

28 August 2015

Company Announcements

For Immediate Release

ASX Code: ONC

APPENDIX 4D AND HALF YEAR REPORT

In accordance with the ASX Listing Rules, OnCard International Limited encloses for immediate release the following information:

1. Appendix 4D; and
2. Interim Financial Report for the half year ended 30 June 2015.

If you have a query about any matter covered by this announcement, please contact Mr Tony Robinson, on + 61 04 0735 5616.

Ends.

The following information is presented in accordance with ASX Listing Rule 4.2A.3.

1. Details of the reporting period and the previous corresponding period

Current reporting period - the half year ended 30 June 2015

Previous corresponding period - the half year ended 30 June 2014

2. Results for announcement to the market

Half year ended	30 June 2015 \$'000	30 June 2014 \$'000	Increase / (Decrease)	
			\$'000	%
2.1 Revenues from continuing operations (including joint venture profit share)	320	567	(247)	(43.6%)
2.2 Profit from continuing operations after tax attributable to members	(979)	(1,265)	286	22.6%
2.3 Net profit for the period attributable to members	(2,942)	33	(2,975)	(9,015.2%)
2.4 Dividends (distributions)		Amount per security	Franking amount per security	Franked %
Special interim dividend (paid)		9.0 ¢	0.0 ¢	0.0
2.5 Record date for determining entitlements to the dividend	Not Applicable			
2.6 Commentary on "Results for Announcement to the Market"				

A brief explanation of any of the figures in 2.1 to 2.4 above, necessary to enable the figures to be understood, is contained in the attached Financial Report for the Half Year ended 30 June 2015.

3. Net Tangible Assets per Security

Half year ended	30 June 2015 cents	30 June 2014 cents	Increase / (Decrease)	
			cents	%
Net tangible assets per security	22.46	17.55	4.91	28.0%

4. Details of entities over which control has been lost during the period.

Name of entity	Date of loss of control	Contribution to profit from ordinary activities	
		30 June 2015 \$'000	30 June 2014 \$'000
OnCard Consulting Services Shanghai Ltd	1 June 2015	(648)	(95)
Yin Chang Information Technology Shanghai Co. Ltd	1 June 2015	(538)	(498)
Shanghai Yifutong Network Technology Co. Ltd	1 June 2015	-	-
Beijing All Payments Company Ltd	1 June 2015	(8)	(53)

5. Details of individual and total dividends or distributions and dividend or distribution payments.

Type	Record Date	Payment Date	Amount per Security	Total Dividend (\$)	Franked amount per security	Conduit foreign income per security
Special Interim	23 Feb 2015	20 Mar 2015	9.0 cents	15,711,560	0.0%	9.0 cents

6. Details of any dividend distribution reinvestment plans.

Not Applicable.

7. Details of any associates and joint venture entities

Name of entity	Ownership		Contribution to profit from ordinary activities	
	30 June 2015 %	30 June 2014 %	30 June 2015 \$'000	30 June 2014 \$'000
Beijing All Payments Company Ltd	-	80.2	(8)	(53)
Shanghai Smart Service Co. Ltd	-	50.0	-	1,944

The Group disposed of its interest in Beijing All Payments Company Ltd on 1 June 2015 while it disposed of its interest in Shanghai Smart Service Co. Ltd in a previous financial year.

8. Foreign Entities, Accounting Standards used in compiling the report

Not applicable.

9. Audit / Review of Accounts upon which this report is based and qualification of audit / review

The financial report has been subject to review and is not subject to any dispute or qualification.



