\$	\$	\$
At 1 Jan 2016		967	-	-	-	-	967
Acquisition of subsidiaries	25	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
Acquisition of subsidiaries	25	5,974	35,494	902	10,134	-	52,504
Additions		68,491	57,075	25,797	43,947	2,127	197,437
Depreciation charge		(66,414)	(49,731)	(23,165)	(21,519)	(6,189)	(167,018)
Reclassification		(62,644)	23,525	39,119	-	-	-
Disposal of subsidiaries	26	(2,941)	(6,025)	-	(13,361)	-	(22,327)
Impairment	8	(4,640)	(2,168)	-	-	-	(6,808)
Disposal of assets		-	-	-	(10,905)	-	(10,905)
Written off		(3,103)	(2,267)	(360)	(2,507)	-	(8,237)
Exchange difference		(19,902)	18,978	(10,450)	(7,342)	(4,169)	(22,885)
At 31 Dec 2017		152,462	198,588	117,348	47,798	15,831	532,027

14. Intangible assets

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

	2017 \$	2016 \$
Afribaba	-	389,649
Autodeal	1,527,074	-
CarsDB	158,665	246,779
Carwangu	-	28,986
Encuentra24	2,268,446	3,137,247
Hoppler	601,598	-
IMCongo	-	54,603
iMyanmarhouse	262,906	379,375
LankaPropertyWeb	177,387	288,203
Meqasa	1,041,892	170,891
Propzy	1,457,084	-
TechAfrica	812,925	16,405
ToLet	310,389	284,335
Total Intangible Assets	8,618,366	4,996,473

	Note	Websites and domains \$	Software \$	Brands \$	Customer lists \$	Non competes \$	Other intangible assets \$	Total \$
Cost								
At 1 January 2016		-	-	-	-	-	-	-
Acquisition of subsidiaries	25	2,381,131	-	2,662,574	-	-	147,220	5,190,925
Additions		-	-	-	-	-	81,820	81,820
Exchange difference		135,587	-	160,821	-	-	(20,930)	275,478
At 31 December 2016		2,516,718	-	2,823,395	-	-	208,110	5,548,223
Acquisition of subsidiaries	25	1,419,114	887,387	1,764,101	-	-	-	4,070,602
Additions		510,876	-	-	412,184 ⁽¹⁾	1,555,974 ⁽¹⁾	-	2,479,034
Impairment	8	(129,466)	-	(61,318)	-	-	-	(190,784)
Disposal of subsidiaries	26	(474,876)	-	-	-	-	-	(474,876)
Reclassification		208,110	-	-	-	-	(208,110)	-
Exchange difference		(250,610)	(41,300)	(277,243)	(2,606)	(9,839)	-	(581,598)
At 31 December 2017		3,799,866	846,087	4,248,935	409,578	1,546,135	-	10,850,601
Accumulated amortisation								
At 1 January 2016		-	-	-	-	-	-	-
Acquisition of subsidiaries	25	-	-	-	-	-	11,423	11,423
Amortisation for the period		295,125	-	186,995	-	-	40,380	522,500
Exchange difference		10,611	-	6,723	-	-	493	17,827
At 31 December 2016		305,736	-	193,718	-	-	52,296	551,750
Amortisation for the period		1,037,848	98,868	707,139	34,722	87,407	-	1,965,984
Impairment	8	(15,477)	-	(7,154)	-	-	-	(22,631)
Disposal of subsidiaries	26	(202,642)	-	-	-	-	-	(202,642)
Reclassification		52,296	-	-	-	-	(52,296)	-
Exchange difference		(36,292)	(158)	(21,674)	(591)	(1,511)	-	(60,226)
At 31 December 2017		1,141,469	98,710	872,029	34,131	85,896	-	2,232,235
Carrying amount								
At 31 December 2017		2,658,397	747,377	3,376,906	375,447	1,460,239	-	8,618,366
At 31 December 2016		2,210,982	-	2,629,677	-	-	155,814	4,996,473

⁽¹⁾ Note 25.2 (c)

15. Goodwill

	Note	2017 \$	2016 \$
At 1 January		15,307,178	-
Additions from business combinations acquired during the year	25	4,100,766	14,474,176
Adjustments relating to business combinations acquired in the prior year		46,779	-
Disposals		(1,250,096)	-
Impairment		(1,393,922)	-
Exchange difference		(1,264,154)	833,002
At 31 December		15,546,551	15,307,178

Goodwill relates to cash generating units as follows:

	2017 \$	2016 \$
Afribaba	-	1,075,885
Autodeal	2,206,530	-
CarsDB	3,135,450	3,390,778
Carwangu	-	995,393
CasaMozambique	-	-
Encuentra24	5,124,935	5,487,189
Hoppler	732,370	-
IMCongo	-	216,385
iMyanmarhouse	1,052,992	1,138,740
LankaPropertyWeb	349,322	368,849
Meqasa	1,419,517	1,535,111
Propzy	498,114	-
TechAfrica	177,856	192,340
ToLet	849,465	906,508
Total Goodwill	15,546,551	15,307,178

The recoverable amounts of each cash generating unit (CGU) is determined based on fair value less cost of disposal calculations, derived from management's measured and reasonable expectation of selling price achievable in the open market at a revenue multiple appropriate for the market the CGU operates, as laid out in note 3(v). Management annually reviews the carrying amounts of CGUs, which include carrying amounts of goodwill and intangible assets, to determine whether there are indications that CGUs are impaired.

The appropriate discount rate applied has been determined 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 13.8% (for Panama) to 34.3% (for Angola), with an average of 21.5% and a mean of 20.9%. 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 5 year CAGR growth in revenues ranged from 26% (for the most developed CGU in its most conservative scenario) to 298% (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.

Apart from impairment charges detailed in Note 8 in relation to Carwangu and CasaMozambique, of the range of scenarios modelled, none of them indicated impairment. Management believes that any reasonable possible change in the revenue multiples achievable on an external valuation exercise or key growth assumptions, on which the recoverable amounts are based, would not cause the aggregated carrying amount to exceed the aggregate recoverable amount of the cash generating units.

16. Investment in associate companies

	2017 \$	2016 \$
Equity investments at cost	15,532,835	16,546,862
Share of losses	(7,566,633)	(5,465,206)
Balance at 31 December	7,966,202	11,081,656

On 6 September 2017, the Group acquired 31.3% equity interest in Infocasas, which operates online advertising classifieds portals in Uruguay, Paraguay and Bolivia for cash consideration of US\$953,000 (AUD equivalent of \$1,194,014).

On 16 May 2017, the Group acquired accounting control of CasaMozambique through variations to share sale agreement. As such, under AASB 3 the results of CasaMozambique were consolidated from the date of acquisition of 16 May 2017 (note 25).

Details of the associated companies during the year are as follows.

