

## 1. Company details

Name of entity:	Ensogo Limited
ACN:	165 522 887
Reporting period:	For the half-year ended 30 June 2016
Previous period:	For the half-year ended 30 June 2015

## 2. Results for announcement to the market

<b>Consolidated</b>	<b>30/06/2016</b>	<b>30/06/2015</b>		
	<b>\$</b>	<b>Restated*</b>		<b>Movement</b>
		<b>\$</b>		
Revenues from ordinary activities	4,052,565	7,368,909	Down	45%
Loss from ordinary activities after tax attributable to the owners of Ensogo Limited	(40,892,128)	(40,389,989)	Up	1%
Gain / (Loss) from discontinued operation	14,898,839	(1,319,276)	Up	1,229%
Loss for the half-year attributable to the owners of Ensogo Limited	(25,993,289)	(41,709,265)	Down	38%
<u>Additional information</u>				
Significant items before tax	(29,704,315)	(31,854,330)	Down	6.75%
Loss from continuing operations before tax excluding significant items	(11,173,982)	(9,055,301)	Up	23%
Loss from continuing operations after tax excluding significant items	(11,187,813)	(8,535,659)	Up	31%

\* The prior period results have been restated to present the comparative financial results of the discontinued operation. See note on Significant Items below.

### *Dividends*

There were no dividends paid, recommended or declared during the current half-year period.

### *Significant items*

The significant items refer to:

#### Half year ended 30/06/2016

During the half year, the Company ceased its operation of flash sales and marketplace businesses in Southeast Asia. The Company also informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. On 28 June 2016, provisional liquidators of Buy Together Hong Kong Limited ("BTHK") were formally appointed by the Court in Hong Kong. Effective from that date, the affairs of BTHK have been handled by the provisional liquidators. Consequently, the loss of control led to the presentation of BTHK as a discontinued operation and an impairment charge of \$26,170,389 on receivables from BTHK and its subsidiaries. The remaining impairment loss comprises \$780,266 from trade receivables, \$702,302 from investment classified as available for sale, \$613,109 from intangibles, \$1,060,984 from other receivables, and \$377,265 from deposits and prepayment.

#### Half year ended 30/06/2015

An impairment charge of \$31,854,330 (30 June 2014: Nil) was recognised in respect of the goodwill and intangible assets arising from the business combinations related to the Group's operations in Indonesia, Philippines, Malaysia and Singapore. The loss for the group after providing for income tax excluding the impairment charge of \$31,854,330 amounted to \$9,854,935 (30 June 2014: \$6,658,283).

### 3. Net tangible assets

	30/06/2016 Cents	31/12/2015 Cents
Net tangible assets per ordinary security	<u>(28.08)</u>	<u>38.19</u>

### 4. Dividends

#### *Current period*

There were no dividends paid, recommended or declared during the current half-year period.

#### *Previous period*

There were no dividends paid, recommended or declared during the previous corresponding half-year period.

### 5. Audit qualification or review

The financial statements were subject to a review by the auditors. The auditors review report contains a disclaimer of opinion regarding obtaining sufficient and appropriate review evidence for the subsidiaries which have been places in administration prior to, or post 30 June 2016. The review report is attached as part of the Interim Report.

### 6. Attachments

The Interim Report of Ensogo Limited for the half-year ended 30 June 2016 is attached.

### 7. Signed

Signed Sam Weiss

Date: 29 August 2016

# **Ensogo Limited**

**ACN 165 522 887**

## **Interim Report - 30 June 2016**

Directors	Sam Weiss Lucas Elliott Patrick Grove Erman Akinci Nick Geddes David Gu
Company secretary	Mark Licciardo
Registered office	Level 7, 330 Collins Street Melbourne VIC 3000 Tel: +61 3 8689 9997
Share register	Computershare Investor Services Pty Ltd Yarra Falls, 452 Johnston Street Abbotsford VIC 3067 Tel: 1300 295 246 or +61 3 9415 4104
Auditor	PricewaterhouseCoopers Freshwater Place, 2 Southbank Boulevard Southbank VIC 3006
Solicitors	Herbert Smith Freehills 101 Collins Street Melbourne VIC 3000
Stock exchange listing	Ensogo Limited shares are listed on the Australian Securities Exchange (ASX code: E88)
Website	<a href="http://www.ensogo.com">www.ensogo.com</a>

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of Ensogo Limited (referred to hereafter as the "Company" or "parent entity") and the entities it controlled at the end of, or during, the half-year ended 30 June 2016.

### **Directors**

The following persons were directors of Ensogo Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Sam Weiss  
Lucas Elliott  
Patrick Grove  
Ermann Akinci  
Nick Geddes  
David Gu  
Thomas Baum (Resigned on 16 June 2016)  
Frederique Covington (Appointed on 23 March 2016; resigned on 20 May 2016)

### **Principal activities**

The principal activity of Ensogo Limited during the half-year period was the provision of e-Commerce business. Headquartered in Singapore with operations in Hong Kong, Singapore, Malaysia, Philippines, Indonesia and Thailand, the Group provided products and services for sale to customers in South East Asia and Hong Kong. The Group ceased its provision of e-Commerce business in all locations effective 21 June 2016.

### **Significant changes in the state of affairs**

Following the collective decision of the Board of Directors, the Company ceased its operation of flash sales and marketplace businesses in Southeast Asia during the period.

