

DATA MOTION™

ASIA PACIFIC LIMITED

ABN 44 009 148 529

2009 ANNUAL REPORT

21 October 2009

Letter from the Managing Director

Dear Shareholder

On behalf of your Board, I am pleased to present the Company's Annual Report for the financial year ended 30 June 2009.

Notwithstanding the Company's best efforts in marketing and the reduction of operational costs, we have not been isolated from the current global financial situation and as a consequence the results for the financial year ended 30 June 2009, when compared to the financial year ended 30 June 2008, are disappointing.

A recent Gartner, Inc. (www.gartner.com) survey*, undertaken worldwide, showed that 42% of CIOs (Chief Information Officers) cut their IT (information technology) budgets in the first quarter of calendar year 2009, resulting in head count reductions and significant delays in capital expenditure throughout all industry sectors. As the Company has previously reported, it has experienced first-hand the resultant lengthening of the sales cycle within the large organisations it has been dealing with. Thankfully, the landscape with regards to security and privacy of communications over the Internet continues to evolve, and as confidence gradually returns to the global economic market it is not a question of "if", but "when" the floodgates will open for DataMotion Asia Pacific.

Taking a step back, the Company's primary target market lies within Government (e.g. Government departments & agencies) and Corporate organisations with similarly high-security requirements (e.g. engineering firms, security companies, insurance companies, financial institutions, medical groups / hospitals). Two of the key frustrations traditionally associated with selling IT security products to the primary target market are:

firstly the long - often 6, 12, 18 month or longer - sales cycle; and
secondly the requirement for external validation of the software.

Implementing a new IT product / solution such as DataMotion SecureMail inside an organisation with hundreds or thousands of employees has a significant impact across much of the organisation, particularly in the areas of change management and human resources, hence the long sales cycle.

External validation of a software solution means that a potential customer doesn't have to trust the vendor's representations, or the work of its internal IT department. In Australia, Federal Government (and increasingly State Government) departments are required to buy products certified under the Common Criteria whenever possible, as outlined in the Defence Signals Directorate's Australian Government Information and Communications Technology Manual. Common Criteria (or ISO 15408) (www.commoncriteriaportal.org) is recognised as the gold standard by which US Government organisations, international government entities and global enterprises evaluate and select IT security products. In many countries, Government agencies will acquire only IT products that have been certified to comply with Common Criteria.

The successful Common Criteria certification of the DataMotion platform is considered to be the key to the Company's success in the primary target market.

* source: <http://www.gartner.com/it/page.jsp?id=1009412>

As at the date of this report, the transitioning of the Company's business model to reflect its emphasis on and commitment to the DataMotion platform in the Asia Pacific region is complete. The Company maintains an intense focus on the sales and marketing of DataMotion SecureMail and remains confident that it will become a market leader in secure email throughout the Asia Pacific region. Meanwhile, the Company through its wholly owned subsidiary Synergy Business Solutions Australia is planning to capitalise on the lack of local (i.e. Western Australia) data centre space through the expansion and commercialisation of its DataCentre as a high-end "boutique" co-location facility.

The dedication and professionalism of your Company's core team throughout this difficult year has once again been first rate, they have shown and continue to show unstinting commitment to the success of the Company, and your Board on behalf of all shareholders thanks them.

I acknowledge that the Company's shareholders are unhappy with this year's results – ultimately, this year has been about survival. However, I repeat that the Board firmly believes that it is not question of "if", but "when" substantial sales revenues will start to flow.

We thank all shareholders for their support and patience during the year, and look forward to delivering the Company's improved financial performance.

Yours sincerely



Ronald Moir
MANAGING DIRECTOR

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Glossary in brief

DataMotion Asia Pacific	is DataMotion Asia Pacific Limited (formerly Synergy Equities Group Limited)
the Company	is DataMotion Asia Pacific Limited
SYNERGY Australia	is Synergy Business Solutions Australia Pty Ltd, DataMotion Asia Pacific's wholly owned subsidiary
Data-inCrypt[®]	is Data-inCrypt [®] Pty Ltd, DataMotion Asia Pacific's wholly owned Subsidiary
Data-inCrypt[®] SMX	is Data-inCrypt [®] SMX secure registered email now rebranded as DataMotion SecureMail
the Group	is DataMotion Asia Pacific, SYNERGY Australia and Data-inCrypt[®]
ASX	is Australian Securities Exchange
DMN	is DataMotion Asia Pacific's ASX code
DMNOA	is DataMotion Asia Pacific's listed option ASX code

Corporate Directory

DIRECTORS

Ronald G Moir
Managing Director

Mark H Popham FCPA GAICD
Executive Director

Martin JW Eade
Executive Director

COMPANY SECRETARIES

Mark H Popham FCPA GAICD
Chief Financial Officer

Vicky Oui BCom Post Grad Dip Bus MCom
Group Accountant

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 1
Westcentre
1260 Hay Street
West Perth WA 6005
AUSTRALIA

Mailing Address Private Box 1288
West Perth WA 6872
AUSTRALIA

Telephone (08) 9415 2212
Facsimile (08) 9415 2221
Email info@datamotion.asia
Website www.datamotion.asia

AUDITORS

Grant Thornton (WA) Partnership
Chartered Accountants
Level 1, 10 Kings Park Road
West Perth WA 6005

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2 Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

BANKERS

Australia & New Zealand Banking Group Limited
Cnr Hay & Outram Streets
West Perth WA 6005

SOLICITORS & CORPORATE ADVISERS

Lavan Legal
Level 20 The Quadrant
1 William Street
Perth WA 6000

STRATEGY, FINANCIAL & TECHNOLOGY CONSULTANTS

Deloitte
Management Solutions
Level 14 Woodside Plaza
240 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE

Listed on the Australian Securities Exchange
The home Exchange is in Perth, Western Australia

ASX CODE

DMN – fully paid ordinary shares
DMNOA – listed options exercisable at 1.0 cent expiring 06 May 13

Directors' Report

The Directors present their report together with the financial report of DataMotion Asia Pacific Limited ("the Company") and of the Consolidated Entity, being the Company and its subsidiaries, for the financial year ended 30 June 2009 and the auditor's report thereon.

DIRECTORS

Ronald G Moir, Managing Director

term of office: Managing Director of DataMotion Asia Pacific Limited since May 2001.
 independent: no
 skills and experience: more than 30 years corporate experience having established the highly successful Haiir International group of companies followed by corporate positions at Video Ezy and Cable Beach Club.

Mark H Popham FCPA GAICD, Executive Director (CFO & Company Secretary)

term of office: Executive Director of DataMotion Asia Pacific Limited since July 2003.
 independent: no
 skills and experience: extensive professional experience in banking, investment, accounting and corporate management. Mark has held senior positions in accounting firms Geers & Pusey Partners and RSM Bird Cameron.

Martin JW Eade, Executive Director (Chief Technical Officer (CTO))

term of office: Executive Director of DataMotion Asia Pacific Limited since April 2004.
 independent: no
 skills and experience: previously Network Manager at Police & Nurses Credit Society before joining the Group to lead the team who designed, constructed and successfully commissioned the DataCentre. Martin was also responsible for the selection of DataMotion as the Company's preferred secure email platform.

COMPANY SECRETARIES

Mark H Popham holds a Diploma of Accounting and is a Fellow of CPA in Australia. Mark was appointed company secretary on 16 October 2002 and is also a Director of the Company.

Vicky Oui holds the degrees of Bachelor of Commerce and Master of Commerce and is a member of CPA Australia. Vicky was appointed joint company secretary on 13 July 2009 and is also the Company's group accountant.

REVIEW OF OPERATIONS

DataMotion Asia Pacific Limited is an Internet security, systems and services group based in Perth, Western Australia. The group is focussed on generating transaction, storage and licensing revenues through its world-class DataCentre, DataMotion SecureMail (formerly SMX secure registered email) and Data-inCrypt® online data backup & recovery.

Operating Performance

The Company's goal of being revenue neutral was not achieved over the 2008 / 2009 financial year. The Board considers this to be a direct result of the global financial crisis, and does not reflect on the Company's products & services or marketing strategies. The Company maintains an intense focus on the sales and marketing of DataMotion SecureMail and remains confident that its goal will be achieved by becoming a powerhouse and market leader in secure email throughout the Far East / Asia Pacific region.

Operating Loss

The Company's financial results for the financial year ended 30 June 2009, when compared to the financial year ended 30 June 2008, are disappointing.

Shareholders should note that the operating loss includes a non-cash expense of \$497,003 inserted as a result of the technical requirements of the applicable Australian Accounting Standards in valuing unlisted employee / consultant incentive options issued to Directors, staff and consultants, as approved by Shareholders.

As noted by the Company during the year (the ASX announcement of 13 Mar 09 refers), in view of the current global financial situation:

- 1) the marketing of DataMotion SecureMail is likely to take longer than previously forecast (simply as a result of apparent restrictions on IT expenditure by major Australian corporations with whom the Company has been negotiating); and
- 2) the level of transactional income receivable by the Company from sales of existing products (by the Company's wholly owned subsidiary Synergy Business Solutions Australia Pty Ltd) is likely to decrease. The full level of the anticipated decrease cannot accurately be estimated at this point in time.

In order to deal with the matters identified above, the Board took steps to reduce operational costs as follows:

- in mid 2008 the Board started taking steps to significantly reduce overhead costs commencing with the disbanding of the sales team and absorbing of the sales function by the Executive Directors;
- in late 2008, the Executive Directors agreed to a voluntary 33% reduction in salary until such time as financial conditions sufficiently improve and as well to forgo Directors' fees;
- a number of staff have been made redundant by the Company;
- remaining staff have agreed to take a 20% reduction in salary until such time as financial conditions sufficiently improve;
- the Company's consultants have agreed to defer fees until such time as financial conditions sufficiently improve; and
- a review of the Company's telecommunications requirements (incurred through its wholly owned subsidiary Synergy Business Solutions Australia Pty Ltd) resulted in a cost saving of \$50,000 (ex GST) per annum as from April 2009 (the ASX announcement of 05 March 2009 refers).

The Company is not isolated from the current global financial situation. Nevertheless it is confident in moving forward with its products, staff and commitment.

Comparison with Previous Financial Year's Results (ended 30 June 2009)

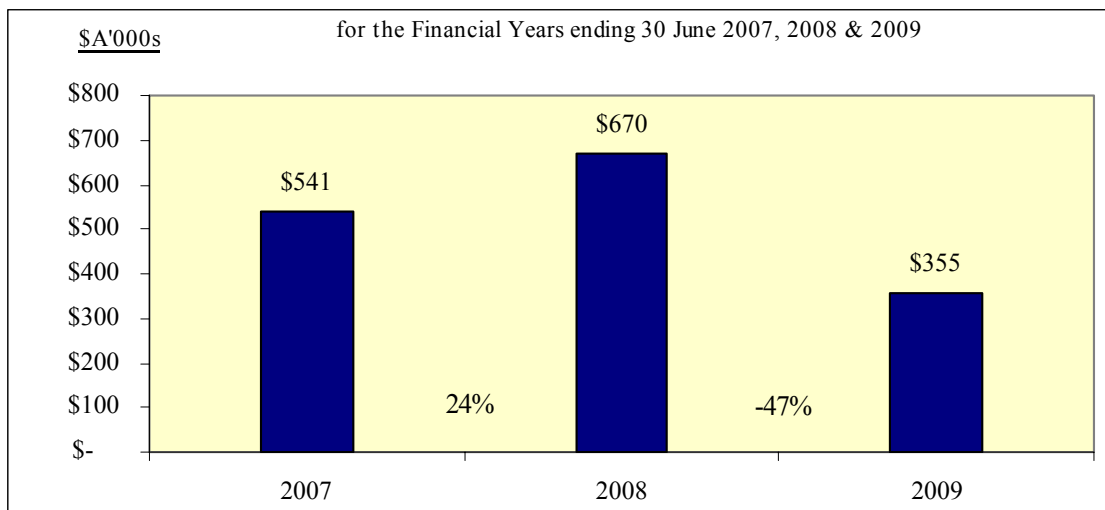
- 1) revenues from ordinary activities (net consolidated income including asset sales) decreased by 47%;
- 2) operating (technology) sales revenue decreased by 44%;
- 3) net consolidated costs increased by 44%;
- 4) administrative costs increased by 24%; and
- 5) staff costs (excluding share-based payments) decreased by 11%.

FINANCIAL POSITION

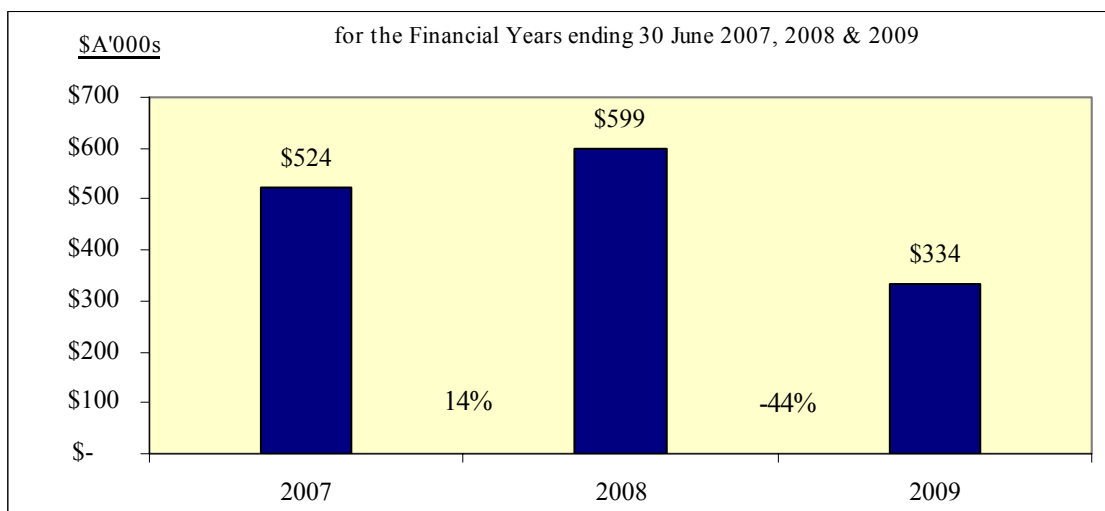
At the end of the financial year the consolidated entity had \$225,104 in cash. Subsequent to balance date the consolidated entity has raised an additional \$290,300. The Directors believe that the consolidated entity currently has sufficient capital to effectively continue with its principal activities.