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding		Accounting method at 31 December 2017
			As at 31 Dec 2017	As at 31 Dec 2016	
CasaMozambique	Investment holding	Mauritius	41.67%	41.67%	Consolidated
Casa Mozambique Limitida	Online classified advertising and event management (CasaMozambique.co.mz)	Mozambique	41.67%	41.67%	
Infocasas	Investment holding	British Virgin Island	31.33%	-	Equity Accounted
Infocasas SA	Operator of online property classifieds portal	Uruguay	31.33%	-	
Relaxed SA	Operator of online property classifieds portal	Paraguay	31.33%	-	
Publicidad e Inmobiliaria IC Bolivia	Operator of online property classifieds portal (infocasas.com.uy)	Bolivia	31.33%	-	
Kupatana AB ("Kupatana")	Online classified advertising, event management, and investment holding	Sweden	29.28 %	31.22%	Equity Accounted.
Kupatana Ltd	Online classified advertising and event management	Tanzania	29.28 %	31.22%	
Kupatana Ltd	Online classified advertising and event management	Uganda	29.28 %	31.22%	
Buyandsell Tanzania AB	Online classified advertising and event management	Sweden	29.28 %	31.22%	
Moteur.MA ("Moteur")	Online classified advertising and event management (Moteur.ma)	Morocco	48.67%	48.67%	Equity Accounted
Pakwheels	Investment holding	Singapore	36.84%	36.84%	Equity Accounted
Pakwheels (Private) Ltd	Online classified advertising and event management (PakWheels.com)	Pakistan	36.84%	36.84%	
Zameen	Investment holding	United Kingdom	30.00%	30.00%	Equity Accounted
Zameen Media Pvt Ltd	Online classified advertising and event management (Zameen.com)	Pakistan	30.00%	30.00%	

16. Investments in associate companies (cont'd)

i) A summary of the Group's investment in associated companies is as follows:

Year ended 31 December 2017												
Operating company	Cost of investment					31-Dec-17	Share of total comprehensive income					Carrying amount 31-Dec-17
	1-Jan-17	Addition	Step Acquisition	Impairment	Exchange difference		1-Jan-17	Addition	Step Acquisition	Exchange difference	31-Dec-17	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	6,688,963	-	-	-	(503,683)	6,185,280	(2,934,988)	(1,856,770)	-	245,920	(4,545,838)	1,639,442
Pakwheels	4,877,369	-	-	-	(367,269)	4,510,100	(1,455,636)	(420,748)	-	116,060	(1,760,324)	2,749,776
Kupatana	3,266,481	192,939	-	(550,872)	(239,807)	2,668,741	(779,399)	(296,783)	-	62,264	(1,013,918)	1,654,823
Infocasas	-	1,194,014	-	-	34,022	1,228,036	-	(52,329)	-	1,156	(51,173)	1,176,863
Other associates	1,714,049	-	(672,350)	-	(101,021)	940,678	(295,183)	(177,757)	262,047	15,513	(195,380)	745,298
	16,546,862	1,386,953	(672,350)	(550,872)	(1,177,758)	15,532,835	(5,465,206)	(2,804,387)	262,047	440,913	(7,566,633)	7,966,202

Year ended 31 December 2016												
Operating company	Cost of investment					31-Dec-16	Share of total comprehensive income					Carrying amount 31-Dec-16
	1-Jan-16	Addition	Step Acquisition	Impairment	Exchange difference		1-Jan-16	Addition	Step Acquisition	Exchange difference	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
Kupatana	3,211,436	-	-	-	55,045	3,266,481	(331,239)	(448,160)	-	-	(779,399)	2,487,082
Other associates	6,959,857	4,250,740	(9,195,855)	-	(300,693)	1,714,049	(852,290)	(1,016,378)	1,573,485	-	(295,183)	1,418,866
	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

16. Investments in associate companies (cont'd)

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

Year ended 31 December 2017										
Operating Company	Share of associates profit or loss				Share of other comprehensive income					Share of total comprehensive income
	1-Jan-17	Addition	Step Acquisition	31-Dec-17	1-Jan-17	Addition	Step Acquisition	Exchange difference	31-Dec-17	31-Dec-17
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Zameen	(2,329,085)	(2,239,185)	-	(4,568,270)	(605,903)	382,415	-	245,920	22,432	(4,545,838)
Pakwheels	(1,396,646)	(489,166)	-	(1,885,812)	(58,990)	68,418	-	116,060	125,488	(1,760,324)
Kupatana	(786,286)	(309,564)	-	(1,095,850)	6,887	12,781	-	62,264	81,932	(1,013,918)
Infocasas	-	(41,535)	-	(41,535)	-	(10,794)	-	1,156	(9,638)	(51,173)
Other associates	(331,873)	(174,730)	284,993	(221,610)	36,690	(3,027)	(22,946)	15,513	26,230	(195,380)
	<u>(4,843,890)</u>	<u>(3,254,180)</u>	<u>284,993</u>	<u>(7,813,077)</u>	<u>(621,316)</u>	<u>449,793</u>	<u>(22,946)</u>	<u>440,913</u>	<u>246,444</u>	<u>(7,566,633)</u>

Year ended 31 December 2016										
Operating Company	Share of associate profit or loss				Share of other comprehensive income					Share of total comprehensive income
	1-Jan-16	Addition	Step Acquisition	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)
Kupatana	(322,013)	(464,273)	-	(786,286)	(9,226)	16,113	-	-	6,887	(779,399)
Other associates	(828,553)	(1,050,113)	1,546,793	(331,873)	(23,737)	33,735	26,692	-	36,690	(295,183)
	<u>(2,593,656)</u>	<u>(3,797,027)</u>	<u>1,546,793</u>	<u>(4,843,890)</u>	<u>(74,263)</u>	<u>(573,745)</u>	<u>26,692</u>	<u>-</u>	<u>(621,316)</u>	<u>(5,465,206)</u>

16. Investments in associate companies (cont'd)

- iii) 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 17												
Operating Company	Assets					Liabilities						Net assets \$
	Current assets			Non-current assets		Current liabilities			Non-current liabilities			
	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	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Zameen	2,088,561	3,542,955	5,631,516	1,724,147	1,935,467	3,470,348	-	3,470,348	-	-	-	5,820,782
Pakwheels	212,885	1,095,306	1,308,191	280,303	269,331	1,833,029	-	1,833,029	-	-	-	24,796
Kupatana	48,759	150,277	199,036	69,070	155,953	122,737	-	122,737	-	-	-	301,322
Infocasas	748,576	413,471	1,162,047	179,677	594,108	610,802	-	610,802	269,218	-	269,218	1,055,812
Other associates	159,714	238,830	398,544	60,896	49,672	98,827	-	98,827	-	-	-	410,285
	3,258,495	5,440,839	8,699,334	2,314,093	3,004,531	6,135,743	-	6,135,743	269,218	-	269,218	7,612,997

31 Dec 16												
Operating Company	Assets					Liabilities						Net assets \$
	Current assets			Non-current assets		Current liabilities			Non-current liabilities			
	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	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
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

16. Investments in associate companies (cont'd)

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

Operating Company	2017				2016			
	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	(6,644,665)	1,274,718	(819,287)	(6,189,234)	(4,736,315)	(1,656,020)	(570,344)	(6,962,679)
Pakwheels	(1,168,028)	185,715	(159,784)	(1,142,097)	(1,853,757)	(3,977)	(144,794)	(2,002,528)
Kupatana	(947,751)	41,033	(54,159)	(960,877)	(1,487,265)	118,999	-	(1,368,266)
Infocasas	(223,629)	(9,177)	(52,261)	(285,067)	-	-	-	-
Other associates								
- Step acquisition	(78,129)	(59,538)	(18,201)	(155,868)	(1,843,801)	24,567	(648,946)	(2,468,180)
- Others	(205,455)	35,699	(19,116)	(188,872)	(547,357)	112,921	(17,503)	(451,939)
	<u>(9,267,657)</u>	<u>1,468,450</u>	<u>(1,122,808)</u>	<u>(8,922,015)</u>	<u>(10,468,495)</u>	<u>(1,403,510)</u>	<u>(1,381,587)</u>	<u>(13,253,592)</u>

Total revenue generated by operating entities in the period during which they were accounted by the Group as associate companies was \$15,181,372 (2016: \$10,805,055).