On 17 June 2016, the Company requested that the Australian Securities Exchange place all its securities in a Trading Halt Session State pending the release of a material announcement. Subsequently, on 20 June 2016 the Company informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. On 21 June 2016, the Company requested that its securities be suspended from official quotation in accordance with Listing Rule 17.2 until the Company is in a position to satisfy the requirements of the Listing Rules for reinstatement of its securities to trading.

Further details regarding the status of the Company's cessation of e-commerce operations are presented in Note 1 of the Financial Statements.

### **Review of operations**

The Group recorded revenue of \$4,052,565, during the period compared to \$7,368,909 in the previous corresponding period after deconsolidation of Buy Together Hong Kong group following the appointment of provisional liquidators. All other subsidiaries remain consolidated on 30 June 2016 as liquidators were appointed after this date. The loss for the Group, after providing for income tax was \$25,993,289 (30 June 2015: \$41,709,265, which included the impairment of goodwill and intangible assets arising from the business combinations related to the Group's operations in Indonesia, Philippines, Malaysia and Singapore of \$31,854,330).

Cash Receipts from operating activities were \$33,413,190 (30 June 2015: \$52,985,170). The cash position decreased to \$10,399,197 as opposed to an increase to \$45,610,131 in the previous corresponding period.

### **Matters subsequent to the end of the half-year ended 30 June 2016**

On 1 August 2016, the Company announced that it had appointed Ernst & Young Solutions LLP ("EY Solutions") to coordinate and implement the liquidation of the majority of its subsidiaries which conducted the Company's flash sales and marketplace businesses in Southeast Asia. In this regard, the Company entered into an engagement agreement with EY Solutions on 26 July 2016 governing the coordination of the liquidation process across all jurisdictions and a deed of guarantee with EY Solutions on 27 July 2016.

The Company has also entered into several other agreements with the express purpose of facilitating the eventual liquidation of its operating subsidiaries, details of which are disclosed in Note 1 of the Financial Statements.

**Likely developments and expected results of operations**

The Company will continue the process of appointing liquidators to all overseas operations and will work with the liquidators to complete the winding-ups.

The withdrawal of financial support for its Asian operating subsidiaries followed progressively by the loss of management control as liquidators or administrators are appointed in each respective countries, means that the Company no longer has any active consumer-facing operations. The Board of Directors is evaluating various paths available to the Company and will continue to do so over the coming months.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

**Audit Report**

The Company's auditor has included a disclaimer of review conclusion in their review report. Refer to page 22 to 23 for this report.

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

On behalf of the directors



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Sam Weiss  
Non-Executive Director

29 August 2016



## Auditor's Independence Declaration

As lead auditor for the review of Ensogo Limited for the half-year ended 30 June 2016, 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 Ensogo Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'S.P. #A'.

Jon Roberts  
Partner  
PricewaterhouseCoopers

Melbourne  
29 August 2016

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## **General information**

The financial statements cover Ensogo Limited as a group consisting of Ensogo Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Ensogo Limited's functional and presentation currency.

Ensogo Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### **Registered office**

Level 7, 330 Collins Street  
Melbourne  
VIC 3000  
Australia

### **Principal place of business**

2 Kalang Avenue  
CT Hub #03-09  
Singapore 339407

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 August 2016.



**Ensogo Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2016**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30/06/2016</b>	<b>30/06/2015</b>
		<b>\$</b>	<b>Restated *</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	3	4,052,565	7,368,909
Other income	4	259,543	204,354
<b>Expenses</b>			
Depreciation and amortisation		(319,294)	(3,884,974)
Impairment of assets		(29,704,315)	(31,854,330)
Cost of sales		(1,706,195)	(1,271,072)
Marketing		(2,266,687)	(1,243,963)
Administration		(10,713,101)	(8,966,077)
Other expenses		(480,813)	(1,262,478)
<b>Loss before income tax benefit</b>		(40,878,297)	(40,909,631)
Income tax (expense) / benefit		(13,831)	519,642
<b>Loss from continuing operations</b>		(40,892,128)	(40,389,989)
Gain / (Loss) from discontinued operation	12	14,898,839	(1,319,276)
<b>Loss after income tax expense for the half-year attributable to the owners of Ensogo Limited</b>		<u>(25,993,289)</u>	<u>(41,709,265)</u>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(820,536)	100,797
Other comprehensive income for the half-year, net of tax		(820,536)	100,797
<b>Total comprehensive income for the half-year attributable to the owners of Ensogo Limited</b>		<u>(26,813,825)</u>	<u>(41,608,468)</u>
<b>Earnings per share:</b>			
<u>On total net loss attributable to the ordinary equity holders of the Company</u>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	11	(68.17)	(155.65)
Diluted earnings per share	11	<u>(68.17)</u>	<u>(155.65)</u>
<u>On net loss from continuing operations attributable to the ordinary equity holders of the Company</u>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	11	(107.24)	(150.73)
Diluted earnings per share	11	<u>(107.24)</u>	<u>(150.73)</u>

\* The prior period financial results have been restated to present the comparative financial result of the discontinued operation.