ONCARD INTERNATIONAL LIMITED

ACN 084 800 902

**Interim Financial Report for the Half Year Ended
30 June 2015**

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Your Directors submit the consolidated interim financial statements of OnCard International Limited ("OnCard" or the "Company") and its controlled entities (the "Group") for the half year ended 30 June 2015. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS AND OFFICERS

The names and particulars of the Directors and Officers of the Company in office at any time during or since the end of the period are as follows:

Hugh Robertson	Non-Executive Director and Chairman (Appointed 21 February 2014)
Tony Robinson	Managing Director (Appointed 29 May 2014)
Ashley Killick	Executive Director (Appointed 29 June 2015) and Chief Financial Officer
Ross Burney	Non-Executive Director (Appointed 17 May 2010, Resigned 30 June 2015)
Mark Licciardo	Joint Company Secretary (Appointed 23 December 2014)
Matthew Rowe	Joint Company Secretary (Appointed 23 December 2014)

REVIEW AND RESULTS OF OPERATIONS

Principal Activities

Historically, the Group's principal activity has been the provision of Loyalty and Payment & Rewards solutions. There has been a significant change in these activities during the period with various operations being closed and entities sold.

China

As announced on 20 January 2015, following the sale of OnCard's interest in Shanghai Smart Service Co. Ltd ("SmartPASS"), a strategic review of the Company's residual Chinese businesses was completed. A decision was made to cease funding other investments in China, made by the Company, and to exit the Chinese businesses on the basis that the Directors believe that:

- The businesses are likely to require material ongoing investment to make them profitable; and
- The potential returns are uncertain, may not materialise for some time and are unlikely to be material.

The Company commenced implementing these changes during the current reporting period. On 1 June 2015, the Group disposed of its interest in the following entities that comprise the Chinese businesses:

- OnCard Consulting Services Shanghai Ltd
- Yin Chang Information Technology Shanghai Co. Limited
- Shanghai Yifutong Network Technology Co. Limited
- Beijing All Payments Company Ltd

As a result of this, the Group has ceased operating in China.

In the operating result for the half year ended 30 June 2015, the Group reported a loss on the disposal of these entities of \$1.9 million.

Singapore

Following a decision made in 2014, the Singapore office has been closed and the staff made redundant. Although the Buffet Club Singapore operations ceased taking memberships last year, there will be a period of "running off" the existing book. The entity, OnCard Pte. Ltd., was placed into Voluntary Liquidation on 8 July 2015 to facilitate this.

REVIEW AND RESULTS OF OPERATIONS *cont.*

Marketsmart

This business unit operates the MarketSmart loyalty system servicing a single customer. The Company has been advised by the customer that it will no longer require the service after 30 June 2015. Management are currently exploring other options and opportunities for this business.

Hong Kong

As a result of the decision to cease the Chinese operations, the Hong Kong office has been closed and one staff member retained to facilitate the winding up of the remaining activities.

Operating Results and Financial Position

The Group's net profit after tax from continuing operations for the half year, was a loss of \$0.977 million, compared to a loss of \$1.267 million in the previous corresponding period. The Group's loss from discontinued operations for the half year, was a loss of \$1.963 million, compared to a profit of \$1.298 million in the previous corresponding period. This was predominantly the result of the Group selling its interest in SmartPASS in 2014 and closing down its remaining Asian operations in the current reporting period.

During the current reporting period, cash decreased by \$49.980 million to \$5.351 million compared with \$55.331 million at 31 December 2014. Significant disbursements included the dividend of \$15.7 million paid to shareholders in March 2015 and the share buyback of \$33.8 million that occurred in June 2015.

The net assets of the Group decreased by \$52.672 million to \$4.687 million at 30 June 2015 compared with \$57.359 million at 31 December 2014 reflecting the loss for the period, the dividend paid and the share buyback. This net asset backing equates to 22.46 cents per share.

Legal Claim

As detailed in the 2014 Annual Report, the Company had been formally advised of a claim arising from a contract for the sale of SmartPASS and had provided \$300,000 for costs associated with either defending or settling the claim. During the current reporting period, this claim was resolved in full with the Company paying the claimant \$250,000.

SUBSEQUENT EVENTS

Although the operating entity for the Singapore operations, OnCard Pte. Ltd., was placed into Voluntary Liquidation on 8 July 2015, the decision to close this operation was made in the previous financial year and a provision was made at 31 December 2014 to facilitate this. A reassessment of the adequacy of the provision was undertaken at 30 June 2015 and management believed that it was sufficient to cover the potential costs of closing this operation.