Associated companies reported using the equity accounting method at the year end generated full year revenues of \$15,908,880 (2016: \$7,169,754) as follows:

Operating Company	2017 \$	2016 \$
Zameen	12,366,561	5,750,072
Pakwheels	1,847,756	1,121,485
Infocasas	1,356,652	-
Other associates	337,911	298,197
	<u>15,908,880</u>	<u>7,169,754</u>

New investment in 2017

17. Investment in subsidiaries

The group's principal subsidiaries at 31 December 2017 are set out below. Unless otherwise stated, share capital consisted 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.

Changes in equity interest in subsidiaries during the year ended 31 December 2017 are laid out in note 25.

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding as Subsidiary	
			As at 31 Dec 2017	As at 31 Dec 2016/ At Acquisition
Frontier Digital Ventures Pte Ltd ("FDVSG")	Investment holding	Singapore	100.00%	100.00%
Frontier Digital Ventures Sdn Bhd ("FDVMY")	Management services	Malaysia	100.00%	100.00%
Frontier Nepal Ventures Pte Ltd ("FNVPL")	Dormant	Singapore	-	100.00%
Afribaba	Investment holding	Singapore	100.00%	64.84%
Afribaba SARL	Operator of online general classifieds portals (Discontinued from 7 December 2017)	Cameroon	-	64.84%
Afribaba Senegal SARL	Operator of online general classifieds portals (Discontinued from 29 November 2017)	Senegal	-	64.84%
Autodeal	Investment holding	Singapore	33.33%	-
The Sirgo Group, Inc.	Operator of online car classifieds portals	Philippines	33.33%	-
Carwangu	Investment holding	Singapore	60.05%	60.05%
Carwangu RDC SARL	Operator of online car classifieds portals	Republic of Congo	60.05%	60.05%
CasaMozambique (note 16)	Investment holding	Mauritius	41.67%	-
Casa Mozambique Limitida	Online classified advertising and event management	Mozambique	41.67%	-
Encuentra24	Operator of online general classifieds portals	Switzerland	42.07%	38.69%
Swiss Panama Group, Corp	Operator of online general classifieds portals	Panama	42.07%	38.69%
Encuentra24.com Classificados S.A.	Operator of online general classifieds portals	Panama	42.07%	38.69%
Encuentra24.com Nicaragua S.A.	Operator of online general classifieds portals	Nicaragua	42.07%	38.69%
Encuentra Veinticuatro.com SA	Operator of online general classifieds portals	Costa Rica	42.07%	38.69%

17. Investment in subsidiaries (cont'd)

Name of Operating Company	Principal activities	Country of business/ incorporation	Equity holding as Subsidiary	
			As at 31 Dec 2017	As at 31 Dec 2016/ At Acquisition
Hoppler	Investment holding	Singapore	20.59%	-
The Hoppler, Inc.	Operator of online property classifieds portal	Philippines	20.59%	-
IMCongo	Investment holding	Democratic Republic of Congo	-	65.91%
IMCongo SARL	Operator of online property classifieds portal	Democratic Republic of Congo	-	65.91%
iMyanmar	Investment holding	Singapore	42.63%	42.63%
iMyanmar Co. Ltd	Operator of online property classifieds portal	Myanmar	42.63%	42.63%
Lanka Property Web (Private) Limited	Operator of online property classifieds portal	Sri Lanka	47.76%	37.30%
Meqasa	Operator of online property classifieds portal	Singapore	86.20%	66.20%
Meqasa Limited	Operator of online property classifieds portal	Ghana	86.20%	66.20%
Propzy	Investment holding	Singapore	28.57%	-
Propzy Vietnam Co., Ltd	Operator of online property classifieds portal	Vietnam	28.57%	-
Propzy Services Co., Ltd.	Operator of online property classifieds portal	Vietnam	28.57%	-
Rebbiz	Investment holding	Singapore	76.48%	76.48%
Rebbiz Co Ltd	Operator of online car classifieds portals	Myanmar	76.48%	76.48%
TechAfrica	Operator of online property and car classifieds portals	Angola	75.00%	60.00%
Tolet	Investment holding	Singapore	39.48%	39.48%
Tolet.com.ng limited	Operator of online property classifieds portal	Nigeria	39.48%	39.48%

18. Related party advances

	2017	2016
	\$	\$
Non-trade amount due to:		
- other related parties	54,641	3,731

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

19. Trade and other payables

	2017	2016
	\$	\$
Trade payables	505,114	288,686
Other payables	622,438	646,358
Accruals	667,277	374,445
	<u>1,794,829</u>	<u>1,309,489</u>

20. Contingent consideration

	2017	2016
	\$	\$
Current		
Contingent consideration	562,237	-

Contingent consideration consists of US\$250,000 (AUD equivalent \$322,150) due to be paid to Jumia upon fulfilment of certain targets and conditions no later than 1 August 2018 and US\$186,316 (AUD equivalent \$240,087) due to be paid to the vendor of Afribaba upon the complete liquidation of the legal entities in the Afribaba Group (note 25.2 (c)).

21. Borrowings

Included in current liabilities is borrowings of PHP5,800,000 (\$149,618) bearing interest at 8% per annum. The borrowings were acquired upon investment in Hoppler Pte Ltd on 5 October 2017 and will be fully repaid by 1 November 2018.

Non-current borrowings of \$165,308 consist of a loan of USD128,285 which is non-interest bearing and is contingent upon the sale of Encuentra24. These borrowings were disclosed as other current liabilities in prior periods.

22. Share capital

	2017 Shares	2016 Shares	2017 \$	2016 \$
Fully paid ordinary shares				
At 1 January	216,067,976	48,000,000	57,717,472	22,244,769
Share splits	-	93,899,998	-	-
Issued for cash	-	64,255,689	-	32,600,000
Issued for business combinations	3,171,069	9,837,289	1,733,441	4,918,645
Issued to employee	1,418,922	75,000	713,350	38,985
	<u>220,657,967</u>	<u>216,067,976</u>	<u>60,164,263</u>	<u>59,802,399</u>
Less: Transaction costs	-	-	(46,221)	(2,084,927)
At 31 December	<u>220,657,967</u>	<u>216,067,976</u>	<u>60,118,042</u>	<u>57,717,472</u>

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 ended 31 December 2017, 1,163,824 (2016:75,000) ordinary shares were issued to employees as share based payments with a value of \$583,250 (2016: \$38,985) of which 1,030,000 shares with a value of \$515,000 were issued upon the exercise of employee Share Rights. A further 245,098 ordinary shares were issued to Directors as share based payments with a value of \$125,000 (2016: Nil) and 10,000 ordinary shares with a value of \$5,100 were issued during the period as payment for work performed during the IPO process.

In the same period, 3,171,069 (2016: 9,837,289) ordinary shares with a value of \$1,733,441 (2016: \$4,918,645) were issued as purchase consideration for the acquisition of business combinations. Of the shares issued, 212,948 shares with a value of \$106,474 were issued for the acquisition of LankaPropertyWeb acquired in financial year ended 31 December 2016. The remaining 2,958,121 with a value of \$1,626,967 were issued for the acquisition of Autodeal as disclosed in Note 25.

22. Share capital (cont'd)

During the year ended 31 December 2016, 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.

23. Share based payments

	Note	2017 \$	2016 \$
Executive incentive plan	22	68,250	38,985
Amortisation of employee share rights		614,118	641,313
Remuneration for Non-Executive Directors		146,231	57,292
Payment for work performed during the IPO process	22	5,100	-
Total		833,699	737,590

24. 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:

	2017 \$	2016 \$
Financial assets		
Cash and cash equivalents	12,751,409	20,116,380
Term deposits	43,157	5,000,000
Trade and other receivables	2,032,316	483,406
Tax receivables	23,158	4,822
	14,850,040	25,604,608
Financial liabilities		
Related party payables	54,641	3,731
Trade and other payables	1,794,829	1,309,489
Finance lease liabilities	5,962	-
Contingent consideration	562,237	-
Contingent liability	216,656	-
Borrowings	314,926	-
	2,949,251	1,313,220

24. 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 \$720,488 (2016: \$158,608) and a 5% movement in the spot rate of the USD would have impacted cash and cash equivalents reported at the year end by \$507,662 (2016: \$684,690).