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

		<b>Consolidated</b>	
	<b>Note</b>	<b>30/06/2016</b>	<b>31/12/2015</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		10,399,197	29,006,641
Trade and other receivables	5	-	1,795,261
Inventories		171,980	1,571,440
Others		246,664	1,744,248
Total current assets		<u>10,817,841</u>	<u>34,117,590</u>
<b>Non-current assets</b>			
Receivables		-	2,846,915
Available-for-sale financial assets		-	685,899
Property, plant and equipment		482,111	917,152
Intangibles	6	-	811,826
Others		7,825	45,814
Total non-current assets		<u>489,936</u>	<u>5,307,606</u>
<b>Total assets</b>		<u>11,307,777</u>	<u>39,425,196</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	21,733,868	24,060,597
Provisions		247,129	194,719
Total current liabilities		<u>21,980,997</u>	<u>24,255,316</u>
<b>Non-current liabilities</b>			
Deferred tax		-	-
Provisions		11,757	11,516
Total non-current liabilities		<u>11,757</u>	<u>11,516</u>
<b>Total liabilities</b>		<u>21,992,754</u>	<u>24,266,832</u>
<b>Net (liabilities) / assets</b>		<u>(10,684,977)</u>	<u>15,158,364</u>
<b>Equity</b>			
Issued capital	8	163,083,293	162,112,809
Reserves		(84,355)	736,181
Accumulated losses		<u>(173,683,915)</u>	<u>(147,690,626)</u>
<b>Total equity</b>		<u>(10,684,977)</u>	<u>15,158,364</u>

**Ensogo Limited**  
**Statement of changes in equity**  
**For the half-year ended 30 June 2016**



<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Foreign currency Reserve \$</b>	<b>Accumulated losses \$</b>	<b>Non-controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 January 2016	162,112,809	736,181	(147,690,626)	-	15,158,364
Loss after income tax benefit for the half-year	-	-	(25,993,289)	-	(25,993,289)
Other comprehensive income for the half-year, net of tax	-	(820,536)	-	-	(820,536)
Total comprehensive income for the half-year	-	(820,536)	(25,993,289)	-	(26,813,825)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	970,484	-	-	-	970,484
Balance at 30 June 2016	<u>163,083,293</u>	<u>(84,355)</u>	<u>(173,683,915)</u>	<u>-</u>	<u>(10,684,977)</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Foreign currency Reserve \$</b>	<b>Accumulated losses \$</b>	<b>Non-controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 January 2015	108,995,054	(788,686)	(67,933,211)	-	40,273,157
Loss after income tax benefit for the half-year	-	-	(41,709,265)	-	(41,709,265)
Other comprehensive income for the half-year, net of tax	-	100,797	-	-	100,797
Total comprehensive income for the half-year	-	100,797	(41,709,265)	-	(41,608,468)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	53,117,755	-	-	-	53,117,755
Balance at 30 June 2015	<u>162,112,809</u>	<u>(687,889)</u>	<u>(109,642,476)</u>	<u>-</u>	<u>51,782,444</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Ensogo Limited**  
**Statement of cash flows**  
**For the half-year ended 30 June 2016**



	<b>Consolidated*</b>	
	<b>30/06/2016</b>	<b>30/06/2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	33,413,190	52,985,170
Payments to suppliers and employees	(51,628,532)	(66,384,892)
	(18,215,342)	(13,399,722)
Interest received	128,267	17,732
Net cash used in operating activities	(18,087,075)	(13,381,990)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment and intangibles	(166,747)	(75,211)
Proceeds from disposal of property, plant and equipment	23,065	2,735
Net cash used in investing activities	(143,683)	(72,476)
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares	-	52,713,885
Net cash from financing activities	-	52,713,885
Net (decrease) / increase in cash and cash equivalents	(18,230,758)	39,259,419
Cash and cash equivalents at the beginning of the half-year	29,006,641	6,350,712
Cash and cash equivalents at the end of the half-year	10,775,883	45,610,131
Cash and cash equivalents as per statement of financial position	10,399,197	44,743,367
Included in the assets of the discontinued operations	376,686	866,764

\* The cash movements comprise cash flows of both continuing and discontinued operations.

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2015 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

### **New, revised or amending Accounting Standards and Interpretations adopted**

The principal accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year. The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

### **Basis of Preparation**

#### Going Concern

For the half-year period ended 30 June 2016, the Group incurred a total loss after income tax of \$25,993,289, and net cash outflows from operations of \$18,087,075. As of 30 June 2016, the Group held total cash and cash equivalents of \$10,399,197 and net current liabilities of \$11,163,156.

The Company held cash and cash equivalents of \$9,403,712, and net assets of \$7,832,292, excluding net amounts due from subsidiaries of \$36,504,109, comprising payables of \$4,161,908 and receivables of \$40,666,017.

Financial information of the Company and the Group are summarised below:

	<b>Company*</b>	<b>Group</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	9,403,712	10,399,197
Net current assets / (liabilities)	7,650,710	(11,163,156)
Net assets / (liabilities)	7,832,292	(10,684,977)
Net cash outflow from operations	<u>(1,874,586)</u>	<u>(18,087,075)</u>

\* Company entity financial information has been adjusted to exclude related party balances of \$36,504,109

On 17 June 2016, the Company requested that the Australian Securities Exchange place all its securities in a Trading Halt pending the release of a material announcement. Subsequently, on 20 June 2016 the Company informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. On 21 June 2016, the Company requested that its securities be suspended from official quotation in accordance with Listing Rule 17.2 until the Company was in a position to satisfy the requirements of the Listing Rules for reinstatement of its securities to trading.

On 1 August 2016, the Company announced that it had appointed Ernst & Young Solutions LLP ("EY Solutions") to coordinate and implement the liquidation of the majority of its subsidiaries which conducted the Company's flash sales and marketplace businesses in Southeast Asia. In this regard, the Company entered into an engagement agreement with EY Solutions on 26 July 2016 governing the coordination of the liquidation process across all jurisdictions and a deed of guarantee with EY Solutions on 27 July 2016 ("Deed") for the funding of the winding up process and coordination in the region. The total payable under the Deed by the Company is capped at SGD 1,000,000 (approximately AUD 986,000).