Following the decision to exit the Asian operations, the Board has been investigating other investment opportunities for the Company to undertake. As part of this process, Management have commenced discussions with a party to acquire their business. These discussions, however, remain at an early stage and are currently commercially sensitive. Consequently, no formal agreements have been entered into and at the date of this report there is still some uncertainty about whether or how quickly these discussions will result in any transaction.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration, under Section 370C of the *Corporations Act*, in relation to the review for the half-year ended 30 June 2015, is provided with this report.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' report and the half-year financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors.



Tony Robinson
Director

28 August 2015

DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF ONCARD INTERNATIONAL LIMITED

As lead auditor for the review of OnCard International Limited for the half-year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of OnCard International Limited and the entities it controlled during the period.



David Garvey
Partner

BDO East Coast Partnership

Melbourne, 28 August 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2015**

	Notes	30 June 2015 \$'000	30 June 2014 \$'000
Revenue from continuing operations		320	567
Other income		695	443
Total income		1,015	1,010
Selling and promotional costs		-	(256)
Employment & contractor expense		(1,387)	(1,379)
Occupancy costs		(74)	(75)
Amortisation and depreciation		(5)	(8)
Travel & accommodation		(21)	(25)
Legal and professional fees		(395)	(251)
Other expenses		(120)	(283)
Profit (loss) before income tax from continuing operations		(987)	(1,267)
Income tax benefit / (expense)		10	-
Profit (loss) after income tax from continuing operations		(977)	(1,267)
Profit (loss) from discontinued operations	3	(1,963)	1,298
Net profit (loss)		(2,940)	31
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of discontinued operations		49	(874)
Exchange differences on translation of foreign operations		(48)	(118)
Total other comprehensive income, net of tax		1	(992)
Total comprehensive income, net of tax		(2,939)	(961)
Profit (loss) is attributable to:			
Non-controlling interest		2	(2)
Owners of OnCard International Limited		(2,942)	33
		(2,940)	31
Total comprehensive income for the period is attributable to:			
Non-controlling interest		2	(2)
Owners of OnCard International Limited		(2,941)	(959)
		(2,939)	(961)
Basic earnings per share from continuing operations (cents per share)		(1.73) Cents	0.02 Cents
Diluted earnings per share from continuing operations (cents per share)		(1.73) Cents	0.02 Cents

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Notes	30 June 2015 \$'000	31 Dec 2014 \$'000
Current assets			
Cash and cash equivalents		5,351	55,331
Trade and other receivables		44	259
Other financial assets		-	2,754
Other current assets		78	251
Total current assets		5,473	58,595
Non-current assets			
Property, plant and equipment		-	52
Total non-current assets		-	52
Total assets		5,473	58,647
Current liabilities			
Trade and other payables		586	746
Current tax payable		-	7
Provisions		200	535
Total current liabilities		786	1,288
Non-current liabilities			
Deferred tax liability		-	-
Total non-current liabilities		-	-
Total liabilities		786	1,288
Net assets		4,687	57,359
Equity			
Contributed equity	5	4,700	38,516
Reserve		327	375
Retained earnings (deficit)		(340)	18,265
Total parent entity interest		4,687	57,156
Non – controlling interest		-	203
Total equity		4,687	57,359

The above consolidated statement of financial position is to be read in conjunction with the attached notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2015**

	Contributed Equity	Retained Earnings	Foreign Currency Translation Reserve	Non- Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2014	39,672	6,323	799	207	47,001
Profit for the period	-	33	-	(2)	31
Other comprehensive income	-	-	(992)	-	(992)
Total comprehensive income for the period	-	33	(992)	(2)	(961)
Transactions with owners in their capacity as owners:	-	-	-	-	-
As at 30 June 2014	39,672	6,356	(193)	205	46,040
At 1 January 2015	38,516	18,265	375	203	57,359
Profit for the period	-	(2,942)	-	2	(2,940)
Other comprehensive income	-	49	(48)	-	1
Total comprehensive income for the period	-	(2,893)	(48)	2	(2,939)
Transactions with owners in their capacity as owners:					
Non-controlling interest	-	-	-	(205)	(205)
Share buy-back purchases	(33,816)	-	-	-	(33,816)
Dividends to equity holders	-	(15,712)	-	-	(15,712)
	(33,816)	(15,712)	-	(205)	(49,733)
As at 30 June 2015	4,700	(340)	327	-	4,687

The above consolidated statement of changes in equity is to be read in conjunction with the attached notes.