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 2017 would increase/decrease by \$87,330 (2016: \$104,994). This is mainly attributable to the Group's exposure to interest rates on its cash held at bank. The Group earned \$197,715 in interest income (2016: \$122,610) which is an average annual return of 1.24% (2016: 3.50%) 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.

25. Business Combinations

25.1 Controlled entities

25.1.1. Acquisition of companies

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

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 2(b) for the group's accounting policies for business combinations.

The following summarises the effect of the acquisition of subsidiaries as at the date of acquisitions during the year ended 31 December 2017:

	Note	Autodeal \$	Casa Mozambique \$	Hoppler \$	Propzy \$	Total \$
Fair value of consideration transferred						
Cash and cash equivalents		1,500,000	-	895,860	1,081,200	3,477,060
Shares issued		1,626,967	-	-	-	1,626,967
Total consideration		3,126,967	-	895,860	1,081,200	5,104,027
Fair value of previously held equity interest		-	586,717	-	-	586,717
		3,126,967	586,717	895,860	1,081,200	5,690,744
Allocation of purchase consideration						
Cash and bank balances		1,227,581	(6,398)	511,933	1,159,126	2,892,242
Current tax liabilities		-	(134)	-	-	(134)
Net deferred tax liabilities on fair value of intangible assets acquired		-	-	-	(102,734)	(102,734)
Brand	14	435,546	63,001	303,566	961,988	1,764,101
Software development cost	14	459,825	-	-	427,562	887,387
Website development cost	14	655,361	101,470	288,909	373,374	1,419,114
Plant and equipment	13	28,295	8,368	15,841	-	52,504
Trade and other receivables		213,334	149,361	101,678	26,712	491,085
Trade and other payables		(229,510)	(195,712)	(246,342)	(191,870)	(863,434)
Borrowings		(352,268)	-	(157,194)	-	(509,462)
Less: Non-controlling interest's share of net assets		(1,625,433)	(69,970)	(649,900)	(2,095,388)	(4,440,691)
Goodwill	15	2,314,236	536,731	727,369	522,430	4,100,766
Total identifiable net assets acquired		3,126,967	586,717	895,860	1,081,200	5,690,744

The Group gained accounting control of the following group of companies via new investments:

Name of business acquired	Principal activity	Date of Acquisition	Percentage of shares held %	Total cost of acquisition \$	
				US\$	AUD equivalent
Autodeal	Operator of online car classifieds portals	1 June 2017	33.33%	2,313,700	3,126,967
Hoppler	Operator of online property classifieds portal	5 October 2017	20.59%	700,000	895,860
Propzy	Operator of online property classifieds portal	1 June 2017	21.05%	800,000	1,081,200

25. Business Combinations (cont'd)

25.1 Controlled entities (cont'd)

25.1.1. Acquisition of companies (cont'd)

The effect of the acquisitions on cash flows of the Group is as follows:

	Autodeal \$	Casa Mozambique \$	Hoppler \$	Propzy \$	Total \$
Fair value of consideration transferred	(1,500,000)	-	(895,860)	(1,081,200)	(3,477,060)
Less: Cash and cash equivalents acquired	1,227,581	(6,398)	511,933	1,159,126	2,892,242
	(272,419)	(6,398)	(383,927)	77,926	(584,818)

From the date of acquisition, the subsidiaries contributed revenue and net losses during the year of:

	Autodeal \$	Casa Mozambique \$	Hoppler \$	Propzy \$	Total \$
Revenue	546,121	165,371	76,759	681,429	1,469,680
Net loss after tax	(329,765)	(54,467)	(163,214)	(1,197,270)	(1,744,716)
Other comprehensive income/(expense)	50,637	(41,766)	2,720	1,209	12,800

If the acquisition had occurred on 1 January 2017, the consolidated results for the financial period ended 31 December 2017 would have been as follows:

	Autodeal \$	Casa Mozambique \$	Hoppler \$	Propzy \$	Total \$
Revenue	884,893	225,568	388,207	925,587	2,424,255
Net loss after tax	(389,745)	(240,672)	(469,675)	(1,370,013)	(2,470,105)
Other comprehensive income/(expense)	28,137	(21,364)	2,962	(2,945)	6,790

a) Acquisition of Autodeal

On 1 June 2017, the Group acquired a 33.33% equity interest and control in Autodeal Asia Pte Ltd ("Autodeal"), which operates an online car advertising classified portal in the Philippines.

The total consideration of \$3,126,967, consisting of cash consideration of \$1,500,000 and 2,958,121 of ordinary shares issued by the Company with a value of \$1,626,967 was paid, of which \$1,000,000 of cash was paid to Autodeal and the remaining consideration was paid to vendor shareholders. As a result, the Company acquired 56,251 shares, representing 33.33% of the total issued shares of Autodeal.

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

Upon the achievement of certain operational targets by 31 December 2017, to be measured by 28 February 2018 the Group will be obliged to pay \$500,000 to Autodeal in exchange for 9,375 shares, increasing the Group's equity interest by 3.51% to 36.84% of the total issued shares of Autodeal.

b) Acquisition of Propzy

On 1 June 2017, the Group acquired a 21.05% equity interest and control in Propzy SEA Pte Ltd ("Propzy") which operates an online property advertising classified portal in Vietnam.

Total cash consideration of US\$800,000 (AUD equivalent of \$1,081,200) was paid in exchange for 21.05% of the issued share capital of Propzy. The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

In November 2017, upon achievement of operating targets, cash tranche payments totalling US\$400,000 (AUD equivalent of \$527,780) was paid by the Group increasing its equity holding in Propzy by 7.52% to 28.57%.

25. Business Combinations (cont'd)

25.1 Controlled entities (cont'd)

25.1.1. Acquisition of companies (cont'd)

c) Acquisition of Hoppler

On 5 October 2017, the Group acquired a 20.59% equity interest and control in Hoppler Pte Ltd ("Hoppler") which operates an online property advertising classified portal in the Philippines.

Of the total cash consideration paid of US\$700,000 (AUD equivalent of \$895,860), US\$400,000 (AUD equivalent of \$511,920) was paid to Hoppler and the remaining consideration was paid to vendor shareholders. As a result, the Company acquired 162,799 shares, representing 20.59% of the total issued shares of Hoppler.

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

Upon the achievement of certain operational targets within twelve months of the date of acquisition, the Group will be obliged to pay US\$900,000 (AUD equivalent of \$1,159,740) to Hoppler and a further US\$130,000 (AUD equivalent of \$167,518) to vendor shareholders in exchange for 239,546 shares, increasing the Group's equity interest by 19.64% to 40.34% of the total issued shares of Hoppler.

d) CasaMozambique

On 16 May 2017, the Group acquired accounting control of CasaMozambique through variations to the share sale agreement.

As a result of this step acquisition, the Group has consolidated its results from the date of acquisition. The excess of the purchase consideration over the fair value of net assets acquired has been classified as goodwill.

Upon acquiring control, there was a deemed disposal by the Group of the previously held equity interest at fair value, resulting in gains on deemed disposal of \$149,400.