There is uncertainty related to the time taken, costs to be incurred, and any other potential liabilities the Company may be required to fund as the subsidiaries are liquidated.

**Note 1. Significant accounting policies (continued)**

***Status of the Asian Operating Subsidiaries***

**Buy Together Hong Kong Limited (“BTHK”)**

On 28 June 2016, Mr. Stephen Liu Yiu Keung, Ms. Koo Chi Sum and Mr. David Yen Ching Wai all from Ernst & Young Transactions Limited were appointed as the Provisional Liquidators of BTHK by the Court in Hong Kong. Effective from the date of the Provisional Liquidators’ appointment, the affairs of BTHK are handled by the Provisional Liquidators. As a result, Ensogo Limited no longer controls BTHK from this date and it is presented as a discontinued operation within these financial statements.

**Buy Together Retail Limited (“BTRL”)**

BTRL is a wholly owned subsidiary of BTHK (Provisional Liquidators Appointed). The Provisional Liquidators are presently deliberating on appropriate actions towards the affairs of BTRL.

**Buy Together Technology (Shenzhen) Limited (“BTSZ”)**

On 1 August 2016, Ensogo Limited entered into an engagement with Ernst & Young (China) Advisory Limited for the funding of the winding-up of BTSZ. The fees payable to Ernst & Young (China) Advisory Limited are capped at USD 148,000; however, there are additional costs associated with this solvent liquidation of approximately USD 170,000 which have been or will be paid including lease and employee termination costs and other professional fees. On 24 August 2016, BTHK, the sole shareholder of BTSZ, resolved that the company be dissolved, liquidated, and de-registered in accordance with the relevant laws and regulations of the People’s Republic of China (“PRC”) and that the Articles of Association of BTSZ be terminated. The Application for a Member Voluntary Liquidation will be filed with the appropriate PRC authorities by the end of August 2016. BTSZ is in the process of completing a solvent liquidation, after which point it will be deregistered.

**Ensogo Co. Limited**

On 27 July 2016, Ensogo Limited filed an application under the Thai Bankruptcy Act B.E. 2483 with the Bankruptcy Court in Bangkok, Thailand indicating its intention for Ensogo Co. Limited to commence a bankruptcy process. The application is scheduled to be heard by the Bankruptcy Court on 7 November 2016.

**Dealguru Holdings Pte Ltd (DG”) and Deal Travel Pte Ltd (“DT”)**

On 3 August 2016, Ee Meng Yen Angela and Aaron Loh Cheng Lee of EY Solutions were appointed as Provisional Liquidators of DG and DT, the Singapore operating subsidiaries. On 17 August 2016, at the Extraordinary General Meeting and creditors’ meetings of both DG and DT, the abovementioned officers were formally appointed as liquidators of DG and DT. Consequently, management ceased to have control over DG and DT or access to DG’s and DT’s books and records upon the appointment of the Provisional Liquidators.

**Ensogo Inc.**

On 16 August 2016, a Petition for Liquidation was filed on behalf of creditors with the Office of the Clerk of Court in the National Capital Regional Trial Court in Taguig City, Philippines. The petition requested that the Court issue a Liquidation Order, direct the election or appointment of a Liquidator to manage the liquidation of Ensogo Inc. and direct the removal of Ensogo Inc. from the registry of legal entities at the conclusion of the liquidation proceedings. The fees for the liquidator and other legal advice are not included under the Deed, and are currently estimated not to exceed PHP 7,000,000.00. Under Philippine law, the petitioning creditors are required to post a bond equivalent to their claim, although the court may exercise its discretion not to require petitioning creditors to post a bond, if Ensogo Inc. waives the bond requirement which is expected. Since the creditors in this case are all related parties, including Ensogo Limited, there is a possibility that additional funds will need to be deposited with the Court until the conclusion of the liquidation proceedings when they may be returned.

**Mydeal Sdn Bhd, Livingsocial Malaysia Sdn Bhd, Deal Mates Sdn Bhd and MyDeal Lifestyle & Travel Sdn Bhd**

In December 2014, operations conducted via Livingsocial Malaysia Sdn Bhd and Deal Mates Sdn Bhd were centralized in Mydeal Sdn Bhd and the former two entities were made dormant. Mydeal Lifestyle & Travel Sdn Bhd has remained dormant since its incorporation. The substantive operations of the Company in Malaysia conducted through Mydeal Sdn Bhd ceased on 8 April 2016 as part of a planned consolidation to Singapore. All Malaysian subsidiaries are in the process of engaging Ernst & Young Malaysia to undertake their winding up.

**PT. Living Social**

The substantive operations of PT. Living Social ceased on 8 April 2016 as part of a planned consolidation to Singapore. EY Solutions is coordinating the winding up of PT. Living Social under Indonesian law. No formal appointment has been made, but is imminent.

## **Note 1. Significant accounting policies (continued)**

### **Basis of Preparation (continued)**

#### *Going Concern (continued)*

As a result of the withdrawal of that support, all operations of the subsidiaries have ceased and the subsidiaries no longer have any operational employees. All operating subsidiaries have been placed in liquidation or are in the process of appointing liquidators, resulting in a loss of control by the Company. Due to the ongoing liquidation of these entities, the associated loss of control and the subsidiaries no longer having any operational employees, the Ensogo Limited head office team has used financial records, source documentation and supporting information from the subsidiary servers and associated IT systems to prepare the consolidated financial statements for the period ended 30 June 2016.