ONCARD INTERNATIONAL LIMITED
(ACN 084 800 902)
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2015



	Notes	30 June 2015 \$'000	30 June 2014 \$'000
Cash flows from operating activities			
Receipts from customers		816	1,981
Payments to suppliers and employees		(3,479)	(3,638)
Interest received		679	372
Income taxes received (paid) in overseas jurisdictions		3	33
Net cash flows used in operating activities		(1,981)	(1,252)
Cash flows from investing activities			
Loans advanced		-	(41)
Payments for property plant and equipment		-	(12)
Payments for intangible assets		-	(177)
Proceeds from sale of financial assets		2,751	-
Settlement of litigation claim		(250)	-
Net cash foregone from disposal of subsidiaries	3	(944)	-
Net cash flows (used in) / provided by investing activities		1,557	(230)
Cash flows from financing activities			
Share Buy-back purchases	5	(33,816)	-
Dividends to equity holders	6	(15,712)	-
Net cash flows (used in) / provided by financing activities		(49,528)	-
Net (decrease) / increase in cash held		(49,952)	(1,482)
Cash and cash equivalents at beginning of period		55,331	21,668
Effects of exchange changes on the balances held in foreign currencies		(28)	(89)
Cash and cash equivalents at the end of period		5,351	20,097

The above consolidated statement of cashflows is to be read in conjunction with the attached notes.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and accounting policies

This general purpose financial report for the half year ended 30 June 2015 has been prepared, in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*', for the Company and its controlled entities as a consolidated group (the "Group"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the period ended 31 December 2014 and considered together with any public announcements made by OnCard during the half year ended 30 June 2015 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Adoption of new and revised accounting standards

The Group has adopted applicable new and amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective as of 1 January 2015. There has been no significant impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards and Interpretations.

The Group has elected not to early adopt any other new Standards or amendments that are issued but not yet effective.

Rounding amounts

The Company is of a kind referred to in ASIC Class Order Co 98/100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

NOTE 2 - SEGMENT INFORMATION

	Loyalty		Payments & Rewards		Corporate	Total
	Asia	China	Australia/ NZ	China		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Half-year to 30 June 2015						
Total segment revenue	10	64	232	2	797	1,105
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	10	64	232	2	797	1,105
Profit /(loss) before tax	(79)	(357)	142	(9)	(2,647)	(2,950)
Income tax (expense)/benefit	10	-	-	-	-	10
Profit / (loss)after tax	(69)	(357)	142	(9)	(2,647)	(2,940)
Half-year to 30 June 2014						
Total segment revenue	365	663	222	2,348	423	4,021
Inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	365	663	222	2,348	423	4,021
Profit /(loss) before tax	(54)	147	134	929	(1,149)	7
Income tax (expense)/benefit	-	(17)	-	41	-	24
Profit / (loss)after tax	(54)	130	134	970	(1,149)	31
Total segment assets						
30 June 2015	15	-	427	-	5,031	5,473
31 December 2014	178	1,374	1,287	705	55,103	58,647

The Board assesses the performance of the operating segments based upon a measure of Profit after tax. This measurement basis excludes the effects of non-recurring expenditure from operating costs.

Business Segment Review for the Period

The Group's business has historically been segmented by the products it provides; being Loyalty and Payment Solutions & Rewards. Management has determined these operating segments based upon reports reviewed by the Board and executive management that are used to make strategic decisions. The Board considers the business from both a business unit and geographic perspective and has therefore identified five reportable segments.

The Loyalty segment sold memberships which provided discounted dining and entertainment. In China, this segment incorporated Buffett Club Shanghai and Enjoy. These operations ceased selling memberships in the previous financial year and with the sale of the Chinese entities no longer form part of the Group.