The following graphs illustrate the Company's comparative results for the past three years:

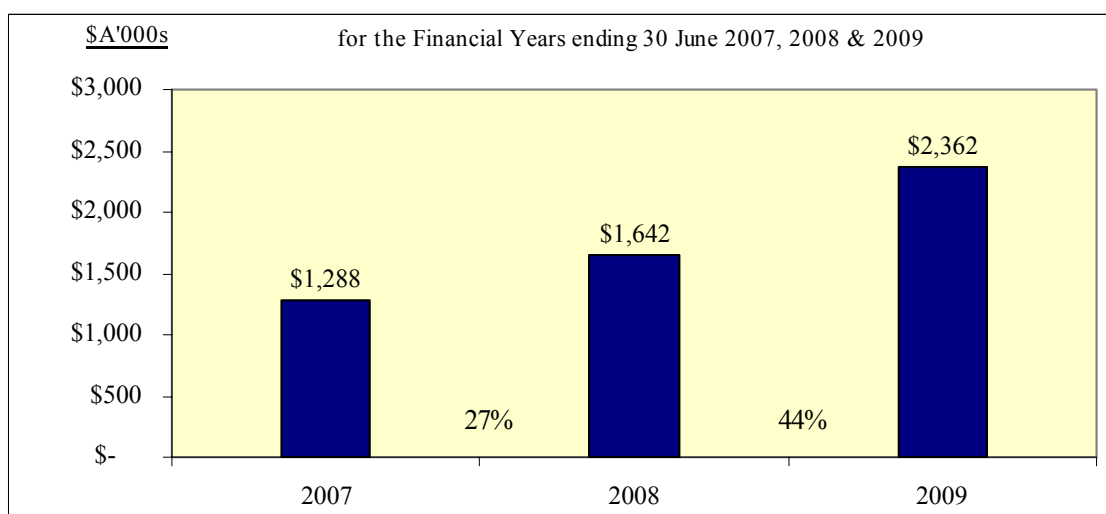
Graph 1
Revenues from Ordinary Activities (Net Consolidated Income)



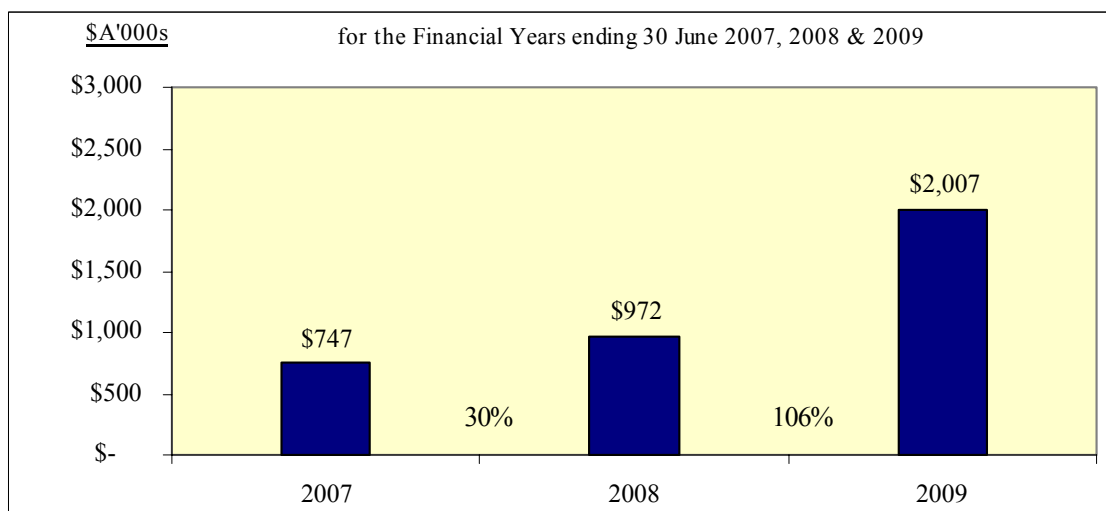
Graph 2
Operating (Technology) Sales Revenue



Graph 3
Net Consolidated Costs



Graph 4
Net Consolidated Loss



(i) TECHNOLOGY

Overview

the DataMotion Intelligent Information Transport (IIT) platform

....has three products at its core, being SecureMail, FileTransfer and eForms.

SecureMail (formerly known in the Asia Pacific region as SMX secure registered email)

DataMotion's flagship encrypted email solution. SecureMail is a powerful, cost effective, and easy to use service that encrypts messages between an organisation and its business partners & customers. Messages can be chosen for encryption selectively by the sender and also by policy enforcement across the entire

organisation. With SecureMail, an organisation can ensure that its messages and large files are protected, private, and are compliant with internal policies and external (i.e. Government) regulations.

FileTransfer

Organisations that need to exchange large files with their partners and customers often use File Transfer Protocol (FTP), which is inherently insecure and difficult to administer, especially for one-off ad hoc file transfer requests. These FTP management headaches result in delayed business processes, and create bottlenecks for critical data flow. DataMotion FileTransfer enables users to exchange files up to 2GB in size using either a web browser interface or a separate desktop client / service, with full delivery tracking provided. DataMotion FileTransfer is integrated with SecureMail, offering the end-user a seamless experience.

eForms

DataMotion eForms offers the ability to combine customised and personalised forms with the SecureMail system, allowing recipients to receive, complete and return a secure document without leaving their existing email client (eg Microsoft Outlook). Workflow automation is one of the most important components of the DataMotion eForms system, and enables data to be routed and processed in accordance with defined business procedures / imported into existing workflows for processing, approvals and response to the customer.

Data-inCrypt® online data backup & recovery

...is a software solution that selects a file from an end-user's PC and then intelligently arranges, compresses and encrypts that file before transmitting it over the Internet to the DataMotion Asia Pacific DataCentre from where that file can be easily recovered when required. It enables organisations to store critical data offsite, eliminating the capital cost, ongoing maintenance and human error in backing up to tape, CD & DVD, Zip drive, flash memory, removable hard disk etc.

SYNERGY Australia

...operates the world-class DataMotion Asia Pacific DataCentre, which hosts the DataMotion SecureMail hosted service, the Data-inCrypt® online data backup & recovery service and the suite of e-commerce software products branded the SYNERGY TradeCentre.

Activities

During the year, the Company (through Data-inCrypt® Pty Ltd) moved forward aggressively with the marketing of DataMotion SecureMail and focused on the transitioning of its business model to reflect the emphasis on and commitment to the DataMotion platform in the Asia Pacific region.

- released details of the appointment of high-tech veterans who have joined the management team at CertifiedMail.com, Inc. ("CertifiedMail");
- released details of a Data-inCrypt® national SMX road show;
- released the results of the Data-inCrypt® national SMX road show;
- released further details relating to the appointment of security industry veterans who have joined the management team at CertifiedMail;
- released details of CertifiedMail's President & Chief Operating Officer Kelly Mackin's presentation at the CEO Showcase at Stanford;
- released details of SMX workshops / discovery sessions being held in Adelaide to coincide with the Adelaide Shareholder Presentation;
- released a summary of the Australian Law Reform Commission's review of the Privacy Act from the point of view of SMX;
- advised that SMX has been submitted to the Defence Materiel Organisation;
- released details of SMX workshops / discovery sessions being held in Sydney to coincide with the Sydney Shareholder Presentation;
- released an update on the Sydney SMX workshops / discovery sessions;

- advised that Data-**inCrypt**[®] had become a foundation member of the International Association of Privacy Professionals, Australia and New Zealand Chapter;
- advised that Brain Resource Limited had committed to using SMX for the automated delivery of medical reports;
- advised that SMX was to be submitted to the Defence Signals Directorate for evaluation under the Common Criteria;
- released details of SMX workshops / discovery sessions being held in Melbourne to coincide with the Melbourne Shareholder Presentation;
- advised that Data-**inCrypt**[®] had become a member of AusCERT, Australia's Computer Emergency Response Team;
- released an update on the Melbourne SMX workshops / discovery sessions; and
- advised that Data-**inCrypt**[®] was working with the Australian Trade Commission (AusTrade) to facilitate the accelerated sales and marketing of SMX secure registered email throughout the Asia Pacific region at large;
- completed pilot implementations of SMX at the Melbourne Cricket Ground (MCG) (www.mcg.org.au);
- released details of SMX workshops / discovery sessions being held in Perth;
- released details of SMX workshops / discovery sessions being held in Eastern Seaboard;
- announced that CertifiedMail.com, Inc. had changed its name to DataMotion, Inc.;
- released an update on the submission of SMX for evaluation under the Australasian Information Security Evaluation Program (AISEP);
- advised that Data-**inCrypt**[®] held SMX workshops / discovery sessions to Security Professionals on the Eastern Seaboard;
- released details of SMX workshops / discovery sessions being held in Brisbane;
- advised that Data-**inCrypt**[®] presented a custom SMX technical-design to AXA Australia (www.axa.com.au), which is to be followed by a proof-of-concept;
- advised that Data-**inCrypt**[®] has implemented SMX at Fastwave Communications Pty Ltd (www.fastwave.com.au) as the first step towards targeting the Iridium satellite network (www.iridium.com) which has over 200,000 subscribers;
- released details of potential sales value of SMX evaluations being undertaken by Australian corporate organisations;
- advised that Data-**inCrypt**[®] held its third meeting with a major privately owned multinational organisation in Melbourne regarding SMX;
- advised that SYNERGY Australia had conducted a comprehensive review of the group's telecommunications requirements going forward, and the subsequent re-appointment of Sing Tel Optus Pty Ltd as its primary telecommunications carrier from April 2009;
- released further information relating to the process and end-results of SMX for Common Criteria certification by the Defence Signals Directorate;
- released an update on the review of the Australian Privacy Act;
- announced that Data-**inCrypt**[®] had completed an initial 20 user commercial implementation of SMX for an International mining house based in Australia with offices in Canada and the United Kingdom;
- announced that it had appointed Security Advisory (Asia Pacific) Pty Ltd to provide risk and security consulting services to the Company, including the protection of its intellectual property during the Common Criteria certification of SMX secure registered email;
- advised that Data-**inCrypt**[®] held a further SMX workshop / discovery session for one of the nation's largest publicly-traded oil and gas exploration and production companies;
- advised that two publicly reported breaches in privacy and email security had resulted in sales opportunities for SMX and were being actively pursued by Data-**inCrypt**[®];

- announced that Data-inCrypt® had accepted an invitation to consult on the “secure messaging” requirement of the National E-Health Transition Authority’s (NEHTA) (www.nehta.gov.au) PIP (Practice Incentive Program) for General Practitioners;
- advised that Data-inCrypt® was to commence its 2009 calendar year programme of regular SMX workshops / discovery sessions across the Eastern Seaboard during the week commencing Monday 20 April 2009;
- released details of SMX workshops / discovery session held on the Eastern Seaboard;
- advised that one of the nation’s largest publicly-traded oil and gas exploration and production companies had commenced a pilot of SMX;
- announced that Data-inCrypt® had entered into a Memorandum of Understanding (MOU) with Security Advisory (Asia Pacific) Pty Ltd which details commercial arrangements regarding the sales and marketing of SMX by Security Advisory (Asia Pacific) Pty Ltd to its clients throughout the Asia Pacific region;
- released its latest SMX secure registered email Presentation;
- advised that Data-inCrypt® was continuing its 2009 calendar year programme of regular SMX workshop / discovery sessions in Adelaide during the week commencing Tuesday 02 June 2009;
- released an update on the June 2009 Eastern Seaboard SMX Workshops / Discovery Sessions;
- announced that Stratsec.Net Pty Ltd had been awarded the contract to conduct the Common Criteria certification of SMX; and
- announced that DataMotion Vice-President was to tour Australia on behalf of SMX during the week commencing Monday 22 June 2009.

Matters subsequent to 30 June 2009

- released an update on DataMotion Vice-President’s tour of Australia with Data-inCrypt® Directors on behalf of SMX during the week commencing Monday 22 June 2009;
- announced that Data-inCrypt® had completed the first half of a nationwide strategy for the supply of SMX secure registered email “hosted service” licenses to Local Governments nationwide through their respective Local Government associations;
- released an update on the forthcoming enhancements to the SMX / DataMotion software platform;
- announced that Data-inCrypt® had been appointed DataMotion, Inc.’s Master Distributor in the Asia Pacific region;
- announced that Data-inCrypt® had commenced its SMX sales thrust into the Middle East and the Asia Pacific;
- announced that SMX secure registered email has been rebranded as DataMotion Secure Mail;
- released details of DataMotion’s Intelligent Information Transport (IIT) platform;
- released its Introducing DataMotion Asia Pacific sales and marketing presentation; and
- released a trading update on the Company and its wholly owned subsidiaries, Data-inCrypt® Pty Ltd and Synergy Business Solutions Australia Pty Ltd.

(ii) CORPORATE

Overview

DATAMOTION ASIA PACIFIC LIMITED

...focused on the transitioning of its business model to reflect the emphasis on and commitment to the DataMotion platform in the Asia Pacific region.