	2017 \$
Fair value of previously held equity interest	586,717
Cost of investments	672,350
Less: Share of losses at acquisition	(236,297)
Add: Exchange difference	1,264
Carrying amount of investment at 16 May 2017	437,317
Gain on deemed disposal of associate	149,400

25.2 Increase in Equity Interest and other transactions with Controlled Entities

(a) Encuentra 24

On 23 June 2017 the Group exercised a call option to increase its equity holding in Encuentra24 by 3.38% to 42.07% for cash consideration of US\$1,051,095 (AUD equivalent of \$1,390,073).

(b) LankaPropertyWeb

On 21 March 2017, the Group exercised a call option to increase its equity holding in LankaPropertyWeb by 10.46% to 47.76% for cash consideration of US\$200,000 (AUD equivalent of \$259,120).

25. Business Combinations (cont'd)

25.2 Increase in Equity Interest and other transactions with Controlled Entities (cont'd)

(c) Afribaba, Meqasa, TechAfrica and ToLet

On 2 November 2017, the Group entered into a series of agreements with Jumia Facilities Management Services LLC ("Jumia"), Afribaba, ToLet, Meqasa and TechAfrica resulting in the Group acquiring the assets of Jumia House in Nigeria, Ghana and Angola in exchange for Afribaba's assets and cash consideration of US\$500,000 (AUD equivalent \$651,575). In addition to the exchange of assets, the parties mutually agreed to refrain from any activity that may be in direct competition in the countries of Nigeria, Ghana, Angola, Cameroon, Ivory Coast, Senegal and Gabon.

As such, assets acquired from Jumia substantially consisted of customer lists, redirected website traffic and geographical non competes, which were capitalised as Intangible Assets at fair value of \$1,555,974 for Non competes and \$412,184 for Customer lists (note 14).

Cash consideration of US\$250,000 (AUD equivalent \$329,425) was paid to Jumia upon completion. The remaining cash consideration of US\$250,000 (AUD equivalent \$322,150) is contingent upon the fulfilment of certain targets and conditions in relation to the handover of assets from Jumia to Group entities in the respective countries and is due for payment no later than nine months after the date of completion.

As a result of these agreements:

The Company acquired the remaining shares of Afribaba, increasing its equity holding to 100%, for total consideration of US\$424,075 less costs (AUD equivalent of \$549,180 less costs).

- Interest bearing loans totalling US\$124,075 (AUD equivalent of \$160,900) were converted into shares equivalent to 4.4% of total issued equity and cash consideration of US\$100,000 (AUD equivalent of \$130,560) was paid upon completion.
- The remaining cash consideration is due to be paid in cash following the complete liquidation of the legal entities of the Afribaba Group.
- Following the transfer of its website, domain name, customer list and substantially its business in Cameroon and Senegal to Jumia, Afribaba ceased trading with effect from 14 December 2017 in each of those countries respectively.

The Company increased its equity holding in Meqasa by 20% to 86.2% for a total consideration consisting of Jumia House Ghana assets and cash consideration of US\$320,000 (AUD equivalent of \$414,976).

In vending the assets of Jumia House Angola to TechAfrica, the Company increased its equity holding in TechAfrica by 15% to 75% and entered into a convertible loan agreement for US\$440,000 (AUD equivalent of \$570,592) at a rate of interest of 10% per annum, on an annual rest basis. At the option of the Company, the loan is convertible into a fixed number of shares in TechAfrica over a five year period, increasing the Company's equity holding to a maximum of 90% on full conversion. For the purposes of consolidation, the convertible loan held in TechAfrica is eliminated upon consolidation.

The assets of Jumia House Nigeria were vended to ToLet by the Company for consideration of US \$100,000 (AUD equivalent of \$129,680). This consideration is in the form of a loan at a rate of interest of 12% per annum, on a monthly rest basis. The loan is maturing three years after 2 November 2017 or occurrence of any corporate event that materially changes the assets of ToLet or equity holding of the Group, whichever is the later. For the purposes of consolidation, the loan held in ToLet is eliminated upon consolidation.

25. Business Combinations (cont'd)

25.3 Controlled entities acquired in the year ended 31 December 2016

During the financial year ended 31 December 2016, 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.

Note	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)
Domain	14	-	1,879	-	67,927	4,684	-	471	-	60,836	135,797
Brand	14	-	104,591	-	2,133,555	-	245,210	71,083	-	108,135	2,662,574
Website development cost	14	412,651	149,643	30,697	986,199	42,011	144,300	230,579	180,979	22,769	2,381,131
Plant and equipment	13	-	24,722	-	103,708	2,107	62,427	8,691	28,284	-	49,360
Trade and other receivables		196,773	11,898	224,673	71,126	168,211	130,691	33,816	16,695	251,432	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)
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)
Goodwill	15	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
Total identifiable net assets acquired as per 2016 disclosure		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

25. Business Combinations (cont'd)

25.3 Controlled entities acquired in the year ended 31 December 2016 (cont'd)

The Group has up to twelve months from the date of acquisition to complete its initial acquisition accounting. Changes to the initial acquisition accounting are shown below:

	Afribaba \$	CarsDB \$	Carwangu \$	Encuentra24 \$	IMCongo \$	iMyanmar house \$	LankaProp Web \$	Meqasa \$	TechAfrica \$	Tolet \$	Total \$
Total identifiable net assets acquired as per 2016 disclosure	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
Changes in 2017											
Deferred revenue	-	-	-	(148,641)	-	-	-	-	-	-	(148,641)
Deferred tax liability	(70,151)	-	-	-	-	-	(22,511)	-	-	(31,868)	(124,530)
Reversal of liability for contingent consideration	-	-	118,064	-	-	-	-	-	-	-	118,064
Less: Non-controlling interest's share of net assets	24,668	-	(47,169)	96,789	-	-	14,115	-	-	19,925	108,328
Revised identifiable net assets acquired	1,375,571	3,865,475	1,202,465	6,443,496	399,104	1,618,098	537,283	1,602,311	335,243	1,634,373	19,013,419

26. Discontinued operations

26.1 Disposal of IMCongo

On 27 September 2017, the Group disposed of its equity interest in IMCongo of 65.91% for cash consideration of \$241,511 after deducting selling costs of \$1,214. This generated a gain on disposal of \$42,536.

	2017 \$
Gain on disposal	
Cash consideration received	241,511
Net assets at disposal	(185,891)
Gain on sale before income tax	55,620
Reclassification of foreign currency translation reserve	(13,084)
Gain on disposal after income tax	42,536
	2017 \$
Net assets at disposal consisted of:	
Cash at bank	1,841
Deposits	6,953
Property, plant and equipment	22,327
Website development cost	18,024
Other intangible assets	20,504
Goodwill	197,560
Other payables	(64,709)
Accruals	(1,905)
Non-controlling interests	(14,704)
	185,891

Financial performance and cash flow information up to and including the date of disposal.

	Period ended 27 September 2017 \$	Year ended 31 December 2016 \$
Revenue	22,115	20,453
Administrative expenses	(27,152)	(77,775)
Employment expenses	(36,829)	(147,393)
Advertising and marketing expenses	(14,096)	(35,087)
Premises and infrastructure expenses	(20,703)	(28,661)
Other expenses	(975)	(742)
Unrealised foreign exchange (loss)/gain	(335)	332
Depreciation and amortisation	(23,812)	(27,658)
Loss before income tax	(101,787)	(296,531)
Income tax expense	-	-
Net loss after tax from discontinued operation	(101,787)	(296,531)
Gain on disposal after income tax	42,536	-
Net loss from discontinued operation	(59,251)	(296,531)
Net cash outflow from operating activities	(52,192)	(292,287)
Net cash inflow/(outflow) from investing activities	231,334	(31,122)
Net cash inflow from financing activities	57,465	4,812
Net increase/(decrease) in cash generated	236,607	(318,597)

26. Discontinued operations (cont'd)

26.2 Disposal of Afribaba's business

On 2 November 2017, the Group entered into a series of agreements with Jumia Facilities Management Services LLC ("Jumia"), Afribaba, ToLet, Meqasa and TechAfrica as described in note 25.2(c) disposing of assets effectively resulting in the cessation of trade of Afribaba on 14 December 2017.