The Loyalty segment in Asia incorporates Buffet Club Singapore which ceased selling memberships in the previous financial year and is currently being liquidated.

The Payments & Rewards Australia/NZ segment consists of the MarketSMART loyalty system which provided services to a significant customer which in turn manages customer loyalty programmes. The customer has advised the Company that it will no longer require this service after 30 June 2015. Management are currently exploring other options to maximise the return to shareholders from this venture.

The Payments & Rewards China segment primarily included the Group's interest in the SmartPass joint venture which was accounted for using the equity method. This interest was sold in the previous financial year and the remaining activities sold as part of the disposal of the Chinese entities.

Corporate includes all costs which are not attributable to the Loyalty and Payments & Rewards segments.

NOTE 3 – DISCONTINUED OPERATIONS

(a) Description

On 20 January 2015, the Company announced that the Board, having received and considered the results of the strategic review, had decided to close the Chinese business operations on the basis that the Directors believed:

- the businesses are likely to require material ongoing investment to make them profitable; and
- the potential returns are uncertain, may not materialise for some time and are unlikely to be material.

On 1 June 2015, the Company entered into contracts to sell the following entities and as such has reported in the financial statements for the half year ending 30 June 2015 as discontinued operations:

- OnCard Consulting Services Shanghai Ltd
- Yin Chang Information Technology Shanghai Co. Limited
- Shanghai Yifutong Network Technology Co. Limited
- Beijing All Payments Company Ltd

As the Company sold its interest in the SmartPass joint venture, in September 2014, the results of this operation, during the half year ended 30 June 2014, have been reclassified to discontinued operations.

Financial Information relating to the discontinued operation for the period to the date of disposal is set out below.

(b) Financial Performance and cash flow information

	30 June 2015	30 June 2014
	\$'000	\$'000
Revenue	90	1,066
Share of profits of investments accounted for using the equity method	-	1,944
Expenses	(1,284)	(1,736)
Profit before income tax	(1,194)	1,274
Income tax expense	-	24
Profit (loss) after income tax of discontinued operation	(1,194)	1,298
Loss on sale of discontinued operation after income tax (refer (c) below)	(769)	-
Profit (loss) from discontinued operations	(1,963)	1,298
Net cash inflow (outflow) from ordinary activities	(367)	(483)
Net cash inflow (outflow) from investing activities	-	-
Net cash inflow (outflow) from financing activities ¹	(944)	-
Net cash inflow (outflow)	(1,311)	(483)

Note:

1. Net cash inflow (outflow) from financing activities includes the cash paid to purchaser and the cash foregone on disposal of these operations.

(c) Details of the sale of the discontinued operation

	30 June 2015	30 June 2014
	\$'000	\$'000
Disposal costs and payments to purchaser	(445)	-
	<u>(445)</u>	<u>-</u>
Cash	499	-
Trade and other receivables	1	-
Other current assets	137	-
Other payables	(108)	-
Outside equity interest	(205)	-
	<u>324</u>	<u>-</u>
Carrying amount of net assets sold		
	<u>(769)</u>	<u>-</u>
Loss on sale of discontinued operation		

NOTE 4 - INVESTMENTS IN CONTROLLED ENTITIES

Name of entity	Country of incorporation	Class of shares	Equity holding 2015 %	Equity holding 2014 %
Marketsmart International Pty Limited	Australia	Ordinary	100.0	100.0
OnCard Limited	Hong Kong	Ordinary	100.0	100.0
OnCard China (Hong Kong) Limited	Hong Kong	Ordinary	100.0	100.0
OnCard Rewards Limited	Hong Kong	Ordinary	100.0	100.0
Consolidated Payment Services Limited	Hong Kong	Ordinary	100.0	100.0
Payment Services China Limited ¹	Hong Kong	Ordinary	100.0	100.0
Payment Services China Number 2 Limited ¹	Hong Kong	Ordinary	100.0	100.0
OnCard Pte Ltd ²	Singapore	Ordinary	100.0	100.0
OnCard Consulting Services Shanghai Ltd ³	China	Ordinary	0.0	100.0
Yin Chang Information Technology Shanghai Co. Limited ⁴	China	Ordinary	0.0	100.0
Shanghai Yifutong Network Technology Co. Limited ⁴	China	Ordinary	0.0	100.0
Beijing All Payments Company Ltd ⁵	China	Ordinary	0.0	80.2