Activities

- released Appendix 3B - issued unlisted options pursuant to Consultant Option Incentive Scheme;
- released Appendix 3B - issued unlisted options pursuant to Employee Option Incentive Scheme;
- released 4th Quarter Activities Report for the period ended 30 June 2008;
- released 4th Quarter Cash Flow Report for the period ended 30 June 2008;
- released details of lapsed Employee Option Incentive Scheme options;
- released Appendix 3B - issued unlisted options pursuant to Consultant Option Incentive Scheme;
- placed 38 million fully paid ordinary shares at a price of 0.8 cent per share in the Company to sophisticated and private investors, raising a total of AUD\$304,000;
- released details of Adelaide Shareholder Presentation;
- released details of Sydney Shareholder Presentation;
- released Appendix 4E – Preliminary Financial Report for the year ended 30 June 2008;
- released an overview of the 2008 financial results;
- released details of Melbourne Shareholder Presentation;
- released the Company's Full Year Statutory Accounts for the year ended 30 June 2008;
- released details of lapsed Employee Option Incentive Scheme options;
- released details of Perth Shareholder Presentation;
- released the names of the Company's Top 20 Shareholders as at 29 October 2008;
- released the Company's 2008 Annual Report and Notice of Annual General Meeting with Proxy Form;
- released 1st Quarter Activities Report for the period ended 30 September 2008;
- released 1st Quarter Cash Flow Report for the period ended 30 September 2008;
- released details of Brisbane Shareholder Presentation;
- held the Company's Annual General Meeting on 28 November 2008;
- released the results of the Company's 2008 Annual General Meeting;
- placed 30 million fully paid ordinary shares at a price of 0.5 cents per share in the Company to sophisticated and private investors, raising a total of AUD\$150,000;
- released details of lapsed Employee Option Incentive Scheme options;
- released Appendix 3B – issue of options pursuant to Employee Option Incentive Scheme;
- released details of lapsed Consultant Option Incentive Scheme options;
- released Appendix 3B – issue of options pursuant to Consultant Option Incentive Scheme;
- released Appendix 3Y – Change of Director's Interest Notice;
- released Appendix 3Y – Change of Director's Interest Notice;
- released Appendix 3Y – Change of Director's Interest Notice;
- announced the resignation of the Company's Group Accountant Ms Vicky Oui as joint Company Secretary;
- released Appendix 3Y – Change of Director's Interest Notice;
- released 2nd Quarter Activities Report for the period ended 31 December 2008;
- released 2nd Quarter Cash Flow Report for the period ended 31 December 2008;
- released details of lapsed Employee Option Incentive Scheme options;
- placed 45 million fully paid ordinary shares at a price of 0.4 cents per share in the Company to sophisticated and private investors, raising a total of AUD\$180,000;
- announced a Pro-rata Non-renounceable Rights Issue of Options to shareholders on the basis of four (4) New Options, exercisable at \$0.015 each via an expiry date being 19 Apr 2013, for every five (5) shares held at an issue price of \$0.001 each, to raise up to approximately AUD\$798,949;

- released Appendix 3Y – Change of Director's Interest Notice;
- released Appendix 4D – Half Year report for the half year ended 31 December 2008;
- released Appendix 3Y – Change of Director's Interest Notice;
- released revised timetable for pro-rata non-renounceable rights issue;
- released Appendix 3Y – Change of Director's Interest Notice;
- announced withdrawal of pro-rata non-renounceable rights issue;
- announced a pro-rata non-renounceable rights issue of listed options to shareholders on the basis of four (4) New Options, exercisable at \$0.010 each via an expiry date being 06 May 2013, for every five (5) shares held at an issue price of \$0.001 each, to raise up to approximately AUD\$798,949;
- advised that the Company had extended its offer period for the pro-rata non-renounceable rights issue;
- released 3rd Quarter Activities Report for the period ended 31 March 2009;
- released 3rd Quarter Cash Flow Report for the period ended 31 March 2009;
- released its Latest Investor Presentation – April 2009;
- advised that the Company has further extended its offer period for the pro-rata non-renounceable rights issue;
- released Appendix 3Y – Change of Director's Interest Notice;
- released Appendix 3Y – Change of Director's Interest Notice;
- announced the closing of the pro-rata non-renounceable rights issue – Notification of Undersubscription;
- announced the quotation of listed options for trading on 10 June 2009;
- released the names of the Company's Top 20 Optionholders as at 10 June 2009; and
- released Appendix 3Y – Change of Director's Interest Notice.

Matters subsequent to 30 June 2009

- released Notice of Extraordinary General Meeting with Proxy Form;
- announced the appointment of its Group Accountant, Ms Vicky Oui, to the position of joint Company Secretary;
- released 4th Quarter Activities Report for the period ended 30 June 2009;
- released 4th Quarter Cash Flow Report for the period ended 30 June 2009;
- advised an amendment to the resolution concerning the proposed change of the Company's name in the forthcoming Extraordinary General Meeting;
- held the Company's Extraordinary General Meeting on 14 August 2009;
- released the results of the Company's Extraordinary General Meeting;
- released Appendix 3B – issue of options pursuant to Employee Option Incentive Scheme;
- advised that the Company's name will change to DataMotion Asia Pacific Limited on 01 Sep 2009 as approved by shareholders at the recent Extraordinary General Meeting;
- released Appendix 4E – Preliminary Financial Report for the year ended 30 June 2009;
- released an overview of the 2009 financial results;
- advised the new website for the Company (www.datamotion.asia);
- released its Latest Investor Presentation – September 2009;
- announced the placement of shortfall listed options;
- released Appendix 3Y – Change of Director's Interest Notice; and
- released the names of the Company's Top 20 Optionholders as at 09 September 2009.

RESULTS OF OPERATIONS

The consolidated operating loss of DataMotion Asia Pacific Limited after providing for income tax and eliminating outside equity interests amounted to \$2,007,176 (2008: \$972,003).

SIGNIFICANT CHANGES IN THE STATE OF DATAMOTION ASIA PACIFIC'S AFFAIRS

...that occurred during the financial year were:

1) Issue of Options Pursuant To Consultant Option Incentive Scheme

In July 2008 the Company announced that, in accordance with its Consultant Option Incentive Scheme as approved by shareholders at the Company's 2003 AGM, 5,000,000 unlisted options were issued to a consultant of the Company (the ASX announcement of 04 July 08 refers).

2) Issue of Options Pursuant To Employee Option Incentive Scheme

In July 2008 the Company announced that, in accordance with its Employee Option Incentive Scheme as initially approved by shareholders at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM, 2,500,000 unlisted options were issued to an employee of the Company (the ASX announcement of 23 July 08 refers).

3) Lapsing of Employee Option Incentive Scheme Options

In August 2008 the Company announced that, in accordance with its Employee Option Incentive Scheme Terms & Conditions as initially approved by shareholders at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM, 5,000,000 Employee Option Incentive Scheme options issued to a former employee of the Company had lapsed (the ASX announcement of 04 August 08 refers).

4) Issue of Options Pursuant To Consultant Option Incentive Scheme

In August 2008 the Company announced that, in accordance with its Consultant Option Incentive Scheme as approved by shareholders at the Company's 2003 AGM, 5,000,000 unlisted options were issued to a consultant of the Company (the ASX announcement of 04 August 08 refers).

5) Share Placement

In August 2008 the Company placed 38,000,000 of its fully paid ordinary shares at a price of 0.8 cent per share to sophisticated and private investors, raising a total of AUD\$304,000. The capital raised pursuant to the placement was used to fund the ongoing sales & marketing of DataMotion SecureMail throughout Australia and the Asia Pacific (the ASX announcement of 13 August 08 refers).

6) Lapsing of Employee Option Incentive Scheme Options

In October 2008 the Company announced that, in accordance with its Employee Option Incentive Scheme Terms & Conditions as initially approved by shareholders at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM, 2,500,000 Employee Option Incentive Scheme options issued to a former employee of the Company had lapsed (the ASX announcement of 01 October 08 refers).

7) Share Placement

In November 2008 the Company placed 30,000,000 of its fully paid ordinary shares at a price of 0.5 cent per share to sophisticated and private investors, raising a total of AUD\$150,000. The capital raised pursuant to the placement was used to fund the ongoing sales & marketing of DataMotion SecureMail throughout Australia and the Asia Pacific (the ASX announcement of 28 November 08 refers).

8) Lapsing of Employee Option Incentive Scheme Options

In December 2008 the Company announced that, in accordance with its Employee Option Incentive Scheme Terms & Conditions as initially approved by shareholders at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM, 52,000,000 Employee Option Incentive Scheme options issued to Directors of the Company had lapsed (the ASX announcement of 08 December 08 refers).

9) Issue of Options Pursuant To Employee Option Incentive Scheme

In December 2008 the Company announced that, in accordance with its Employee Option Incentive Scheme as initially approved by shareholders at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM, 70,000,000 unlisted options were issued to Directors of the Company (the ASX announcement of 08 December 08 refers).

10) Lapsing of Consultant Option Incentive Scheme Options

In December 2008 the Company announced that, in accordance with its Consultant Option Incentive Scheme Terms & Conditions as approved by shareholders at the Company's 2003 AGM, 7,000,000 Consultant Option Incentive Scheme options issued to consultants of the Company had lapsed (the ASX announcement of 12 December 08 refers).

11) Issue of Options Pursuant To Consultant Option Incentive Scheme

In December 2008 the Company announced that, in accordance with its Consultant Option Incentive Scheme as approved by shareholders at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2008 AGM, 10,000,000 unlisted options were issued to a consultant of the Company (the ASX announcement of 12 December 08 refers).

12) Lapsing of Employee Option Incentive Scheme Options

In February 2009 the Company announced that, in accordance with its Employee Option Incentive Scheme Terms & Conditions as initially approved by shareholders at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM, 7,500,000 Employee Option Incentive Scheme options issued to former employees of the Company had lapsed (the ASX announcement of 05 February 09 refers).

13) Share Placement

In February 2009 the Company placed 45,000,000 of its fully paid ordinary shares at a price of 0.4 cent per share to sophisticated and private investors, raising a total of AUD\$180,000. The capital raised pursuant to the placement was used to fund the ongoing sales & marketing of DataMotion SecureMail throughout Australia and the Asia Pacific (the ASX announcement of 19 February 09 refers).

14) Pro-Rata Non-Renounceable Rights Issue

In February 2009 the Company announced that, it will be offering eligible shareholders the opportunity to participate in a pro rata non-renounceable rights issue of options on the basis of four (4) New Options, exercisable at \$0.015 each via an expiry date being 19 Apr 2013, for every five (5) shares held at an issue price of \$0.001 each, to raise up to approximately AUD\$798,949 (the ASX announcement of 20 February 09 refers).

15) Revised Timetable for Pro-Rata Non-Renounceable Rights Issue

In March 2009 the Company released a revised timetable for pro rata non-renounceable rights issue to facilitate the lodgement of a replacement Prospectus that would update information to take into account the current Global financial situation (the ASX announcement of 09 March 09 refers).

16) Withdrawal of Pro-Rata Non-Renounceable Rights Issue

In March 2009 the Company announced that, in the course of preparation of the proposed replacement Prospectus the Board had resolved to amend the terms of the new options to be offered to reduce the exercise price from \$0.015 each to \$0.010 each (the ASX announcement of 10 March 09 refers).

17) Pro-Rata Non-Renounceable Rights Issue

In March 2009 the Company announced that, it would be offering eligible shareholders the opportunity to participate in a pro rata non-renounceable rights issue of options on the basis of four (4) New Options, exercisable at \$0.01 each via an expiry date being 06 May 2013, for every five (5) shares held at an issue price of \$0.001 each, to raise up to approximately AUD\$798,949 (the ASX announcement of 17 March 09 refers).

18) Extension of Offer Period – Pro-rata Non-renounceable Rights Issue

In April 2009 the Company advised that the closing date for its current rights issue offered under the Prospectus dated 17 March 2009 had been extended to 5:00pm (WST) on Friday, 15 May 2009 (the ASX announcement of 20 April 09 refers).

19) Further Extension of Offer Period – Pro-rate Non-renounceable Rights Issue

In May 2009 the Company advised that the closing date for its current rights issue offered under the Prospectus dated 17 March 2009 had been further extended to 5:00pm (WST) on Friday, 29 May 2009 (the ASX announcement of 07 May 09 refers).

20) Pro-rata Non-renounceable Rights Issue Closes – Notification of Undersubscription

In June 2009 the Company announced that its pro-rata non-renounceable rights issue closed on 29 May 2009. Applications were received from eligible shareholders for 250,059,501 options, with applications also being received for an additional 150,518,490 shortfall options, making a total of 400,577,991 (50.14% of eligible options on offer) and leaving a shortfall of 398,371,445 options. The rights issue raised approximately \$400,578 before costs of the issue.

In accordance with the Prospectus, the Directors were able to place any remaining shortfall options at any time up to three months after the closing date of the issue. The Company's Managing Director, Ronald Moir, agreed to subscribe for an additional 100 million options from the shortfall, on the same terms as the rights issue, subject to approval by shareholders at a general meeting to be held on 14 August 09 (the ASX announcements of 03 June 09 and 07 July 09 refer).

Matters subsequent to 30 June 2009:

In August 2009, further to the pro-rata non-renounceable rights issue announced to ASX on 17 March 2009 and closed on 29 May 2009, the Company placed 290,300,000 shortfall listed options at a price of 0.1 cents per listed option, raising a further total of AUD\$290,300. The capital raised pursuant to the placement will be used to fund the DataMotion SecureMail sales and marketing plan that includes the Common Criteria certification of the DataMotion platform as well as working capital (the ASX announcement of 07 September 09 refers).