The continuing viability of the Company and its ability to continue as a going concern and meet its commitments as they fall due is dependent upon the following events occurring:

- Completion of the liquidation processes of the subsidiaries without the need for the Company to make material additional contributions; and
- Offsetting any liabilities of the Company to the subsidiaries against the receivable balances held by the Company from these subsidiaries.

As a result of these matters, there is material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and that it may be unable to realize its assets and liabilities in the normal course of the business. However, the Directors believe that the Company will be successful in the above matters and accordingly, have prepared the financial report on a going concern basis.

### **Note 2. Operating segments**

The Group is organised into geographical operating segments. These operating segments are based on internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The Company operates in only one business segment which is the e-Commerce segment.

The Company's reportable segments are Hong Kong, Singapore, Malaysia, Thailand, Indonesia and Philippines. Unallocated amounts relate to corporate operations which are not determined to be an operating segment.

#### *Major customers*

The group does not have a major customer that contributes 10% or more to its revenue for the current period.

	Hong Kong*	Singapore	Malaysia	Thailand	Indonesia	Philippines	Intersegment eliminations/ group unallocated	Continuing operation	Discontinued Operation**	Consolidated
<b>Consolidated – 30/06/2016</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>										
Segment assets	2,344	646,512	161,121	721,787	61,019	227,180	9,487,814	11,307,777	12,293,227	
Allocation of goodwill & intangibles	-	-	-	-	-	-	-	-	-	
<b>Total assets</b>	<u>2,344</u>	<u>646,512</u>	<u>161,121</u>	<u>721,787</u>	<u>61,019</u>	<u>227,180</u>	<u>9,487,814</u>	<u>11,307,777</u>	<u>12,293,227</u>	
<b>Liabilities</b>										
Segment liabilities	(326,577)	(3,235,540)	(3,930,907)	(6,371,131)	(742,537)	(4,646,236)	(2,739,826)	(21,992,754)	(30,419,601)	
<b>Total liabilities</b>	<u>(326,577)</u>	<u>(3,235,540)</u>	<u>(3,930,907)</u>	<u>(6,371,131)</u>	<u>(742,537)</u>	<u>(4,646,236)</u>	<u>(2,739,826)</u>	<u>(21,992,754)</u>	<u>(30,419,601)</u>	
Revenue	-	651,037	830,039	2,163,025	(498)	408,962	-	4,052,565	10,381,167	14,433,732
Expenses	-	(2,507,422)	(434,170)	(4,245,850)	(565,827)	(2,157,741)	(5,315,537)	(15,226,547)	(13,596,143)	(28,822,690)
Impairment of assets	(195,698)	(970,632)	(232,404)	(267,942)	(83,874)	(1,037,466)	(26,916,299)	(29,704,315)	(88,048)	(29,792,363)
<b>Loss before income tax expense</b>	<u>(195,698)</u>	<u>(2,827,017)</u>	<u>163,465</u>	<u>(2,350,767)</u>	<u>(650,199)</u>	<u>(2,785,245)</u>	<u>(32,231,836)</u>	<u>(40,878,297)</u>	<u>(3,303,024)</u>	<u>(44,181,321)</u>
Income tax expense	-	-	-	-	-	(13,831)	-	(13,831)	-	(13,831)
<b>Loss after income tax expense</b>	<u>(195,698)</u>	<u>(2,827,017)</u>	<u>163,465</u>	<u>(2,350,767)</u>	<u>(650,199)</u>	<u>(2,800,076)</u>	<u>(32,231,836)</u>	<u>(40,892,128)</u>	<u>(3,303,024)</u>	<u>(44,195,152)</u>
Gain on discontinued operation	-	-	-	-	-	-	18,201,863	-	18,201,863	18,201,863
<b>Loss after discontinued operation</b>	<u>(195,698)</u>	<u>(2,827,017)</u>	<u>163,465</u>	<u>(2,350,767)</u>	<u>(650,199)</u>	<u>(2,800,076)</u>	<u>(14,029,973)</u>	<u>(40,892,128)</u>	<u>14,898,839</u>	<u>(25,993,289)</u>

\* Included in the Hong Kong segment is the financial position of Ensogo Holdings Limited, a dormant investment holding entity incorporated in Hong Kong.

\*\* Includes the results and financial position of Buy Together Hong Kong Limited and its subsidiaries classified as a discontinued operation as at 28 June 2016, refer to Note 12 for further details.