	Note	2017 \$
Gain on disposal		
Fair value of intangible assets received	25.2(c)	1,968,158
Consideration payable to Jumia		(640,361)
Carrying amount of net assets sold		(1,243,604)
Gain on disposal before income tax		84,193
Income tax expense		-
Gain on disposal after income tax		84,193
		2017 \$
Net assets at disposal consisted of:		
Website development cost		233,706
Goodwill		1,052,536
Deferred tax liabilities		(42,638)
		1,243,604

Financial performance and cash flow information up to and including the date of disposal.

	Period ended 14 December 2017 \$	Year ended 31 December 2016 \$
Revenue	87,368	20,319
Administrative expenses	(55,860)	(27,992)
Employment expenses	(200,871)	(71,454)
Advertising and marketing expenses	(40,222)	(44,687)
Premises and infrastructure expenses	(61,011)	(22,753)
Unrealised foreign exchange loss	(1,639)	-
Depreciation and amortisation	(131,147)	(47,016)
Loss before income tax	(403,382)	(193,583)
Income tax credit/(expense)	27,268	-
Net loss after tax from discontinued operation	(376,114)	(193,583)
Gain on disposal after income tax	84,193	-
Net loss from discontinued operation	(291,921)	(193,583)
Net cash outflow from operating activities	(299,805)	(167,145)
Net cash outflow from investing activities	(2,731)	(7,083)
Net decrease in cash generated	(302,536)	(174,228)

27. Notes to the statement of cash flows

	2017 \$	2016 \$
Cash flows from operating activities		
Net loss before tax	(17,834,888)	(4,603,325)
Adjustments for:		
Amortisation of intangible assets	1,965,984	522,500
Depreciation	167,018	60,560
Impairment loss on goodwill, intangibles, property, plant and equipment	1,789,406	-
Impairment of investment in Associate	550,872	-
Loss on disposal of property, plant and equipment	983	-
Property, plant and equipment written off	8,237	-
Net foreign exchange difference	3,173,173	(1,529,701)
Share of loss of associates	3,254,180	3,797,027
Interest income	(197,715)	(122,610)
Interest expense	4,274	297
Non-cash employee benefits expense – share based payments	829,984	680,298
Gains on disposal of subsidiaries	(126,729)	-
Gains from deemed disposal of Associate shareholding (step acquisitions)	(175,484)	(3,980,674)
	(6,590,705)	(5,175,628)
Change in operating assets and liabilities, net of effects from purchase of controlled entities:		
Trade and other receivables	(521,154)	(400,089)
Trade and other payables	(89,427)	451,805
Cash used in operations	(7,201,286)	(5,123,912)
Interest paid	(4,274)	(297)
Interest received	197,408	73,943
Net cash used in operating activities	(7,008,152)	(5,050,266)

28. Unexercised call options

At the date of this report, there were unexercised call options in the following operating companies.

Operating companies	Option expiring	Consideration US\$	Increase in shareholding %	Group equity holding % after exercise of option
Infocasas	November 2019	Multiple of trailing twelve month revenue	19.67%	51%

29. Convertible loan notes

As the period end, there were convertible loan held in the following operating companies.

Operating companies	Conversion prior to Maturity Date	Consideration US\$	Interest rate per annum	Current shareholding %	Maximum Group equity holding % after conversion
TechAfrica	2 November 2022	440,000	10.00%	75.00%	90.00%
Pakwheels	3 October 2022	300,000	10.08%	36.84%	Variable*

*Note 12 – Other receivables

30. Related party transactions

	2017 \$	2016 \$
S Di Gregorio		
Repayment of loan by capitalisation of debt	-	630,000
Cash repayment of loan	-	92,677
Catcha Group		
Repayment of loan by capitalisation of debt	-	1,470,000
Increase in loan	(54,752)	(1,219,670)
Mertons Corporate Services Pty Ltd		
Company secretarial fees	60,840	35,000
Australian Company Secretaries Pty Ltd		
Company secretarial fees	-	12,500

Related Party advances as at 31 December 2017 consist of \$54,641 (2016: \$3,731) due to Catcha Group.

As at the year end, Catcha Group held more than 20% of the Company issued share capital (2016: more than 20%).

Mark Licciardo was engaged as both Director and Company Secretary through Mertons Corporate Services Pty Ltd. Included in accruals at the year end was \$30,103 (2016: \$26,680) due to Mertons Corporate Services Pty Ltd.

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 by a mixture of cash and shares.

The remuneration of Non-Executive Directors for the year ended 31 December 2017 includes \$78,523 (2016: \$57,292) in respect of 125,027 (2016: 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.

	Shares issued	2017 Shares vested but not issued	Total	Shares issued	2016 Shares vested but not issued in 2015	Total
David Baxby	245,098	88,281	333,379	-	111,613	111,613
Mark Licciardo	-	36,746	36,746	-	-	-
	245,098	125,027	370,125	-	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 31.

31. 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	
	2017 \$	2016 \$
Director fees	174,849	90,294
Other key management personnel		
Salaries and wages	891,571	622,404
Employer statutory contribution and pension related	36,378	27,965
Equity settled share-based payments	672,564	586,890
	<u>1,775,362</u>	<u>1,327,553</u>

The share based payment expense primarily relates to employee share rights, as described in Note 23 and the Remuneration Report on pages 8 to 16.

On 26 August 2016 3,150,000 share rights were granted to employees of the Group, 3,000,000 of those rights were granted to key management personnel. There were no new share rights granted in 2017.

(b) Share based payments

Name	Date of Grant	Balance at 1 Jan 2017	Share Rights Granted No.	Vesting condition - Continued employment as at dates below	Vesting and Exercise Date	Vested		Unvested Rights No.
						Number	%	
Shen Loh Lim	26 Aug 2016	-	600,000	31 Dec 2016	11 Jan 2017	600,000	100%	-
	26 Aug 2016	600,000	600,000	31 Dec 2017	15 Jan 2018	600,000	100%	-
	26 Aug 2016	600,000	600,000	31 Dec 2018		-	0%	600,000
		<u>1,200,000</u>	<u>1,800,000</u>			<u>1,200,000</u>		<u>600,000</u>
Shiao Chan	26 Aug 2016	100,000	100,000	30 Jun 2017	11 Jul 2017	100,000	100%	-
	26 Aug 2016	120,000	120,000	30 Jun 2018		-	0%	120,000
	26 Aug 2016	140,000	140,000	30 Jun 2019		-	0%	140,000
		<u>360,000</u>	<u>360,000</u>			<u>100,000</u>		<u>260,000</u>
Marco Rampazzo	26 Aug 2016	-	120,000	31 Dec 2016	11 Jan 2017	120,000	100%	-
	26 Aug 2016	120,000	120,000	31 Dec 2017	15 Jan 2018	120,000	100%	-
	26 Aug 2016	120,000	120,000	31 Dec 2018		-	0%	120,000
		<u>240,000</u>	<u>360,000</u>			<u>240,000</u>		<u>120,000</u>

The statement of comprehensive income includes the amortisation of employee share rights amounting to \$614,118 (2016: \$641,313). The expense relating to the amortisation of these share rights in future years is expected to be as follows: 2018: \$243,438 and 2019: \$26,131.