As approved by shareholders at the Extraordinary General Meeting held on 14 Aug 09 (the ASX announcements of 07 Jul 09, 04 Aug 09 & 14 Aug 09 refer), the Company's changed from Synergy Equities Group Limited to DataMotion Asia Pacific Limited as of Tue 01 Sep 09. From this date, the Company's shares and options have traded on ASX under the new name and with new trading codes, being DMN (for shares) and DMNOA (for options). This name change reflects the Company's business charter, and also represents the final stage in transitioning the Company's business model to reflect its emphasis on and commitment to the DataMotion platform in the Asia Pacific region (the ASX announcement of 31 Aug 09 refers).

Except for the matters discussed above, there is at the date of this report no other matter or circumstance which has arisen since 30 June 2009 that has significantly affected or may significantly affect:

- a) DataMotion Asia Pacific Limited's operations in future financial years; or
- b) the results of those operations in future financial years; or
- c) DataMotion Asia Pacific Limited's state of affairs in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

To further improve the consolidated entity's financial position and maximise shareholder wealth, the following is planned to occur during the current financial year:

- a) the sales & marketing / rollout of the DataMotion IIT platform;
- b) the sales & marketing of Data-inCrypt® online data backup & recovery; and
- c) the transformation of the DataMotion Asia Pacific DataCentre into a high-end "boutique" co-location facility.

The above, combined with the current strategy of continuous improvement and an adherence to quality control in existing markets, are expected to assist in the achievement of the consolidated entity's long-term goals and development of new business opportunities.

DIVIDENDS OR DISTRIBUTIONS

- a) no dividends or distributions were paid to members during the year ended 30 June 2009; and
- b) no dividends or distributions were recommended or declared for payment to members, but not paid, during the year ended 30 June 2009.

DIRECTORS

The name of each person who has been a Director of DataMotion Asia Pacific Limited at any time during or since the end of the year and the period for which they were a Director are:

Director	Appointed	Resigned / Retired	Period of Directorship
RG Moir	04 May 2001	Current	101 months
MH Popham	03 July 2003	Current	75 months
MJW Eade	06 April 2004	Current	66 months
ML Bennett	28 November 2008 & 14 August 2009	28 November 2008 & 14 August 2009	2 days

Mr ML Bennett appears as a Director for two days for the sole purpose of acting as Chairman for the consolidated entity's Annual General Meeting and an Extraordinary General Meeting. These appointments were made on a professional basis. Mr ML Bennett is not actively involved in the management of the consolidated entity and is therefore not considered any further in this report.

DIRECTORS' INTEREST

As at the date of this report the interests of the Directors, held either directly or through entities they control, in the securities of DataMotion Asia Pacific Limited are as follows:

Director	Fully Paid Ordinary Shares	Listed Options
Direct interest:		
RG Moir	33,000,000	22,400,000
MH Popham	10,000,000	8,000,000
MJW Eade	4,091,494	3,273,196
Indirect interest:		
RG Moir	Nil	100,000,000
- relevant interest in Central Great Southern Holdings Pty Ltd <Central Great Southern Trust>		

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of DataMotion Asia Pacific Limited's Directors held during the year ended 30 June 2009 and the number of meetings attended by each Director. There were a total of 12 Directors' meetings for the financial year.

Director	Number of Meetings Held While in Office	Meetings Attended
RG Moir	12	12
MH Popham	12	10
MJW Eade	12	12
ML Bennett	0	0

DIRECTORS AND AUDITORS INDEMNIFICATION

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- a) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- b) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

REMUNERATION REPORT (AUDITED)**Remuneration Policies**

The Company's policy is to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions.

The Company's policy is to establish competitive remuneration including performance incentives consistent with long term development and success to ensure that remuneration is fair and reasonable, taking into account all relevant factors and within appropriate controls or limits, the performance and remuneration are appropriately linked, that all remuneration packages are reviewed annually or on an ongoing basis in accordance with management's remuneration packages, and that retirement benefits or termination payments other than notice periods will not be provided or agreed other than in exceptional circumstances.

The Company's objective is that the remuneration policy aligns with achievement of strategic objectives and the creation of long term value for shareholders.

The Company does not use specific performance hurdles in determining remuneration or short term rewards.

Remuneration Committee

The Board has not established a remuneration committee, as due to the Company's and the Board's size and its operations the Board considers such a committee is not warranted, and its function and responsibilities can be adequately and efficiently discharged by the Board as a whole. The Board operates in accordance with the Company's remuneration policy and applicable regulatory mechanisms relating to remuneration. This is a departure from the ASX Corporate Governance Council's Best Practice Recommendations 8.1.

Executive Remuneration

The Company had three executive Directors in its employ during the year ended 30 June 2009.

Executive remuneration comprises of three components:

- a) base pay and benefits;

- b) other remuneration such as statutory superannuation; and
c) if appropriate, options and equity based compensation.

Non-executive Directors' Fees

The total fees paid to non-executive Directors is not to exceed \$40,000 per financial year, as approved by shareholders at the Company's 30 November 1998 Annual General Meeting. Fees may also be paid to non-executive Directors for additional consulting services provided to the Company.

Executive Directors are not entitled to receive Directors' fees. Accordingly, the Executive Directors did not receive fees for the services they provided to the Company.

Directors' remuneration

The following discloses the remuneration of all the Directors of the Company for the years ended 30 June 2009 and 30 June 2008.

2009

Director	Salary & leave	Short-term benefits Cash bonus	Long-term benefits Accrued long service leave	Post-employment benefits Superannuation	Value of Unlisted Employee Option Incentive Scheme Options	Total
Parent Entity						
RG Moir	248,933	Nil	29,057	22,404	123,761*	424,155
MH Popham	46,037	Nil	Nil	4,143	82,507*	132,687
MJW Eade	157,757	Nil	Nil	14,198	82,507*	254,462
Totals	452,727	Nil	29,057	40,745	288,775	811,304

* Includes \$288,775 of non-cash share based payments during the year ended 30 June 2009.

ie. The Directors will only receive a financial benefit in the event the options are exercised and the resulting Shares are sold at a price in excess of the exercise price (payable by the Directors). The value of the unlisted options held by Directors is \$288,775 at the date of grant using the Black-Scholes valuation model.

No part of the remuneration received during the period was performance based.

2008

Director	Salary	Short-term benefits Cash bonus	Leave entitlement	Post-employment benefits Superannuation	Value of Unlisted Employee Option Incentive Scheme Options	Total
Parent Entity						
RG Moir	257,692	Nil	11,538	24,231	Nil	293,461
MH Popham	130,108	Nil	Nil	20,430	Nil	150,538
MJW Eade	75,000	Nil	5,769	7,269	Nil	88,038
Controlled Entities						
MJW Eade	57,850	Nil	Nil	5,207	Nil	63,057
Totals	520,650	Nil	17,307	57,137	Nil	595,094

Options Granted to Directors

The issue of securities under the Company's Employee Option Incentive Scheme ("Scheme") was approved by shareholders initially at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM.

During the year ended 30 June 2009 the following options were issued under the Scheme to Directors.

Director	Held at 1 July 2008	Issued	Lapsed	Held at 30 June 2009
RG Moir	30,000,000	30,000,000	30,000,000	30,000,000
MH Popham	20,000,000	20,000,000	20,000,000	20,000,000
MJW Eade	12,000,000	20,000,000	2,000,000	30,000,000

In this and previous financial years, unlisted options in the Company were issued to Directors and employees as an incentive and in recognition of the fact that the fixed cash component of remuneration is comparatively modest together with an acknowledgment of effort, dedication and loyalty to the Company. The ability to exercise the options is conditional on the holder remaining in the Company's employment. There are no other non-cash benefits payable to Directors or employees.

At 30 June 2009 the following unlisted options over unissued ordinary shares were held by Directors:

Director	Number Of Options Held	Exercise Price	Expiry Date
RG Moir	30,000,000	2.5 cents	07 December 2013
MH Popham	20,000,000	2.5 cents	07 December 2013
MJW Eade	20,000,000	2.5 cents	07 December 2013
MJW Eade	10,000,000	2.5 cents	08 December 2010

No options have been granted to Directors since the end of the financial year.

Each option entitles the holder to purchase one fully paid ordinary share in the Company. All options expire on the earlier of their expiry date or within 90 days of the termination of the individual's employment.

Director's Shareholdings

The relevant interest of each current Director in the listed share capital of the Company at the date of this report is:

Parent Entity Director	held at 30 Sep 08	on market purchases	on market sales	held at 30 Sep 09
RG Moir	25,000,000	8,000,000	-	33,000,000
MH Popham	10,000,000	-	-	10,000,000
MJW Eade	4,091,494	-	-	4,091,494

SHARE OPTIONS

At the date of this report the unissued ordinary shares of the Company under option are as follows:

Employee Option Incentive Scheme Options

Grant Date	Date of Expiry	Exercise Price	Held at 01 Jul 08	Issued	Lapsed / Cancelled	Held at 30 Sep 09
24 Dec 03	23 Dec 08	2.5 cents	50,000,000	-	50,000,000	-
26 Feb 04	25 Feb 09	2.5 cents	2,000,000	-	2,000,000	-
09 Dec 05	08 Dec 10	2.5 cents	10,000,000	-	-	10,000,000
26 Mar 08	25 Mar 13	2.5 cents	5,000,000	-	5,000,000	-
30 Apr 08	29 Apr 13	2.5 cents	7,500,000	-	7,500,000	-
29 May 08	28 May 13	2.5 cents	5,000,000	-	-	5,000,000
23 Jul 08	22 Jul 13	2.5 cents	-	2,500,000	2,500,000	-
08 Dec 08	07 Dec 13	2.5 cents	-	70,000,000	-	70,000,000
19 Aug 09	18 Aug 14	2.5 cents	-	2,500,000	-	2,500,000

Consultant Option Incentive Scheme Options

Grant Date	Date of Expiry	Exercise Price	Held at 01 Jul 08	Issued	Lapsed / Cancelled	Held at 30 Sep 09
26 Feb 04	25 Feb 09	2.5 cents	2,000,000	-	2,000,000	-
11 Dec 07	10 Dec 12	2.5 cents	5,000,000	-	-	5,000,000
04 Jul 08	03 Jul 13	2.5 cents	-	5,000,000	-	5,000,000
04 Aug 08	03 Aug 13	2.5 cents	-	5,000,000	5,000,000	-
12 Dec 08	11 Dec 13	2.5 cents	-	10,000,000	-	10,000,000

The issue of securities to employees pursuant to the Company's Employee Option Incentive Scheme was approved initially at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM.

A summary of the terms of the Scheme is as follows:

- 1) options issued pursuant to the Scheme will be issued free or for a nominal consideration. Nominal consideration is defined as the lesser of 1 cent per option or 1% of the exercise price of the option;
- 2) the options will be for a term not exceeding 5 years from the date of issue or such longer term as the members of the Company may approve;
- 3) an optionholder will be entitled to one fully paid ordinary share in the capital of the Company ("Share") for each option exercise;
- 4) the exercise price of the options will be determined by the Board at the date of each offer;
- 5) the Scheme is open to employees and directors of the Company, or any Associated Body Corporate of the Company;
- 6) the options may be exercised any time within the term except where:
 - a) the optionholder has not been an employee or Director for at least one year;
 - b) the optionholder has failed to comply with the terms and conditions upon which the options were issued;
 - c) the optionholder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or Associated Body Corporate; and
 - d) the optionholder has ceased to be an employee or Director in which case if the cause was death, permanent disability or statutory retirement the employee or Director (or their personal representative)

has a period of one year to exercise the option after so ceasing, and otherwise a period of 90 days after ceasing.

- 7) the options will not be listed for quotation on any stock exchange;
- 8) the options can not be sold, transferred, mortgaged, pledged or otherwise encumbered without the consent of the Board;
- 9) Shares issued pursuant to the exercise of the options shall rank pari passu in all respects with Shares currently on issue in the Company;
- 10) the Company will apply for quotation of the Shares issued upon the exercise of the options on the ASX within 10 business days of the option being exercised;
- 11) an optionholder may only participate in new issues of securities if the option has been exercised prior to the Record Date for determining entitlement to the issue;
- 12) if the Company makes a pro rata bonus issue of Shares then the option, when exercised, will entitle the holder to receive a bonus issue in respect of the Shares resulting from exercise of the option as if the option had been exercised and the Shares allotted before the Record Date;
- 13) if the Company makes a pro rata offer of Shares (except a bonus issue) the exercise price of the option may be reduced in accordance with ASX Listing Rule 6.22;
- 14) in the event of a reorganisation of the capital of the Company, the rights of an optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and
- 15) within 10 business days of the Company becoming aware of a takeover bid, the Company will give the optionholder an opportunity to exercise the option.

During the year ended 30 June 2009 no ordinary shares in the Company were issued pursuant to the exercise of options. Apart from as described above, there have been no conversions to, calls of, or subscriptions for ordinary shares of issued or potential ordinary shares since the reporting date and before the completion of these financial statements.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of Directors 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:

- a) all non-audit services are reviewed by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- b) the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid to a related practice of the current external auditors, Grant Thornton (WA) Partnership during the year ended 30 June 2009:

- taxation services - \$ 3,000

AUDITORS' INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on the following page.

Pursuant to section 298(2) Corporations Act, this Directors' Report:

- a) is made in accordance with a resolution of the Directors; and
- b) is dated 30 September 2009; and
- c) is signed by Ronald Moir and Mark Popham, both Directors.