- 1: Payment Services China Limited and Payment Services China Number 2 Limited are wholly owned by Consolidated Payment Services Limited.
- 2: OnCard Pte Ltd is a wholly owned subsidiary of OnCard Limited and was placed into Voluntary Administration on 8 July 2015.
- 3: OnCard Consulting Services Shanghai Ltd, was a wholly owned subsidiary of OnCard China (Hong Kong) Limited, that was sold on 1 June 2015.
- 4: Yin Chang Information Technology Shanghai Co Limited and Shanghai Yifutong Network Technology Co Limited were wholly owned subsidiaries of Payment Services China Limited that were sold on 1 June 2015.
- 5: Beijing All Payments Company Ltd is a controlled subsidiary of Payment Services China Limited that was sold on 1 June 2015.

NOTE 5 - ISSUED CAPITAL

	30 June 2015 Number	31 Dec 2014 Number	30 June 2015 \$'000	31 Dec 2014 \$'000
Opening balance	174,572,890	174,572,890	38,516	38,516
Share buyback - 26 June 2015	(153,709,376)	-	(33,816)	-
Closing balance	20,863,514	174,572,890	4,700	38,516

NOTE 6 – DIVIDENDS AND DISTRIBUTIONS

Dividends paid or declared during the half year ended 30 June were:

	30 June 2015	31 Dec 2014
Ordinary shares		
Interim dividend of 9 cents per share, unfranked, paid 20 March 2015	15,711,560	-
Conduit foreign income ("CFI") component		
Interim dividend of 9 cents per share, unfranked, paid 20 March 2015	100.0%	-

NOTE 7 - CONTINGENT LIABILITIES

There were no contingent liabilities at either 30 June 2015 or 31 December 2014.

NOTE 8 - SUBSEQUENT EVENTS

Following a decision made in 2014, the Singapore office has been closed and the staff made redundant. Although the Buffet Club Singapore operations ceased taking memberships last year, there will be a period of "running off" the existing book and this will continue through the current year. The entity, OnCard Pte. Ltd., was placed into Voluntary Liquidation on 8 July 2015 to facilitate this.

Following the decision to exit the Asian operations, the Board has been investigating other investment opportunities for the Company to undertake. As part of this process, Management have commenced discussions with a party to acquire their business. These discussions, however, remain at an early stage and are currently commercially sensitive. Consequently, no formal agreements have been entered into and at the date of this report there is still some uncertainty about whether or how quickly these discussions will result in any transaction.

In the Directors' opinion:

- a. the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial half-year ended on that date; and
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Tony Robinson
Director

28 August 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of OnCard International Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of OnCard International Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of OnCard International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of OnCard International Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of OnCard International Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO East Coast Partnership

A handwritten signature in blue ink, appearing to read 'David Garvey', is written over a faint, stylized 'BDO' logo.

David Garvey
Partner

Melbourne, 28 August 2015

Board of Directors

Hugh Robertson (Chairman and Non-Executive Director)
Antony Robinson (Managing Director)
Ashley Killick (Executive Director)

Company Secretaries

Mark Licciardo
Matthew Rowe

Registered Office

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Principal Place of Business

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Postal Address

GPO Box 2334
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Share Registry

Advanced Share Registry Services
Unit 2, 150 Stirling Highway
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Telephone: +61 8 9389 8033
Facsimile: +61 8 9389 7871

Auditor

BDO East Coast Partnership
Level 14, 140 William Street
MELBOURNE VICTORIA 3000 AUSTRALIA

Solicitors

Norton Gledhill
Level 23, 459 Collins Street
MELBOURNE VICTORIA 3000 AUSTRALIA

Bankers

Australia & New Zealand Banking Group

Stock Exchange Listing

OnCard International Limited shares are listed on the Australian Securities Exchange, code ONC.