32. 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	
	2017 \$	2016 \$
Financial position		
ASSETS		
Current assets		
Cash and cash equivalents	350,829	11,088,514
Investment in short term cash deposits	-	5,000,000
Trade and other receivables	125,643	144,903
Related party advances	40,070,562	24,671,002
Total current assets	40,547,034	40,904,419
Non-current assets		
Investments in subsidiaries	16,573,461	16,573,361
Total assets	57,120,495	57,477,780
LIABILITIES		
Current liabilities		
Trade and other payables	343,621	294,212
Total current liabilities	343,621	294,212
Total liabilities	343,621	294,212
NET ASSETS	56,776,874	57,183,568
EQUITY		
Share capital	60,118,042	57,717,472
Reserves	740,431	805,079
Accumulated losses	(4,081,599)	(1,338,983)
TOTAL EQUITY	56,776,874	57,183,568
Financial performance		
Loss of the parent entity	(2,742,616)	(1,286,952)
Total comprehensive loss	(2,742,616)	(1,286,952)

33. Auditors' remuneration

	2017 \$	2016 \$
Remuneration of the auditor of the parent entity for:		
a) PricewaterhouseCoopers Australia		
Auditing or reviewing the financial report	319,300	220,000
Services relating to initial public offering	-	611,557
<i>Total remuneration</i>	319,300	831,557
b) Network firms of PricewaterhouseCoopers Australia		
Auditing the financial statements	70,209	74,100
Total auditors' remuneration	389,509	905,657

34. Subsequent events

Since the year end, the Group disposed of its shares in Carwangu for a nominal consideration of US\$2 and in CasaMozambique for a nominal consideration of US\$1. As a result of the unwinding of the historical impact of share of non-controlling interest and foreign exchange revaluations through other comprehensive income, the disposal of Carwangu has generated a loss on disposal of \$25,900. A gain on disposal of \$189,214 has been generated on the disposal CasaMozambique, of which \$220,523 arises from the disposal of interest bearing loans extended by the Group during the year ended 31 December 2017.

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 2017:
 - (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 2017.

On behalf of the Board,



Anthony Klok
Chairman



Independent auditor's report

To the members 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 2017 and of its financial performance for the year then ended
- (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 2017
- 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
- 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

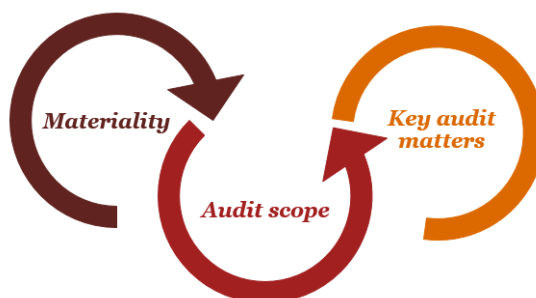
An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions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

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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 print to digital transition for classified advertising. The investments the Group hold in online classified businesses focus on property, automotive verticals and general classifieds websites. At the end of the year, the Group holds investments in 17 businesses which operate across 18 geographical locations, including Pakistan and countries in south-east Asia, Latin America and Central Africa. During the year the Group has acquired interests in 4 new businesses, increased their interest in 4 businesses and divested interests in 2 businesses. The company is headquartered in Kuala Lumpur, Malaysia where the finance and key management function is located.



Materiality

- For the purpose of our audit we used overall group materiality of \$700,000, which represents approximately 5% of the Group's loss before tax, adjusted for one-off impairment charges
- 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 loss before tax as the benchmark because, in our view, it is the metric against which the performance of the Group is most commonly measured given the Group's focus on developing each business into profitability.
- We selected 5% based on our professional judgement, noting that it is within the range of commonly accepted profit related 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.
- The nature, timing and extent of audit work required on each component of the Group was determined by the components' risk characteristics and financial contribution to the Group and consideration of whether sufficient evidence had been obtained for our opinion on the financial report as a whole. The audit work involved:
 - An audit of the financial information of the parent company, Frontier Digital Ventures Limited given its risk characteristics and financial contribution to the Group.
 - PwC network firms assisting in performing audit work on behalf of the Group audit team on the financial information prepared for consolidation of Encuentra24.com AG and PakWheels (Private) Ltd given their



risk characteristics and financial contribution with respect to the overall Group.

- A non-PwC network firm assisting in performing audit work on behalf of the Group audit team on the financial information prepared for consolidation purposes for Zameen Media Pvt Limited given their risk characteristics and financial contribution with respect to the overall Group.
- A PwC network firm assisting in performing specified risk focused audit procedures on iMyanmar Co. Ltd covering revenue, expenses, cash and journals.
- Further audit procedures at a Group level, including business combinations, disposals, impairment assessments, consolidation of the Group's reporting units, testing over the preparation of the financial report and specified risk focused audit procedures on other components within the Group.
- In cases where the work was performed by component auditors, the Group audit team determined the level of involvement needed in their audit work to conclude whether sufficient appropriate audit evidence had been obtained for the purpose of our opinion on the Group as whole. This included issuing detailed instructions, discussions with component auditors to understand key risks and issues identified, and review of a selection of working papers.

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. 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. We communicated the key audit matters to the Audit and Risk Committee.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
Investment classification - control vs significant influence over operating companies <i>(Refer to note 3)</i> The Group held investments in 19 operating businesses throughout the year. We focused on the 3 new acquisitions made during the year and the 6 existing investments that had changes to shareholder agreements and/or changes to the equity ownership. The determination of whether the Group has control or significant influence over each business 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 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 each investment existed we performed the following procedures: - we read the new shareholder agreements or amendments to existing shareholder agreements, 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
Accounting for acquired controlled businesses <i>(Refer to note 25)</i> The Group obtained control of 4 operating businesses during the period, being 3 newly acquired businesses and 1 business that was previously recognised as an investment in associate. The Group was required to identify the assets and liabilities of the newly acquired or controlled	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 including the assets and liabilities acquired; and - assessing how the Group estimated the fair value of the assets and liabilities identified in

Key audit matter	How our audit addressed the key audit matter
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 \$5.7 million) and associated goodwill as of acquisition date (\$4.1 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, websites and software - in respect to CasaMozambique, the complexity related to the acquisition accounting for the disposal of interests previously accounted for as an investment in associate.	the acquisitions. In particular, in relation to the valuation of the acquired intangible assets, including brands, websites and software, 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 and comparing revenue growth rates to comparable companies in the industry - compared the royalty rates used in the brand valuation models to the royalty rates used on the Groups previous acquisitions of similar size and stage of development businesses - assessed the reasonableness of internally developed estimates of hours incurred and rates applied to support the fair value of the websites and software which is determined on a replacement cost basis. We also analysed the fair value of website development costs and software 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, including the Groups previous acquisitions.
Carrying value of goodwill and other indefinite life intangible assets <i>(Refer to note 15)</i> The Group has goodwill and other indefinite life intangible assets of \$15.5 million as at 31 December 2017. During the year, the Group impaired in full the goodwill, intangible assets and property, plant and equipment of 2 CGUs (Carwangu and CasaMozambique), resulting in an impairment charge of \$1.8 million. Australian Accounting standards require an annual assessment of whether there should be an impairment of such assets at the level of the lowest identifiable cash generating units (CGU), which,	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 to growth rates achieved by comparable companies in the industry, and reviewed other non-financial measures where applicable such as market position, site visits and classified listings to identify unusual or unrealistic growth assumptions - using our valuation specialists and publically available transactions, we obtained revenue valuation multiples from comparable