	Hong Kong	Singapore	Malaysia	Thailand	Indonesia	Philippines	Intersegment eliminations/ group unallocated	Total	Continuing operation	Discontinued operation	Consolidated
<b>Consolidated – 30/06/2015</b>	\$	\$	\$	\$	\$	\$	\$	\$			
<b>Assets</b>											
Segment assets	8,517,793	2,490,285	1,011,539	2,251,285	148,387	1,431,559	42,053,251	57,904,099			
Allocation of goodwill & intangibles	11,015,581	-	1,871	9,077,414	133	-	109,509	20,204,508			
<b>Total assets</b>	<u>19,533,374</u>	<u>2,490,285</u>	<u>1,013,410</u>	<u>11,328,699</u>	<u>148,520</u>	<u>1,431,559</u>	<u>42,162,760</u>	<u>78,108,607</u>			
<b>Liabilities</b>											
Segment liabilities	8,165,478	4,664,777	5,092,708	4,355,465	666,883	2,929,160	451,692	26,326,163			
<b>Total liabilities</b>	<u>8,165,478</u>	<u>4,664,777</u>	<u>5,092,708</u>	<u>4,355,465</u>	<u>666,883</u>	<u>2,929,160</u>	<u>451,692</u>	<u>26,326,163</u>			
Revenue	21,737,583	2,732,504	728,666	2,953,502	167,798	786,439	-	29,106,492	7,368,909	21,737,583	29,106,492
Expenses	(24,901,320)	(2,364,519)	(3,029,238)	(3,484,578)	(1,068,676)	(2,081,850)	(2,550,888)	(39,481,069)	(16,424,210)	(23,056,859)	(39,481,069)
Impairment of assets	-	(15,299,010)	(9,874,374)	-	(2,556,406)	(4,124,540)	-	(31,854,330)	(31,854,330)	-	(31,854,330)
<b>Loss before income tax expense</b>	<u>(3,163,737)</u>	<u>(14,931,025)</u>	<u>(12,174,946)</u>	<u>(531,076)</u>	<u>(3,457,284)</u>	<u>(5,419,951)</u>	<u>(2,550,888)</u>	<u>(42,228,907)</u>	<u>(40,909,631)</u>	<u>(1,319,276)</u>	<u>(42,228,907)</u>
Income tax expense	-	-	-	-	-	-	519,642	519,642	519,642	-	519,642
<b>Loss after income tax expense</b>	<u>(3,163,737)</u>	<u>(14,931,025)</u>	<u>(12,174,946)</u>	<u>(531,076)</u>	<u>(3,457,284)</u>	<u>(5,419,951)</u>	<u>(2,031,247)</u>	<u>(41,709,265)</u>	<u>(40,389,989)</u>	<u>(1,319,276)</u>	<u>(41,709,265)</u>

### Note 3. Revenue

	Consolidated 30/06/2016	Consolidated 30/06/2015 Restated
	\$	\$
Sales of products	1,141,431	962,906
Provision on services	2,081,649	6,069,379
Other revenue	829,485	336,624
Revenue	<u>4,052,565</u>	<u>7,368,909</u>

### Note 4. Other income

	Consolidated 30/06/2016	Consolidated 30/06/2015 Restated
	\$	\$
Other	<u>259,543</u>	<u>204,354</u>

Other income mainly relates to government grants received during the period and interest income.

### Note 5. Current assets - trade and other receivables

	Consolidated 30/06/2016	Consolidated 31/12/2015
	\$	\$
Trade receivables	889,957	1,080,689
Less: Provision for impairment of trade receivables	<u>(889,957)</u>	<u>(204,438)</u>
	-	876,251
Other receivables	27,145,405	919,010
Less: Provision for impairment of other receivables	<u>(27,145,405)</u>	<u>-</u>
	-	919,010
	<u>-</u>	<u>1,795,261</u>

Other receivables at 30 June 2016 includes an amount due to Buy Together Hong Kong Limited of \$26,170,389 arising from reclassification from intercompany balances, as the entity was deconsolidated from the Group's statement of financial position following the loss of control upon the appointment of Ernst & Young Transactions Limited as provisional liquidator of the entity on 28 June 2016. These balances are now considered external third party receivables balances.

There are no past due balances as at 30 June 2016 that remain unprovided for.

**Note 6. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>30/06/2016</b>	<b>31/12/2015</b>
	<b>\$</b>	<b>\$</b>
Goodwill - at cost	87,347,741	87,347,741
Less: Impairment	(87,347,741)	(87,347,741)
	-	-
Customer lists - at cost	20,590,404	20,590,404
Less: Accumulated amortisation	(12,007,587)	(12,007,587)
Less: Impairment	(8,582,817)	(8,582,817)
	-	-
Brand names - at cost	725,000	725,000
Less: Accumulated amortisation	(414,136)	(414,136)
Less: Impairment	(310,864)	(310,864)
	-	-
Other intangible assets - at cost	1,222,276	1,063,718
Less: Accumulated amortisation	(522,167)	(251,892)
Less: Impairment	(700,109)	-
	-	811,826
	-	811,826

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current half-year period are set out below:

	Customer lists	Brand names	Goodwill	Other intangibles	Total
	\$	\$	\$	\$	\$
<b>Consolidated</b>					
Balance at 1 January 2016	-	-	-	811,826	811,826
Additions	-	-	-	2,140	2,140
Exchange differences	-	-	-	962	962
Impairment of assets	-	-	-	(700,109)	(700,109)
Write off	-	-	-	(10,161)	(10,161)
Amortisation expense	-	-	-	(104,658)	(104,658)
Balance at 30 June 2016	-	-	-	-	-

The group carries out impairment assessment on its intangible assets on an annual basis. However, on a periodic basis, the group will monitor for impairment triggers. Where there are impairment triggers, the group will then carry out a review to evaluate if the impairment triggers necessitate an impairment assessment. For the purposes of undertaking impairment testing, the group has determined its cash generating units (CGUs) as the smallest group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The CGUs to which intangible assets are attributable are by reference to the operating segments and areas of operation of the group.

During the current half-year period, all other intangibles were fully impaired as the software and development expenditure capitalised in the previous year were no longer in used following the decision and announcement of cessation of all business operations for its subsidiaries on 21 June 2016.