RG MOIR
Managing Director
Perth, Western Australia
30 September 2009



MH POPHAM
Chief Financial Officer
Perth, Western Australia
30 September 2009

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**Auditor's Independence Declaration
To the Directors of DataMotion Asia Pacific Limited (formerly Synergy
Equities Group Limited)**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of DataMotion Asia Pacific Limited for the year ended 30 June 2009, 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.



GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants



M J HILLGROVE
Partner

Perth, 30 September 2009

Income Statements

	Notes	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Sales revenue	2	333,965	599,486	-	-
Cost of sales		(28,487)	(47,979)	-	-
Gross profit		305,478	551,507	-	-
Other revenue	2	21,131	70,879	12,167	16,818
Administrative expenses		(534,608)	(432,749)	(103,449)	(112,841)
Consultant & legal fees		(220,570)	(52,821)	(182,830)	(27,614)
Depreciation and amortisation expenses	3	(112,840)	(120,325)	(1,857)	(1,828)
Impairment of financial assets	3	(56)	(29,776)	(111,054)	(36)
Impairment of intangible assets	3	(240,681)	-	-	-
Employee benefit expense	3	(1,222,107)	(955,455)	(902,005)	(538,628)
Other expenses	3	(2,923)	(3,263)	(360,465)	(665,556)
(Loss) for the year		(2,007,176)	(972,003)	(1,649,493)	(1,329,685)
Income tax expense / benefit	4	-	-	-	-
(Loss) for the year		(2,007,176)	(972,003)	(1,649,493)	(1,329,685)
Basic earnings per share (cents)	7	(0.211)	(0.112)	-	-
Diluted earnings per share (cents)	7	(0.211)	(0.112)	-	-

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

Balance Sheets

	Notes	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	8	225,104	140,063	166,557	45,541
Trade and other receivables	9	56,494	149,633	43,112	94,433
Financial assets	10	13	60,068	13	68
Other current assets	14	8,867	5,702	-	-
Total Current Assets		290,478	355,466	209,682	140,042
Non-Current Assets					
Trade and other receivables	9	-	-	2,718	5,964
Financial assets	10	-	-	301,826	412,824
Property, plant and equipment	12	210,846	284,102	-	-
Intangible assets	13	88,786	368,533	11,194	13,051
Total Non-Current Assets		299,632	652,635	315,738	431,839
Total Assets		590,110	1,008,101	525,420	571,881
Current Liabilities					
Trade and other payables	15	152,186	108,633	89,819	31,358
Provisions	16	33,760	20,128	31,437	18,865
Total Current Liabilities		185,946	128,761	121,256	50,223
Non-Current Liabilities					
Provisions	16	11,457	-	11,457	-
Total Non-Current Liabilities		11,457	-	11,457	-
Total Liabilities		197,403	128,761	132,713	50,223
Net Assets		392,707	879,340	392,707	521,658
Equity					
Issued capital	17	36,911,527	36,284,545	36,911,527	36,284,545
Reserve	18	900,151	6,590	900,151	6,590
Accumulated losses		(37,418,971)	(35,411,795)	(37,418,971)	(35,769,477)
Total Equity		392,707	879,340	392,707	521,658

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

Statements of Changes in Equity

Consolidated Group

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 1 July 2007	35,310,171	(34,439,792)	-	870,379
Loss attributable to members of parent entity	-	(972,003)	-	(972,003)
	<u>35,310,171</u>	<u>(35,411,795)</u>	<u>-</u>	<u>(101,624)</u>
Shares issued during the year	1,000,000	-	-	1,000,000
Capital raising costs	(25,626)	-	-	(25,626)
Share-based payments	-	-	6,590	6,590
Balance at 30 June 2008	<u>36,284,545</u>	<u>(35,411,795)</u>	<u>6,590</u>	<u>879,340</u>
Balance at 1 July 2008	36,284,545	(35,411,795)	6,590	879,340
Loss attributable to members of parent entity	-	(2,007,176)	-	(2,007,176)
	<u>36,284,545</u>	<u>(37,418,971)</u>	<u>6,590</u>	<u>(1,127,836)</u>
Shares issued during the year	634,000	-	-	634,000
Capital raising costs	(7,018)	-	-	(7,018)
Share-based payments	-	-	497,003	497,003
Listed options issued	-	-	396,558	396,558
Balance at 30 June 2009	<u>36,911,527</u>	<u>(37,418,971)</u>	<u>900,151</u>	<u>392,707</u>

Parent Entity

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
Balance at 1 July 2007	35,310,171	(34,439,792)	-	870,379
Loss attributable to members of parent entity	-	(1,329,685)	-	(1,329,685)
	<u>35,310,171</u>	<u>(35,769,477)</u>	<u>-</u>	<u>(459,306)</u>
Shares issued during the year	1,000,000	-	-	1,000,000
Capital raising costs	(25,626)	-	-	(25,626)
Share-based payments	-	-	6,590	6,590
Balance at 30 June 2008	<u>36,284,545</u>	<u>(35,769,477)</u>	<u>6,590</u>	<u>521,658</u>
Balance at 1 July 2008	36,284,545	(35,769,477)	6,590	521,658
Loss attributable to members of parent entity	-	(1,649,493)	-	(1,649,493)
	<u>36,284,545</u>	<u>(37,418,971)</u>	<u>6,590</u>	<u>(1,127,836)</u>
Shares issued during the year	634,000	-	-	634,000
Capital raising costs	(7,018)	-	-	(7,018)
Share-based payments	-	-	497,003	497,003
Listed options issued	-	-	396,558	396,558
Balance at 30 June 2009	<u>36,911,527</u>	<u>(37,418,971)</u>	<u>900,151</u>	<u>392,707</u>

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

Cash Flow Statements

	Notes	Consolidated Group		Parent Entity	
		2009	2008	2009	2008
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers		421,516	661,383	-	-
Interest received		11,361	17,101	6,146	15,577
Payments to suppliers and employees		(1,426,378)	(1,534,762)	(589,206)	(634,699)
Net cash provided by / (used in) operating activities	21	(993,501)	(856,278)	(583,060)	(619,122)
Cash flows from investing activities					
Proceeds from sale of equity investments		23,426	399,160	-	-
Proceeds from sale of property, plant and equipment		4,000	-	4,000	-
Payment for equity investments		-	(444,646)	-	-
Payment for intangibles		-	(342,720)	-	-
Payment for purchase of property, plant and equipment		(7,021)	(62,965)	-	-
Net cash provided by / (used in) investing activities		20,405	(451,171)	4,000	-
Cash flows from financing activities					
Loans to related entities		-	-	(358,061)	(638,595)
Proceeds from issue of shares and options		1,069,878	900,000	1,069,878	900,000
Capital raising costs		(11,741)	(28,187)	(11,741)	(28,187)
Proceeds from borrowings		-	-	22,400	-
Repayment of borrowings		-	-	(22,400)	-
Net cash provided / (used in) financing activities		1,058,137	871,813	700,076	233,218
Net increase / (decrease) in cash and cash equivalents		85,041	(435,636)	121,016	(385,904)
Cash and cash equivalents at the beginning of the financial year		140,063	575,699	45,541	431,445
Cash and cash equivalents at the end of financial year	8	225,104	140,063	166,557	45,541

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

Notes to the Financial Statements

This financial report includes the consolidated financial statements and notes of DataMotion Asia Pacific Limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of DataMotion Asia Pacific Limited as an individual parent entity ('Parent Entity').

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a) Principles of Consolidation

A controlled entity is any entity the Company has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b) Income Tax

The charge for current income tax expense is based on the loss for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Company and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2003.

c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated using the diminishing value method commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Assets	Depreciation Rate
Plant and equipment	5-40%
Software	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. The gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these assets to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

e) **Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) **Intangibles**

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life being 10 years.

Rights and licences

Rights and licences are recognised at cost of acquisition. Rights and licences have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Rights and licences are amortised over their useful life being 10 years. The remaining amortisation period for the licences is 8 years.

g) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

h) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The group operates a share-based compensation plan which includes a share option arrangement. The bonus element over the exercise price of the employee's services rendered in exchange for the grant of options is recognised as an expense in the income statement, with a corresponding increase to an equity account. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions.

i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of twelve months or less.

j) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

k) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

l) Borrowing Costs

Costs are expensed as incurred and included in net financing costs.

m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

o) Going Concern

The consolidated entity has incurred operating losses of \$2,007,176 (including \$497,003 of non-cash share-based payments and \$240,681 impairment losses) for the year ended 30 June 2009 [2008: (\$972,003)].

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst acknowledging the inherent uncertainties, the Directors consider this to be appropriate for the following reasons:

- the projected cashflows through the implementation of its current business plan;
- the ability to vary the consolidated entity's cost structure and in turn the levels of cash burn dependent on the level of achievement of certain milestones within the business plan; and
- the demonstrated ability to obtain funding through equity issues.

Whilst there has been a dependence on attracting a growth in new subscribers and investment in what are challenging capital markets, the Company continues to develop new markets for its products whilst sustaining operations under its existing funding resources.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

There has been an impairment loss recognised in respect of licences and software at reporting date. Please refer to Note 13 Intangible Assets for more details.

The financial report was authorised for issue on 30 September 2009 by the Board of Directors.

	Consolidated Group		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
2. REVENUE				
Sales revenue				
Sales	333,965	599,486	-	-
Other revenue				
Interest from:				
Other unrelated persons	11,597	21,004	8,531	16,718
Total interest	11,597	21,004	8,531	16,718
Proceeds from sale of non-current assets	4,829	-	3,636	-
Proceeds from sale of financial assets	-	38,256	-	-
Other	4,705	11,619	-	100
Total other revenue	21,131	70,879	12,167	16,818
Total revenue	355,096	670,365	12,167	16,818
3. EXPENSES				
(a) Depreciation and amortisation of non-current assets				
Depreciation of:				
- plant and equipment	70,147	93,328	-	-
- software	3,627	6,073	-	-
Amortisation of:				
- licences	2,938	2,946	-	-
- software	34,271	16,150	-	-
- trademarks	1,857	1,828	1,857	1,828
Total depreciation and amortisation	112,840	120,325	1,857	1,828
(b) Impairment of financial assets				
Impairment of financial assets	56	29,776	110,054	36
Total impairment	56	29,776	110,054	36
(c) Impairment of intangible assets				
Impairment of:				
- licences	240,681	-	-	-
Total impairment	240,681	-	-	-
(d) Bad and doubtful debts				
- trade receivables	2,923	-	-	-
- other receivables	-	3,263	-	-
Total bad and doubtful debts	2,923	3,263	-	-
(e) Employee benefit expense				
Wages and salaries	731,019	831,587	452,727	462,801
Defined contribution superannuation expense	64,615	95,022	40,745	50,372
Share-based payments expense	382,172	6,590	382,172	6,590
Other employee benefits expense	44,301	22,256	26,361	18,865
Total employee benefit expense	1,222,107	955,455	902,005	538,628
(f) Significant revenue & expenses				
Carrying amount of inter company loan written off	-	-	360,465	665,556
Total other expenses items	-	-	360,465	665,556

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
4. INCOME TAX				
(a) Income tax recognised in profit and loss				
The prima facie tax expense (benefit) on operating result is reconciled to the income tax provided in the financial statements as follows:				
Accounting loss before income tax from continuing operations	(2,007,176)	(972,003)	(1,649,493)	(1,329,685)
Income tax expense (benefit) calculated at 30%	(602,153)	(291,601)	(494,848)	(398,906)
Non deductible expenses	163,372	18,476	157,830	8,295
Non assessable income	-	-	-	-
Recoup prior year tax losses not previously brought to account	-	-	-	-
Research & development tax offset	-	-	-	-
Unused tax losses and temporary differences not recognised as deferred tax assets	438,781	273,125	337,018	390,611
Income tax expense (benefit) reported in the income statement	-	-	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Unrecognised deferred tax balances

The following deferred tax assets and liabilities have not been brought to account:

Unrecognised deferred tax assets comprise:

Losses available for offset against future taxable income	5,803,194	5,349,614	5,271,132	5,117,271
Prepayments	-	(1,711)	-	-
Capital raising costs	10,453	1,408	10,465	1,408
Accrued expenses and liabilities	19,045	11,930	15,039	8,027
Intangible assets	20,564	-	-	-
Impairment	1,248,770	75,000	4,083,164	423,916
	<u>7,102,026</u>	<u>5,436,241</u>	<u>9,379,800</u>	<u>5,550,622</u>
Unrecognised deferred tax liabilities comprise:				
Intangible assets	-	12,786	-	4,113

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise the benefits from.

The potential future income tax benefit will only be obtained if:

- (i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;
- (ii) the company continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the company in realising the benefits.

Tax Consolidation

Effective 1 July, 2003, for the purposes of income taxation, the Company and its 100% wholly-owned subsidiaries formed a tax consolidated group; the head entity of the tax consolidated group is DataMotion Asia Pacific Limited.

5. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Details of Key Management Personnel

Key Management Person	Position
RG Moir	Managing Director
MH Popham	Company Secretary and Chief Financial Officer
MJW Eade	Chief Technical Officer

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

(b) Options Holdings of Key Management Personnel

	Balance 01 Jul 08	Granted as Compensation	Options Exercised	Net Change Other	Balance 30 Jun 09
RG Moir	30,000,000	-	-	-	30,000,000
MH Popham	20,000,000	-	-	-	20,000,000
MJW Eade	12,000,000	-	-	18,000,000	30,000,000
Total	62,000,000	-	-	18,000,000	80,000,000

(c) Rights Holdings of Key Management Personnel

	Balance 01 Jul 08	Granted as Compensation	Options Exercised	Net Change Other	Balance 30 Jun 09
RG Moir	-	-	-	22,400,000	22,400,000
MH Popham	-	-	-	8,000,000	8,000,000
MJW Eade	-	-	-	3,273,196	3,273,196
Total	-	-	-	33,673,196	33,673,196

(d) Share Holdings of Key Management Personnel

	Balance 01 Jul 08	Received as Compensation	Options Exercised	Net Change Other	Balance 30 Jun 09
RG Moir	25,000,000	-	-	8,000,000	33,000,000
MH Popham	10,000,000	-	-	-	10,000,000
MJW Eade	4,091,494	-	-	-	4,091,494
Total	39,091,494	-	-	8,000,000	47,091,494

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
6. AUDITORS' REMUNERATION				
Remuneration of the auditor of the parent entity for:				
- auditing or reviewing the financial report	26,300	21,180	26,300	21,180
- taxation services provided by related practice of the auditor	3,000	3,000	3,000	3,000
Total	29,300	24,180	29,300	24,180

7. EARNINGS PER SHARE

	2009	2008
(a) Basic loss per share (cents per share)	(0.211)	(0.112)
(b) Diluted loss per share (cents per share)	(0.211)	(0.112)
(c) Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	950,419,160	867,829,727
(d) Loss used in calculation of basic loss per share	\$2,007,176	\$972,003

There are no dilutive potential ordinary shares as the exercise of options to ordinary shares would have the effect of decreasing the loss per ordinary share and would therefore be non-dilutive.

8. CASH & CASH EQUIVALENTS

Cash at bank and in hand	10,203	53,075	1,656	8,553
Short-term deposits	214,901	86,988	164,901	36,988
Total	225,104	140,063	166,557	45,541

Cash at bank earns interest at floating rates based on daily deposit rates. The carrying amounts of cash and cash equivalents represent fair value.

Short-term deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rate.

9. TRADE & OTHER RECEIVABLES

Trade receivables	8,613	52,130	-	-
Other receivables	51,144	100,766	43,112	94,433
Provision for impairment of receivables	(3,263)	(3,263)	-	-
Total	56,494	149,633	43,112	94,433

Provision for Impairment of Receivables

Current trade and other receivables are non-interest bearing loans and generally on 30 days terms. A provision for impairment is recognised when there is an objective evidence that an individual trade or other receivable is impaired. These amounts have been included in the other expenses item.

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for an mentioned within Note 9. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided thereon. Amounts are considered to be "past due" when the debt has not been settled within the terms and conditions agreed.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31- 60	61 – 90	> 90	
			\$	\$	\$	\$	
Consolidated Group							
2009							
Trade receivables	8,613	-	-	859	240	682	6,832
Other receivables	47,881	-	-	-	-	-	47,881
Total	56,494	-	-	859	240	682	54,713
2008							
Trade receivables	52,130	-	-	3,559	521	1,774	46,276
Other receivables	100,766	3,263	-	-	-	-	97,503
Total	152,896	3,263	-	3,559	521	1,774	143,779
Parent Entity							
2009							
Trade receivables	-	-	-	-	-	-	-
Other receivables	43,112	-	-	-	-	-	43,112
Total	43,112	-	-	-	-	-	43,112
2008							
Trade receivables	-	-	-	-	-	-	-
Other receivables	94,433	-	-	-	-	-	94,433
Total	94,433	-	-	-	-	-	94,433

Movement in the provision for impairment of receivables is as follows:

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
At 1 Jul 08	(3,263)	-	-	-
Charge for the year	-	(3,263)	-	-
Amounts written off	-	-	-	-
As 30 Jun 09	(3,263)	(3,263)	-	-
Non-current				
Loans to controlled entities:				
- CertifiedMail.com Pty Ltd	-	-	994	994
- Data-inCrypt® Pty Ltd	-	-	(3,246)	-
- DataMotion Pty Ltd	-	-	994	994
- Synergy Equities Group Pty Ltd	-	-	994	994
- DataMotion Asia Pty Ltd	-	-	994	994
- CertifiedMail (Asia Pacific) Pty Ltd	-	-	994	994
- SMX Secure Registered Email Pty Ltd	-	-	994	994
	-	-	2,718	5,964

10. FINANCIAL ASSETS

Current – Available for sale financial assets

At fair value

Shares – Australian listed	13	60,068	13	68
	13	60,068	13	68

Non-current

Unlisted investments at costs

Shares in controlled entities	-	-	9,864,066	9,864,066
Less: Impairment provision	-	-	(9,562,240)	(9,451,242)
	-	-	301,826	412,824

Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity or coupon rate.

Listed shares

The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market.

There are no individually material investments.

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial assets, an impairment loss of \$56.00 has recognised in Other expenses in the income statement. Refer to Note 3.

Unlisted investments in controlled entities are valued at cost. They have been impaired to reflect the net asset value of the consolidated group. An increase to the impairment provision of \$110,998 has been recognised during the year, The amount has been included within the relevant line item in the income statement.

11. CONTROLLED ENTITIES

Name	Country of Incorporation	Beneficial Percentage Interest Held By Economic Entity		Cost of Chief Entity's Investment	
		2009 %	2008 %	2009 \$	2008 \$
School of the Net Pty Ltd	Australia	100	100	2	2
Synergy Business Solutions Australia Pty Ltd	Australia	100	100	301,817	412,815
Data-inCrypt® Pty Ltd	Australia	100	100	1	1
CertifiedMail.com Pty Ltd	Australia	100	100	1	1
Synergy Equities Group Pty Ltd <i>(formerly Synergy Business Solutions Asia Pacific Pty Ltd)</i>	Australia	100	100	1	1
DataMotion Pty Ltd <i>(formerly Synergy Technology Group Pty Ltd)</i>	Australia	100	100	1	1
DataMotion Asia Pty Ltd <i>(formerly Synergy Technology Australia Pty Ltd)</i>	Australia	100	100	1	1
CertifiedMail (Asia Pacific) Pty Ltd <i>(formerly Synergy Technology Asia Pacific Pty Ltd)</i>	Australia	100	100	1	1
SMX Secure Registered Email Pty Ltd <i>(formerly Synergy Technology International Pty Ltd)</i>	Australia	100	100	1	1
				301,826	412,824

	Consolidated Group		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
12. PROPERTY, PLANT AND EQUIPMENT				
Computing plant and equipment – at cost	1,741,613	1,687,864	-	-
Additions	2,325	53,749	-	-
Disposals	(2,616)	-	-	-
Closing balance	1,741,322	1,741,613	-	-
Accumulated depreciation				
Opening balance	1,516,522	1,435,221	-	-
Depreciation for the year	60,498	81,301	-	-
Disposals	(809)	-	-	-
Closing balance – accumulated depreciation	1,576,211	1,516,522	-	-
Net book value – computing plant and equipment	165,111	225,091	-	-
Office furniture and equipment – at cost	372,080	358,802	-	-
Additions	-	13,278	-	-
Disposals	-	-	-	-
Closing balance	372,080	372,080	-	-
Accumulated depreciation				
Opening balance	322,138	310,111	-	-
Depreciation for the year	9,649	12,027	-	-
Disposals	-	-	-	-
Closing balance – accumulated depreciation	331,787	322,138	-	-
Net book value – office furniture and equipment	40,293	49,942	-	-
Software – at cost	377,745	377,745	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Closing balance	377,745	377,745	-	-
Accumulated depreciation				
Opening balance	368,676	362,603	-	-
Depreciation for the year	3,627	6,073	-	-
Disposals	-	-	-	-
Closing balance – accumulated depreciation	372,303	368,676	-	-
Net book value – software	5,442	9,069	-	-
Total property, plant and equipment, net	210,846	284,102	-	-

	Computing, plant and equipment	Office, furniture and equipment	Software	Total
	\$	\$	\$	\$
(a) Movements in Carrying Amounts				
Balance at 1 Jul 07	252,643	48,691	15,142	316,476
Additions	53,749	13,278	-	67,027
Disposals	-	-	-	-
Depreciation expense	(81,301)	(12,027)	(6,073)	(99,401)
Balance at 30 Jun 08	<u>225,091</u>	<u>49,942</u>	<u>9,069</u>	<u>284,102</u>
Balance at 1 Jul 08	225,091	49,942	9,069	284,102
Additions	2,325	-	-	2,325
Disposals	(1,807)	-	-	(1,807)
Depreciation expense	(60,498)	(9,649)	(3,627)	(73,774)
Balance at 30 Jun 09	<u>165,111</u>	<u>40,293</u>	<u>5,442</u>	<u>210,846</u>

Consolidated Group		Parent Entity	
2009	2008	2009	2008
\$	\$	\$	\$

13. INTANGIBLE ASSETS

Formation costs

Opening balance	6,965	6,965	-	-
Closing balance	<u>6,965</u>	<u>6,965</u>	-	-

Licences & Software

Opening balance	348,517	24,893	-	-
Additions	-	342,720	-	-
Amortisation	(37,209)	(19,096)	-	-
Impairment losses	(240,681)	-	-	-
Closing balance	<u>70,627</u>	<u>348,517</u>	-	-

Trade marks

Opening balance	13,051	15,582	13,051	15,582
Additions	-	339	-	339
Disposals	-	(1,042)	-	(1,042)
Amortisation	(1,857)	(1,828)	(1,857)	(1,828)
Closing balance	<u>11,194</u>	<u>13,051</u>	<u>11,194</u>	<u>13,051</u>
Total intangibles	<u>88,786</u>	<u>368,533</u>	<u>11,194</u>	<u>13,051</u>

Licences & software have been acquired and are carried at cost less accumulated impairment losses. These intangible assets have been determined to have 10 years useful life. The licences and software have been granted for a minimum of ten years by the relevant agency with the option of renewal without significant cost at the end of this period provided that the entity meets certain predetermined targets. Licences and software are subject to impairment testing on an annual testing or whenever there is an indication of impairment.

The total impairment loss recognised in the income statement during the financial year amounted to \$240,681 and is separately presented in the income statement as 'Impairment of Intangible Assets'.

The impairment loss has been included in technology segment for segmental reporting purposes.

	Consolidated Group		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
14. OTHER CURRENT ASSETS				
Prepayments	8,867	5,702	-	-
15. TRADE AND OTHER PAYABLES				
Trade payables - unsecured	94,310	76,236	46,809	21,413
Other payables and accruals	57,876	32,397	43,010	9,945
	152,186	108,633	89,819	31,358
16. PROVISIONS				
Current	33,760	20,128	31,437	18,865
Non-current	11,457	-	11,457	-
	45,217	20,128	42,894	18,865
Number of employees at year end	6	5	3	3

	Short-term Employee Benefits \$	Long-term Employee Benefits \$	Total \$
Movement of provision			
Consolidated Group			
Opening balance at 1 Jul 08	20,128	-	20,128
Additional provisions	40,685	40,514	81,199
Amounts used	(56,110)	-	(56,110)
Balance at 30 Jun 09	4,703	40,514	45,217
Parent Entity			
Opening balance at 1 Jul 08	18,865	-	18,865
Additional provisions	26,102	40,514	66,616
Amounts used	(42,587)	-	(42,587)
Balance at 30 Jun 09	2,380	40,514	42,894

	Consolidated		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
17. ISSUED CAPITAL				
(a) Ordinary shares				
998,686,795 fully paid ordinary shares (2008: 885,686,795)	36,911,527	36,284,545	36,911,527	36,284,545
(b) Movements in contributed equity for the year				
Balance at the beginning of the financial year	36,284,545	35,310,171	36,284,545	35,310,171
Shares issued during the current financial year:				
- 38,000,000 on 13 August 2008	304,000	-	304,000	-
- 30,000,000 on 28 November 2008	150,000	-	150,000	-
- 45,000,000 on 19 February 2009	180,000	-	180,000	-
Shares issued during the previous financial year:				
- 20,000,000 on 27 July 2007	-	400,000	-	400,000
- 30,000,000 on 19 December 2007	-	600,000	-	600,000
Less capital raising costs	(7,018)	(25,626)	(7,018)	(25,626)
Total contributed equity	36,911,527	36,284,545	36,911,527	36,284,545

The company has authorised share capital amounting to 998,686,795 fully paid ordinary shares of no par value. At shareholders' meetings each fully paid ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(c) Options

- i. For information relating to the Company's employee and consultant option scheme, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to Note 22 Share-based Payments.
- ii. For information relating to share options issued to key management personnel during the financial year, refer to the Directors' Report.

(d) Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management debts levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

The gearing ratios for the year ended 30 June 2009 and 30 June 2008 are as follows:

	Consolidated Group		Parent Entity	
	2009 \$	2008 \$	2009 \$	2008 \$
Total borrowings	152,186	108,633	89,819	31,358
Less cash and cash equivalents	(225,104)	(140,063)	(166,557)	(45,541)
Net debt	(72,918)	(31,430)	(76,738)	(14,183)
Total equity	392,707	879,340	392,707	521,658
Total capital	319,789	847,910	426,967	507,475
Gearing ratio (Net debt / Total equity)	18.57%	3.57%	19.54%	2.72%

18. RESERVES

Share-based payments	503,593	6,590	503,593	6,590
Listed options	396,558	-	396,558	-
Total reserves	900,151	6,590	900,151	6,590

Reconciliations of movements in reserves

Share-based payments reserve

Balance at beginning of year	6,590	-	6,590	-
Current period share-based payments expense	497,003	6,590	497,003	6,590
Balance at end of year	503,593	6,590	503,593	6,590

Listed options reserve

Balance at beginning of year	-	-	-	-
Subscriptions of listed options	400,578	-	400,578	-
Costs related to listed options	(4,020)	-	(4,020)	-
Balance at end of year	396,558	-	396,558	-

Listed options outstanding at 30 June 2009 which are exercisable into ordinary shares of DataMotion Asia Pacific Limited are:

Listed options	Number	Term	Exercise Price
Quoted DMNOA options as at 30 June 2009	400,577,991	Exercisable prior to 06 May 2013	\$0.01

Option holders do not have any right, by virtue of the option, to vote, to participate in dividends or to the proceeds on winding up of the Company.