Key audit matter	How our audit addressed the key audit matter
for the Group, represents each operating business. The directors prepared a discounted cashflow model to perform impairment assessments for each CGU. The key assumptions 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, there was a high degree of estimation, complexity and uncertainty in developing key assumptions for the cash flow models.	companies to establish an independent range to compare against those used in the terminal value cash flow calculation - comparing valuations calculated by external security analysts against those used in the models - 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. In addition we: - agreed the forecasted cashflow inputs of the models to the latest CEO approved budgets - assessed the Group's ability to forecast future results of the business by comparing budgets with current year actual results - performed 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 and revenue multipliers used in the terminal year of cash flows. Having ascertained the extent of change in those assumptions that would be required for the goodwill and other indefinite life intangible assets to be impaired (or an impairment reversal), we considered the likelihood of such a movement in those key assumptions arising. We read and considered the completeness and accuracy of disclosures made by the directors in relation to the carrying value of goodwill and other indefinite life intangible assets, and the disclosure of CGU impairments. For the 2 CGU's which experienced impairments of goodwill, intangible assets and property, plant and equipment during the year, we considered the disposal of these investments subsequent to year end and compared the sale price achieved with the director's valuations.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
Carrying value of associates <i>(Refer to note 16)</i> The Group has a carrying value of investments in associates of \$8.0 million as at 31 December 2017. 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 where an impairment assessment is required. 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. During the year, following an indicator of impairment the Group performed an impairment assessment over the Kupatana investment, which resulted in an impairment charge of \$0.6 million.	For each investment in an associate we obtained the directors' consideration of impairment indicators and performed the following procedures: - evaluated the current period financial performance of the business against previous period financial performance and budgets - where relevant, we reviewed reporting from component auditors and held discussions with them 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 - 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 site visits and classified listings. - read Board meeting minutes to identify matters that could indicate an impairment - evaluated the implied valuations based on recent equity transactions For the impairment assessment performed in relation to Kupatana, 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 to growth rates achieved by comparable companies in the industry, and reviewed other non-financial measures where applicable such as market position, site visits and classified listings to identify unusual or unrealistic growth assumptions - using our valuation specialists and publically available transactions, we obtained revenue valuation multiples from comparable companies to establish an independent range to compare against those used in the terminal value cash flow calculation



<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
	- using our valuations specialists, we created our own independent expected range of discount rates, taking into consideration local market risk. In addition we: - agreed the forecasted cashflow inputs of the models to the latest CEO approved budgets - assessed the Group's ability to forecast future results of the business by comparing budgets with current year actual results - performed tests over the mathematical accuracy of the model and underlying calculations. We also read and considered the disclosures made by the directors in relation to the disclosure of impairment of investment in associates.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors Report, Remuneration Report, Directors Declaration and Corporate Directory. We expect the remaining other information to be made available to us after the date of this auditor's report, including the Chairman's Letter, Corporate Governance Statement and Shareholder Information.

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 *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_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

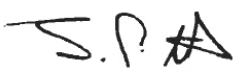
We have audited the remuneration report included in pages 9 to 17 of the directors' report for the year ended 31 December 2017.

In our opinion, the remuneration report of Frontier Digital Ventures Limited for the year ended 31 December 2017 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

Melbourne
27 February 2018

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange, in accordance with Listing Rule 4.10, and not shown elsewhere in this report is as follows.

The information below is current as at 23 April 2018.

Distribution schedule of Shareholders

Range	No. of holders of ordinary shares	No. of ordinary shares held	Of which Voluntary Escrowed Shares				Of which Mandatory Escrowed Shares	
			To 8 June 2018		To 16 May 2019		To 25 August 2018	
			No. of holders	No. of ordinary Shares	No. of holders	No. of ordinary Shares	No. of holders	No. of ordinary Shares
1 - 1,000	20	5,928	-	-	-	-	-	-
1,001 - 5,000	50	143,666	-	-	-	-	-	-
5,001 - 10,000	77	637,406	-	-	-	-	-	-
10,001 - 100,000	193	6,609,345	3	126,755	1	80,000	-	-
100,001 and over	61	214,179,721	3	2,831,366			3	90,464,857
Total	401	221,576,066	6	2,958,121	1	80,000	3	90,464,857

There were 15 holders with less than a marketable parcel of 747 securities.

Top twenty Shareholders

	No. Held	% of Ordinary Shares Issued
CATCHA GROUP PTE LTD	88,124,551	39.77
SHAUN DI GREGORIO	37,188,990	16.78
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,652,562	8.87
J P MORGAN NOMINEES AUSTRALIA LIMITED	14,509,167	6.55
NATIONAL NOMINEES LIMITED	12,781,269	5.77
CITICORP NOMINEES PTY LTD	12,471,045	5.63
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT DRP)	3,398,641	1.53
ANNECY CAPITAL PARTNERS PTE LTD	2,400,787	1.08
WENDY JORDAN	2,309,457	1.04
BORIS METRAUX	2,309,457	1.04
FUTURENOW VENTURES LIMITED	1,183,248	0.53
MELTWATER FOUNDATION	1,165,604	0.53
MR SHEN YI LOH LIM	1,100,000	0.50
HOLDEX NOMINEES PTY LTD (NO 392 A/C)	1,000,000	0.45
MERRO WORLDWIDE LTD	874,251	0.39
CHRISTOPHER FRANKS	824,059	0.37
DANIEL SCOTT	824,059	0.37
EILEEN TEH	759,686	0.34
BUNDARRA TRADING COMPANY PTY LTD (THOMAS EMERY KENNEDY A/C)	750,000	0.34
GURA INVESTMENTS SL	718,563	0.32
CHRISTOPHE ROUSSEAU	718,563	0.32
TOTAL	205,063,959	92.55

Substantial Shareholders

The names of substantial shareholders of the Company (holding no less than 5%) who have notified the Company in accordance with Section 671B of the Corporations act 2001 are set out below:

	No. of ordinary shares held	% of total shares issued	Of which shares in Mandatory Escrow to 25 Aug 2018
CATCHA GROUP PTE LTD	88,124,551	39.77	62,675,531
SHAUN DI GREGORIO	37,188,990	16.78	26,633,637

The Company has lodged a substantial holding notice for 90,464,857 of the Company's shares due to escrow arrangements over those shares. Restriction on disposal of shares under mandatory escrow arrangements and voluntary escrow arrangements gives the Company a technical "relevant interest" in its own shares under section 608(1)(c) of the Corporations Act 2001 (Cth). However, the Company has no right to acquire these shares or to control the voting rights attaching to these shares.

Voting rights for Ordinary Shares and Shares subject to escrow

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Voting rights relating to shares subject to escrow are the same as for ordinary shares except that, during a breach of the ASX Listing Rules relating to Shares which are Restricted Securities, a breach of a restriction agreement, the holder of the relevant Restricted Securities is not entitled to any voting rights in respect of those Restricted Securities

Corporate Directory

Registered Office		Share Registry	
Level 7, 330 Collins Street, Melbourne VIC 3000 Australia		Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067	
Tel: +61 3 8689 9997 Fax: +61 3 9602 4709			
Principal Place of Business		Company Secretary	
39-8 The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur, Malaysia		Mertons Corporate Services Pty Ltd Mark Licciardo	
Tel: +60 3 2201 0790		Email: markl@mertons.com.au	
The Board			
Anthony Klok		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		Shiao Mae Chan	
Email: shaundig@frontierdv.com		Email: shiao@frontierdv.com	
Websites		Auditors	
http://frontierdv.com/		PricewaterhouseCoopers 2 Riverside Quay Southbank VIC 3006	
ASX Listing Code			
FDV			