**Note 7. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>30/06/2016</b>	<b>31/12/2015</b>
	<b>\$</b>	<b>\$</b>
Trade payables	9,327,896	16,039,406
Deferred revenue	223,193	574,671
Accruals	3,049,550	3,830,782
Other payables	9,133,229	3,615,738
	<u>21,733,868</u>	<u>24,060,597</u>

Other payables at 30 June 2016 include an amount due to Buy Together Hong Kong Limited of \$6,187,001 arising from reclassification from intercompany balances, as the entity was deconsolidated from the Group's statement of financial position following the loss of control upon the appointment of Ernst & Young Transactions Limited as provisional liquidator of the entity on 28 June 2016. \$868,826 of the amounts due to Buy Together Hong Kong Limited are payable by Ensogo Limited, the remaining amounts are due from operating subsidiaries, these balances are now considered external third party payable balances.

**Note 8. Equity - issued capital**

	<b>Consolidated</b>			
	<b>30/06/2016</b>	<b>31/12/2015</b>	<b>30/06/2016</b>	<b>31/12/2015</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>39,128,220</u>	<u>37,566,978</u>	<u>163,083,293</u>	<u>162,112,809</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 January 2016	37,566,978		162,112,809
Issue of shares*	22 March 2016	485,242	\$2.00	970,484
Treasury shares**	12 May 2016	1,076,000		-
Share issue costs		-		-
Balance	30 June 2016	<u>39,128,220</u>		<u>163,083,293</u>

\* Shares were issued to certain employees for fulfilling contractual performance incentives.

\*\* Performance rights were offered to selected employees as part of the Ensogo Limited Employee Retention Plan. The rights are subject to a vesting condition that recipients be employed by the Company or a subsidiary as at 1 March 2017. Given the substantial probability that recipients will not be able to satisfy the vesting condition as all material subsidiaries are scheduled to be imminently wound-down, these shares are accounted for as treasury shares and no share-based compensation expense has been recognized.

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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.

*Share buy-back*

There is no current on-market share buy-back.

## **Note 9. Fair value measurement**

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

## **Note 10. Events after the reporting period**

On 17 June 2016 the Company requested that the Australian Securities Exchange place all its securities in a Trading Halt pending the release of a material announcement. Subsequently, on 20 June 2016 the Company informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. On 21 June 2016, the Company requested that its securities be suspended from official quotation in accordance with Listing Rule 17.2 until the Company is in a position to satisfy the requirements of the Listing Rules for reinstatement of its securities to trading.

On 1 August 2016, the Company announced that it had appointed Ernst & Young Solutions LLP ("EY Solutions") to coordinate and implement the liquidation of the majority of its subsidiaries which conducted the Company's flash sales and marketplace businesses in Southeast Asia. In this regard, the Company entered into an engagement agreement with EY Solutions on 26 July 2016 governing the coordination of the liquidation process across all jurisdictions and a deed of guarantee with EY Solutions on 27 July 2016 ("Deed") for the funding of the winding up process and coordination in the region. The total payable under the Deed by the Company is capped at SGD 1,000,000 (approximately AUD 986,000).

There is uncertainty related to the time taken, costs to be incurred, and any other potential liabilities the Company may be required to fund as the subsidiaries are liquidated.

Please refer to Note 1 for the current status of all operating subsidiaries.

## **Note 11. Earnings per share**

	<b>Consolidated</b>	
	<b>30/06/2016</b>	<b>30/06/2015</b>
	<b>Cents</b>	<b>Cents</b>
		<b>Restated</b>
<u>Basic earnings per share:</u>		
From continuing operations attributable to the ordinary equity holders of the Company	(107.24)	(150.73)
From discontinued operation	39.07	(4.92)
Total basic earnings per share attributable to the ordinary equity holders of the Company	<u>(68.17)</u>	<u>(155.65)</u>
	<b>Consolidated</b>	
	<b>30/06/2016</b>	<b>30/06/2015</b>
	<b>Cents</b>	<b>Cents</b>
<u>Diluted earnings per share:</u>		
From continuing operations attributable to the ordinary equity holders of the Company	(107.24)	(150.73)
From discontinued operation	39.07	(4.92)
Total diluted earnings per share attributable to the ordinary equity holders of the Company	<u>(68.17)</u>	<u>(155.65)</u>
	<b>Number</b>	<b>Number*</b>
		<b>Restated</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	38,131,865	26,796,137
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>38,131,865</u>	<u>26,796,137</u>

\* The number of shares at 30 June 2015 has been restated to reflect 20:1 shares consolidation exercise in December 2015.

**Note 11. Earnings per share (continued)**

	<b>Consolidated</b>	
	<b>30/06/2016</b>	<b>30/06/2015</b>
	<b>\$</b>	<b>\$</b>
<u>Reconciliations of earnings used in calculating earnings per share:</u>		
Profit / (Loss) attributable to the ordinary equity holders of the Company:		
From continuing operations	(40,892,128)	(40,389,989)
From discontinued operation	<u>14,898,839</u>	<u>(1,319,276)</u>
Loss after income tax attributable to the owners of the Company	<u>(25,993,289)</u>	<u>(41,709,265)</u>

**Note 12. Discontinued operation**

On 28 June 2016, Messrs Sammy Koo, David Yen and Stephen Lim from Ernst & Young Transactions Limited (Hong Kong) were appointed as provisional liquidators by the Court in Hong Kong for Buy Together Hong Kong Limited, a wholly owned subsidiary of the Group. As a result of this appointment the Group lost control of this subsidiary on that date and therefore has been presented as a discontinued operation at 30 June 2016.