During the financial year no fully paid ordinary share were issued as a result of the exercise of options. No ordinary shares have been issued since the end of the financial year as a result of the exercise of options.

Consolidated Group		Parent Entity	
2009	2008	2009	2008
\$	\$	\$	\$

19. CONTINGENT LIABILITIES AND COMMITMENTS

Operating Lease Commitments

Non-cancellable operating lease rentals are payable as follows:

Less than one year	178,060	169,728	33,386	31,824
Between one and five years	786,369	749,573	147,444	140,545
More than five years	552,211	753,927	105,630	143,434
	<u>1,516,640</u>	<u>1,673,228</u>	<u>286,460</u>	<u>315,803</u>

The property lease is a non-cancellable lease for 10 years (having commenced 01 January 2007), with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by minimum of CPI or a minimum of 4% per annum. An option exists to renew the lease at the end of the 2016 year for an additional term of 10 years.

20. SEGMENT REPORTING

The principal activities of the Company during the year were:

- issued 113 million fully paid ordinary shares in the Company to sophisticated and private investors; and
- aggressive marketing of DataMotion SecureMail.

All activities are undertaken in Australia.

	Technology		Corporate		Eliminations		Consolidated Group (Continuing Operations)	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Revenue								
Sales to external customers	333,965	599,486	-	-	-	-	333,965	599,486
Other revenue	8,964	54,061	12,167	16,818	-	-	21,131	70,879
Inter-segment sales	-	-	-	-	-	-	-	-
Total segment revenue	342,929	653,547	12,167	16,818	-	-	355,096	670,365
Result								
Segment result	(829,146)	(307,873)	(1,178,030)	(664,130)	-	-	(2,007,176)	(972,003)
Unallocated expense/income	-	-	-	-	-	-	-	-
Net profit/(loss) before income tax	(829,146)	(307,873)	(1,178,030)	(664,130)	-	-	(2,007,176)	(972,003)
Assets								
Segment assets	757,655	1,143,412	525,420	577,851	(692,965)	(713,162)	590,110	1,008,101
Unallocated assets	-	-	-	-	-	-	-	-
Total assets	757,655	1,143,412	525,420	577,851	(692,965)	(713,162)	590,110	1,008,101
Liabilities								
Segment liabilities	455,837	372,914	138,677	56,185	(397,111)	(300,338)	197,403	128,761
Unallocated liabilities	-	-	-	-	-	-	-	-
Total liabilities	455,837	372,914	138,677	56,185	(397,111)	(300,338)	197,403	128,761
Other								
Capital expenditure	2,325	67,028	-	-	-	-	2,325	67,028
Depreciation and amortisation	110,983	118,497	1,857	1,828	-	-	112,840	120,325

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, intangibles and plant and equipment, net of accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by both segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits and provisions. Segment assets and liabilities do not include deferred income taxes.

21. CASH FLOW INFORMATION

Reconciliation to Cash Flow Statement

For the purposes of the Cash Flow Statement, cash and cash equivalents are as reported above.

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
Reconciliation of Loss from Ordinary Activities to Net Cash Flows from Operating Activities				
Non-cash flows in loss	(2,007,176)	(972,003)	(1,649,493)	(1,329,685)
Amortisation	39,066	20,924	1,857	1,828
Bad debts	2,923	-	-	-
Consultant option	114,831	-	114,831	-
Depreciation	73,774	99,401	-	-
Discount given	490	1,405	-	-
Employee option	382,172	6,590	382,172	-
Impairment losses – financial assets	-	-	110,998	-
Impairment losses – intangible assets	240,681	-	-	-
Impairment – provision of debtor	-	3,263	-	-
Inter-company loan written off	-	-	360,465	665,556
Loss on sale of shares	36,396	-	-	30
Unrealised gain on investment	56	29,776	56	36
Profit on sale of non-current assets	(4,829)	-	(3,636)	-
Profit on sale of shares	-	(38,225)	-	-
Other income	-	(8,842)	-	(8,842)
Changes in assets and liabilities				
(Increase) decrease in trade & other receivables	68,139	2,311	29,566	52,664
(Increase) / decrease in prepayments	(3,165)	(4)	-	-
Increase / (decrease) in trade payables	18,074	(25,279)	25,397	(22,164)
Increase / (decrease) in other payables & accruals	11,236	10,409	20,698	2,590
Increase / (decrease) in prepaid revenue	8,742	-	-	-
Increase / (decrease) in provisions	25,089	13,996	24,029	18,865
Net Cash Flows from Operating Activities	(993,501)	(856,278)	(583,060)	(619,122)

22. SHARE-BASED PAYMENTS

Share options are granted to employees and directors of the Company, or any Associated Body Corporate of the Company. A summary of the terms of the Scheme is contained in the Director's Report.

The following share-based payment arrangements existed at 30 June 2009.

During the year ended 30 June 2009, 2.5 million share options were issued to employees under the Scheme to take up ordinary shares at an exercise price of \$0.025 each. The options are exercisable by employees with more than one years of full-time service. The options hold no voting or dividend rights and are not transferable. When an employee ceases employment the options are deemed to have lapsed. At balance date, 15 million share options have lapsed.

During the year ended 30 June 2009, 52 million share options were issued to directors in December 2003 and February 2004 have expired. On 08 December 2008, 70 million share options were granted to directors to accept ordinary shares at an exercise price of \$0.025 each. The options are exercisable after 08 December 2008 but before 07 December 2013. The options hold no voting or dividend rights and are not transferable. When a director

ceases employment the options are deemed to have lapsed. Since balance date, no director has ceased their employment. At balance date, no share option has been exercised.

During the year ended 30 June 2009, 20 million share options were issued to consultants to accept ordinary shares at exercise price of \$0.025 each. The options are exercisable by consultants with more than 48 full-time weeks service or such time approved by the Board. The options hold no voting or dividend rights and are not transferable. At balance date, 7 million share options have lapsed.

All options granted to employees and directors, or any Associated Body Corporate of the Company, confer a right of one ordinary share for every option held.

The number and weighted average exercise prices of share options is as follows:

	2009		2008	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the period	86,500,000	\$0.025	75,000,000	\$0.025
Granted	92,500,000	\$0.025	35,000,000	\$0.025
Forfeited during the period	22,000,000		23,500,000	
Expired during the period	52,000,000		-	
Exercised during the period	-		-	
Outstanding at year-end	105,000,000		86,500,000	
Exercisable at year-end	105,000,000		86,500,000	

There were no options exercised during the year ended 30 June 2009 (2008: nil). These options had a weighted average share price of \$0.025 at exercise date.

The weighted average fair value of the options granted during the year was \$497,003 (2008: \$6,590).

This price was calculated by using a Black-Scholes option pricing model applying the following inputs:

Weighted average exercise price	\$0.025
Weighted average life of the option	3 years
Underlying share price	\$0.007 - \$0.019
Expected share price volatility	106.18% - 133.59%
Risk free interest rate	3.66% - 6.60%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate.

Included under employee benefits expense in the income statement is \$382,172 (2008: \$6,590) and relates, in full, to equity-settled share-based payment transactions.

Included under consultant and legal fees in the income statement is \$114,831 (2008: nil) and relates, in full, to equity-settled share-based payment transactions.

23. SUBSEQUENT EVENTS

- the Company issued 2,500,000 unlisted options in accordance with its Employee Option Incentive Scheme as initially approved by shareholders at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM (the ASX announcement of 19 Aug 09 refers);
- the Company changed its name from Synergy Equities Group Limited to DataMotion Asia Pacific Limited on 01 September 2009 as approved by shareholders at the Extraordinary General Meeting held on 14 August 2009 (the ASX announcement of 31 Aug 09 refers);
- the Company announced the placement of 290,300,000 shortfall listed options pursuant to its pro-rata rights issue prospectus to raise a total of \$290,300. As approved by the shareholders at the Company's

Extraordinary General Meeting held on 14 August 2009, the Company's Managing Director, Mr Ronald Moir, has subscribed for 100,000,000 listed options from the shortfall, at a cost of \$100,000 and on the same terms as the rights issue (the ASX announcement of 07 Sep 09 refers).

24. RELATED PARTY TRANSACTIONS

(a) Controlled entities

During the year SYNERGY Australia received a loan of \$241,524 from the ultimate parent DataMotion Asia Pacific Limited and received repayment of loan of \$40,400 from Data-inCrypt® to fund its operations. There is a stamped Loan Agreement dated 14 April 2000 to an amount of \$500,000 for funds loaned by DataMotion Asia Pacific Limited to SYNERGY Australia. The initial term of the loan was for 12 months however under the terms of the Loan Agreement the term can be extended by DataMotion Asia Pacific Limited at its sole discretion. SYNERGY Australia has secured its indebtedness to the Company by the granting of a floating charge over all its assets.

At balance date Data-inCrypt® owed SYNERGY Australia \$394,394.

During the year Data-inCrypt® received a loan of \$140,419 from SYNERGY Australia to fund its operations. Further, Data-inCrypt® lent \$3,246 to the ultimate parent DataMotion Asia Pacific Limited. These loans are non-interest bearing and have no specific repayment date nor are they subject to any contract. It has been decided that these loans are in the nature of equity rather than a liability as there is no present obligation to repay the loans. No shares have been issued in consideration.

(b) Ultimate Parent Entity

DataMotion Asia Pacific Limited is the ultimate holding company in the economic entity.

(c) Key Management Personnel

Key management personnel compensation and transactions have been included in the Remuneration Report section of the Directors' Report and Note 5 Key Management Personnel.

During the year DataMotion Asia Pacific Limited received a loan of \$22,400 from Ronald Moir the Managing Director of the Company. This loan was subsequently settled by Ronald Moir receiving his entitlement to 22,400,000 listed options as part of the Company's Pro-rata Non-renounceable Rights Issue.

During the period, Directors salaries were accrued for both Mark Popham and Martin Eade. The amounts unpaid at year end were \$9,305.37 and \$13,625.00 respectively. These amounts have been included in other payables. Refer to Note 15 "Trade and other Payables".

25. FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise receivables, payables, available for sale investments, cash and short-term deposits.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These included monitoring levels of exposure to interest rate and market forecasts for interest rate. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks are summarised below.

(a) Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables and available-for-sale-financial assets. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount net of any provisions for these assets as disclosed in the statement of financial position and notes to the financial statements.

The Company has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit evaluations including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board. These risk limits are regulatory monitored. The Company does not require collateral in respect of financial assets.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. At the balance sheet date there were no significant concentrations of credit risk. Refer to Note 9 for further details.

(b) Liquidity risk

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 Company's short, medium and long-term funding and liquidity management. The Company manages the liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities.

The table below lists the contractual maturities for the Company's financial liabilities. Maturity analysis of financial liability based on management's expectation.

	≤ 6 month	6 – 12 months	1 – 5 years	> 5 years	Total
2009					
Consolidated					
Trade & other payables	152,186	-	-	-	152,186
Leasing obligations	87,285	90,775	786,369	552,211	1,516,640
	<u>239,471</u>	<u>90,775</u>	<u>786,369</u>	<u>552,211</u>	<u>1,668,826</u>
Parent					
Trade & other payables	89,819	-	-	-	89,819
Leasing obligations	16,366	17,020	147,444	105,630	286,460
	<u>106,185</u>	<u>17,020</u>	<u>147,444</u>	<u>105,630</u>	<u>376,279</u>
2008					
Consolidated					
Trade & other payables	108,633	-	-	-	108,633
Leasing obligations	83,200	86,528	749,573	753,927	1,673,228
	<u>191,833</u>	<u>86,528</u>	<u>749,573</u>	<u>753,927</u>	<u>1,781,861</u>
Parent					
Trade & other payables	31,358	-	-	-	31,358
Leasing obligations	15,600	16,224	140,545	143,434	315,803
	<u>46,958</u>	<u>16,224</u>	<u>140,545</u>	<u>143,434</u>	<u>347,161</u>

(c) **Interest rate risk**

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on those financial assets and liabilities are as follows:

	Floating Interest Rate	Non-Interest Bearing	Total
	\$	\$	\$
2009			
Financial assets			
Cash	225,104	-	225,104
Receivables	-	56,494	56,494
Available for sale financial assets	-	13	13
	<u>225,104</u>	<u>56,507</u>	<u>281,611</u>
Weighted Average Interest Rate	1.43%		
Financial liabilities			
Trade and other creditors	-	152,186	152,186
	<u>-</u>	<u>152,186</u>	<u>152,186</u>
Weighted Average Interest Rate	9.27%		
2008			
Financial assets			
Cash	140,063	-	140,063
Receivables	-	149,633	149,633
Other	-	60,068	60,068
	<u>140,063</u>	<u>209,701</u>	<u>349,764</u>
Weighted Average Interest Rate	3.80%		
Financial liabilities			
Trade and other creditors	-	108,633	108,633
	<u>-</u>	<u>108,633</u>	<u>108,633</u>
Weighted Average Interest Rate	11.50%		

The Company does not have a major exposure in this area as the interest rate earned on deposited funds does not vary greatly from month to month. Therefore, no sensitivity analysis is required.

(d) **Foreign currency risk**

The Company is not exposed to significant financial risks from movements in foreign exchange rates.

There are no financial assets and no liabilities denominated in foreign currencies. The Company does not participate in any type of hedging transactions or derivatives. Therefore, no sensitivity analysis is required.

(e) **Price risk**

The Company's exposure to commodity and equity securities price risk is minimal. Equity securities price risk arises from investments in equity securities. In order to limit this risk the Company diversifies its portfolio in accordance with limits set by the Board. The majority of the equity investments are of a high quality and are publicly traded on the ASX.