The financial performance and cash flow information presented are for the period from 1 January 2016 to 28 June 2016 (2016 column) and the half year ended 30 June 2015.

	<b>30/06/2016</b>	<b>30/06/2015</b>
	<b>\$</b>	<b>\$</b>
Revenue	10,381,167	21,737,583
Expenses	<u>(13,684,191)</u>	<u>(23,056,859)</u>
Loss before income tax	(3,303,024)	(1,319,276)
Income tax expense	-	-
Loss after income tax of discontinued operation	(3,303,024)	(1,319,276)
Gain on loss of control of the subsidiary from the deconsolidation of net liabilities	<u>18,201,863</u>	-
Gain / (Loss) from discontinued operation	<u>14,898,839</u>	<u>(1,319,276)</u>
Exchange differences on translation of discontinued operation	<u>(75,489)</u>	-
Other comprehensive income from discontinued operation	<u>(75,489)</u>	-
Net cash (outflow) from operating activities	(6,548,531)	(3,682,521)
Net cash (outflow) from investing activities	-	(24,813)
Net cash (outflow) from financing activities	<u>6,159,766</u>	<u>3,552,442</u>
Net decrease in cash by the discontinued operation	<u>(388,765)</u>	<u>(154,892)</u>

## Note 12. Discontinued operation (continued)

### Details on the discontinued operation:

	30/06/2016 \$	30/06/2015 \$
Consideration received or receivable	-	-
Carrying amount of net assets (liabilities) for the discontinued operation	(18,126,374)	-
Gain before income tax and reclassification of foreign currency translation reserve	18,126,374	-
Reclassification of foreign currency translation reserve	75,489	-
Gain on discontinued operation	18,201,863	-

The carrying amounts of assets and liabilities as at date of loss of control (28 June 2016) are:

	28/06/2016 \$
Property, plant and equipment	121,098
Trade and other receivables	10,997,162
Cash and cash equivalents	376,686
Inventories	798,281
Total assets	12,293,227
Trade payables	3,646,527
Other payables	465,542
Amount owing to related parties	26,170,389
Accruals	137,143
Total liabilities	30,419,601
Net liabilities	18,126,374

## Note 13. Contingent Liabilities

The Group had contingent liabilities at 30 June 2016 in respect of:

### *Corporate Guarantees*

The Company entered into a deed of guarantee with Ernst & Young Solutions LLP on 27 July 2016 ("Deed") for the funding of the winding up process and coordination of the liquidation process for its Asian operating subsidiaries. The total potential payable under the Deed by the Company is capped at SGD 1,000,000, and provides recourse to Ernst & Young Solutions LLP should they not be able to recover agreed upon consideration from the assets of the companies in liquidation.

Additionally, on 1 August 2016 Ensogo Limited entered into an engagement with Ernst & Young (China) Advisory Limited for the funding of the winding-up of Buy Together Technology (Shenzhen) Limited. The fees payable to Ernst & Young (China) Advisory Limited are capped at USD 148,000.

A provision for these potential obligations has not been recognized, as this agreement was entered into after the period, and it is currently not practical to estimate the net realizable assets of the entity to be liquidated and the associated costs of liquidation.

### *Withdrawal of financial support*

On 20 June 2016 the Company informed its Asian operating subsidiaries that it was withdrawing financial support and that it believed that the withdrawal of such support would require the entities to seek voluntary administration or liquidation. The Company does not believe it has any obligations to provide financial support to these Asian operating subsidiaries and no claims, demands or requests for support have been received at the current time. Accordingly a provision for any potential obligation has not been recognized at 30 June 2016.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink that reads "Sam Weiss".

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Sam Weiss  
Non-Executive Director

29 August 2016



## **Independent auditor's review report to the members of Ensogo Limited**

### ***Report on the Half-Year Financial Report***

We were engaged to review the accompanying half-year financial report of Ensogo Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Ensogo Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled 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 conducting the review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Because of the matter described in the Basis for disclaimer of conclusion paragraph, however, we were not able to obtain sufficient appropriate review evidence to provide a basis for a review conclusion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### ***Basis for disclaimer of conclusion***

As disclosed in Note 1 of the half-year financial report the company has withdrawn financial support to all of its controlled entities. These entities have been placed in liquidation or are in the process of appointing liquidators, resulting in a loss of control by the company. As a result of the withdrawal of that support all operations of the controlled entities have ceased and they no longer have any operational employees. These entities are the principal operating entities of the company and constitute all of the revenues, 88% of the loss from continuing operations and 87% of the current liabilities at 30 June 2016. Due to the ongoing liquidation of the controlled entities and these entities no longer having any operational employees we were unable to access management or sufficient financial information of those entities to obtain sufficient and appropriate review evidence regarding their operations. As a result, we were unable to determine whether any adjustments were necessary in relation to the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ending on that date.

Note 1 also indicates that the continuing viability of the company is dependent on the completion of the liquidation process for these controlled entities without the requirement for the company to make material additional contributions and the ability to offset any liabilities of the company to these entities against the amounts receivable from them. This indicates the presence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.



*Disclaimer of conclusion*

Because of the significance of the matter described in the Basis for disclaimer of conclusion paragraphs we have not been able to obtain sufficient appropriate review evidence to provide a basis for a review conclusion. Accordingly we do not express a conclusion on the half-year financial report.

PricewaterhouseCoopers

PricewaterhouseCoopers

S.P. #A

Jon Roberts  
Partner

Melbourne  
29 August 2016