The price risk for both listed and unlisted securities is immaterial in terms of a possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed.

(f) **Net fair value**

For the financial assets and liabilities disclosed in this note, the fair net value approximates their carrying value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

26. CHANGES IN ACCOUNTING POLICY

New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A list of those standards and interpretations that have been released and are applicable to the Company follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Company will be unable to be determined. The following changes to accounting requirements are included:
 - acquisition costs included in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
 - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
 - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
 - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will represent a change to the Company's policy);
 - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
 - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
 - where there is, in substance, no change to Company interests, parent entities inserted above existing Company shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.
- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports and are regularly reviewed by the Company's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Company as a policy of capitalising qualifying borrowing costs has been maintained by the Company.
- AASB 2008-1: Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 22 to 51, are in accordance with the Corporations Act 2001, and:
 - a) comply with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and the consolidated group;
2. the Managing Director and Chief Financial Officer have each declared that:
 - a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view;
3. in the Director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



RG MOIR
Managing Director
Perth, Western Australia
30 September 2009



MH POPHAM
Chief Financial Officer
Perth, Western Australia
30 September 2009



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Independent Auditor's Report

To the Members of DataMotion Asia Pacific Limited (formerly Synergy Equities Group Limited)

Report on the Financial Report

We have audited the accompanying financial report of DataMotion Asia Pacific Limited, (the company) which comprises the balance sheets as at 30 June 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we complied with applicable independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of DataMotion Asia Pacific Limited (formerly Synergy Equities Group Limited) is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Significant uncertainty regarding continuation as a going concern

Without qualification to the audit opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1(o) in the financial report which indicates that the company incurred a net loss of \$2,007,176 (including \$497,003 of non-cash share-based payments and \$240,681 impairment losses) during the year ended 30 June 2009. These conditions, along with other matters as set forth in Note 1(o), indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration

We have audited the Remuneration Report included in pages 15 to 19 of the directors' report for the year ended 30 June 2009. 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.

Auditor's opinion

In our opinion the Remuneration Report of DataMotion Asia Pacific Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants



MJ HILLGROVE
Partner

Perth, 30 September 2009

The following additional information is provided in compliance with the requirements of ASX Limited.

1. SHAREHOLDER INFORMATION

1.1 Distribution of Ordinary Shares and Listed Options at 30 September 2009

Distribution	No. of Shareholders	No. of Listed Option Holders
1-1,000	400	4
1,001-5,000	684	28
5,001-10,000	425	27
10,001-100,000	1,464	129
100,001 – and over	665	226
Total	3,678	414

1.2 Holders Holding Less Than a Marketable Parcel of the Quoted Equity Securities at 30 September 2009

As at 30 September 2009, 3,056 shareholders held less than a marketable parcel of the Company's fully paid ordinary shares.

As at 30 September 2009, 268 option holders held less than a marketable parcel of the Company's listed options.

1.3 The Names of the 20 Largest Holders of the Quoted Equity Securities at 30 September 2009

Contributed Equity (ASX code – DMN)

Name	Holding	%
1. Choice Constructions Pty Ltd	41,373,020	4.14%
2. Mr Ronald Moir	33,000,000	3.30%
3. Academic Growth Institute Fund Pty Ltd	23,695,000	2.37%
4. Prime Holdings Pty Ltd	22,750,000	2.28%
5. Melcove Pty Ltd	21,850,000	2.19%
6. McInerney Holdings Pty Ltd	20,413,490	2.04%
7. Hanny Properties Pty Ltd	20,000,000	2.00%
8. Tatlow Nominees Pty Ltd <Tatlow Super Fund A/C>	20,000,000	2.00%
9. Mr Graeme John Gladman & Mrs Franca Gladman	17,233,058	1.73%
10. Robertson Hillhouse Investments Pty Ltd <Robertson Hillhouse SF A/C>	16,479,367	1.65%
11. Mr Barry William Green <B Green Super Fund A/C>	15,000,000	1.50%
12. Guina Nominees Pty Ltd <The Byass Super Fund A/C>	13,926,231	1.39%
13. Mr Saleem Shehadie	13,791,561	1.38%
14. Mr Robert Ross Trevarrow & Mrs Helen Elizabeth Trevarrow	13,450,000	1.35%
15. Mr Brian Peter Byass	13,286,510	1.33%
16. Mr Bruce Crabb	13,000,000	1.30%
17. Mr Alexander Campbell McPherson & Mrs Dorothy Roslyn McPherson	12,500,000	1.25%
18. Medi Holdings Pty Ltd	12,000,000	1.20%
19. Titanic Holdings Pty Ltd	11,591,338	1.16%
20. Equity Investment Group Limited	10,500,000	1.05%
Total	365,839,575	36.61%

1.4 The Names of the 20 Largest Listed Options Holders at 30 September 2009

Listed Options (ASX code – DMNOA)

	Name	Holding	%
1.	Central Great Southern Holdings Pty Ltd <Central Great Southern A/C>	100,000,000	14.47%
2.	Mr Barry William Green	30,805,818	4.46%
3.	Laridlea Pty Ltd <Laridlea Pty Ltd A/C>	25,000,000	3.62%
4.	Mr Ronald Moir	22,400,000	3.24%
5.	Istana Securities Limited	20,000,000	2.89%
6.	Mr Alexander Campbell McPherson & Mrs Dorothy Roslyn McPherson	20,000,000	2.89%
7.	Mr Peter Proksa	20,000,000	2.89%
8.	Melcove Pty Ltd	17,480,000	2.53%
9.	Mr Robert Ross Trevarrow & Mrs Helen Elizabeth Trevarrow	15,000,000	2.17%
10.	Robertson Hillhouse Investments Pty Ltd <Robertson Hillhouse SF A/C>	13,183,494	1.91%
11.	Academic Growth Institute Fund Pty Ltd	10,000,000	1.45%
12.	Goffacan Pty Ltd	10,000,000	1.45%
13.	Goldwave Pty Ltd	10,000,000	1.45%
14.	Guina Nominees Pty Ltd <The Byass Super Fund A/C>	10,000,000	1.45%
15.	Keydale Investments Pty Ltd	10,000,000	1.45%
16.	Mr Brian Peter Byass	10,000,000	1.45%
17.	Mr Bruce Allan Sarson	10,000,000	1.45%
18.	Mr Edward R Henry	10,000,000	1.45%
19.	Mr Enrico Moschetti & Mrs Elizabeth Moschetti	10,000,000	1.45%
20.	Mr Simon Melville <S & R Melville S/Fund A/C>	10,000,000	1.45%
	Total	383,869,312	55.57%

1.5 Substantial Shareholders at 30 September 2009

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Mr Joseph Michael Anthony Nardizzi – 49,796,040 fully paid ordinary shares

1.6 Number of Holders of Each Class of Securities at 30 September 2009

As at 30 September 2009, the Company had 998,686,795 fully paid ordinary shares held by 3,678 individual shareholders and 690,877,991 listed options held by 414 individual option holders.

1.7 Voting Rights

The company's share capital is of one class with the following voting rights:

Ordinary shares

- a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
- b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he / she is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

Listed options

The company's options have no voting rights.

2. COMPANY SECRETARIES

Mark H Popham FCPA GAICD

Vicky Oui BComm, GDip Bus (Acc), MComm (Acc)

3. REGISTERED OFFICE

The address of DataMotion Asia Pacific Limited's registered office and principal administrative office is Level 1 Westcentre, 1260 Hay Street, West Perth WA 6005, Australia. The Company's telephone number is (+61 8) 9415 2212.

4. SHARE REGISTRY

The address of DataMotion Asia Pacific Limited's share registry, Computershare Investor Services Pty Ltd is Level 2, Reserve Bank Building, 45 St. Georges Terrace, Perth WA 6000, Australia. Computershare Investor Services Pty Ltd's telephone number is (+61 8) 9323 2000.

5. STOCK EXCHANGE LISTING

The Company's shares and options are listed on the Australian Securities Exchange Limited. The home exchange is the Australian Securities Exchange (Perth). The listed options of the Company expire on 06 May 2013.

The Company's shares are also quoted on the Berlin Bremen Stock Exchange.

6. RESTRICTED SECURITIES

There are no restricted securities.

7. UNQUOTED SECURITIES

The Company has on issue the following unquoted securities as at 30 September 2009.

Description	Code	Expiry Date	Number on Issue	Number of Holders
Employee Option Incentive Scheme options	SYGAQ	8 December 2010	10,000,000	1
Employee Option Incentive Scheme options	SYGAZ	07 December 2013	70,000,000	3
Employee Option Incentive Scheme options	SYGAS	28 May 2013	5,000,000	2
Employee Option Incentive Scheme options	SYGAK	18 August 2014	2,500,000	1
Consultant Option Incentive Scheme options	SYGAB	10 December 2012	5,000,000	1
Consultant Option Incentive Scheme options	SYGAO	03 July 2013	5,000,000	1
Consultant Option Incentive Scheme options	SYGAI	11 December 2013	10,000,000	1

8. A REVIEW OF OPERATIONS AND ACTIVITIES

A review of operations and activities for the reporting period is located in the Directors' Report.

9. ON MARKET BUY BACK

The Company does not currently have an on market buy back in operation.

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of DataMotion Asia Pacific Limited ("**DataMotion Asia Pacific**" or "**the Company**") have adhered to the principles of corporate governance. A description of the main corporate governance practices is set out below.

The Company's Corporate Governance Statement can be viewed on its website (www.datamotion.asia).

ASX core principles

The ASX has published 8 core principles of corporate governance in the second edition of 'Corporate Governance Principles and Recommendations' in August 2007 (the **Principles**), which it believes underlie good corporate governance, together with guidelines to satisfy those core principles (**Recommendations**). Under ASX listing rules, listed companies are required to provide a statement in their annual reports outlining the extent to which they have followed these best practice guidelines.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

Principle 1 – Lay Solid Foundations for Management and Oversight

The Board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

As the Board acts on behalf of shareholders, it seeks to identify the expectations of shareholders, as well as other ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The primary responsibility of the Board includes:

- 1) formulation and approval of the strategic direction, objectives and goals of the Company;
- 2) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- 3) approving and monitoring financial and other reporting;
- 4) approving key executives appointments, performance and remunerations, and monitoring and reviewing executives succession planning;
- 5) ensuring that adequate internal control systems and procedures exists and that compliance with these systems and procedures is maintained;
- 6) the identification of significant business risks and ensuring that such risks are adequately managed; and
- 7) the establishment and maintenance of appropriate ethical standards.

The Board has delegated responsibility for operation and administration of the Company to the Managing Director, who operates in an executive capacity, supported by two executive Directors and professional staffs.

The positions of Chief Financial Officer and Chief Technical Officer are held by Directors of the Company. Each Officer has a formal job description which sets out the key tasks, responsibilities, and terms and conditions of the appointment. However, the Board considers that the roles and functions within the Company must remain flexible in order for it to best function within its level of available resources.

The Managing Director reviews the performance of all Directors and senior executives annually. The Company is continuing to develop its Board and executive evaluation processes. At this stage, there is no formal policy or charter in place.

The Company has not yet issued formal letters of appointment to its Directors. This is a departure from Recommendation 1.1, but is being addressed.

The constitution of the Company provides that a Director other than the Managing Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting for re-election. One third of the Directors must retire each year and are eligible for re-

election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

Principle 2 – Structure of the Board to Add Value

The Board is comprised of a Managing Director and two executive Directors. The Company does not currently have any non-executive Directors. The Board is satisfied that the structure of the Board is appropriate for the size of the Company and the nature of its operations and is a cost effective structure for managing the Company.

The composition of the Board is determined using the following principles:

- 1) the Board will be of a size to assist in efficient decision making;
- 2) the Board should comprise at least three Directors. This number may be increased where it is considered that additional expertise is required in specific areas, or when an outstanding candidate is identified; and
- 3) the Board should comprise Directors with a broad range of expertise, skills and experience from a diverse range of backgrounds including sufficient skills and experience appropriate to the Company's business.

Under the ASX guidelines, none of the current Board are considered to be independent Directors. This is a departure from Recommendation 2.1, which requires a majority of the Board to be independent. Due to the Company's size, nature and extent of operations, the Company has departed from this principle. However, the Company is satisfied that the Board's current composition and the policies that it has in place ensures that the Directors bring independent judgments to bear on Board decisions, including the Directors' ability to access independent professional advice at the Company's expense.

The Chairman is an executive Director and not independent. This is a departure from Recommendation 2.2, which requires the Chair to be an independent Director. The Chairman also performs the functions of the Chief Executive Officer. This is a departure from Recommendation 2.3, which requires the role of the Chair and the Chief Executive Officer not to be exercised by the same person. The Company is mindful of the costs and availability of experienced non-executive independent chairmen and is satisfied the current Board structure is appropriate for the size of the Company and the nature of its activities.

The process for appointing a Director is that, when a vacancy exists, or where it is considered that the Board would benefit from the services of a new Director with particular skills, a panel of candidates is selected with the appropriate expertise and experience. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, and the ability to undertake and contribute to the Board's duties and responsibilities. External advisers may be used to assist in assessing a candidate. The Board then appoints the most suitable candidate who must stand for election at the next annual general meeting of the Company.

The fact that the Company does not have a nomination committee is a departure from Recommendation 2.4. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to the process and that the Board itself is the appropriate forum to deal with this function. The procedures for appointing Board members and assessing their performance and remuneration are described above.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. As the Company does not have any committees, there is no process for evaluating the performance of its committees. This is a departure from Recommendation 2.5, which requires companies to disclose the process for evaluating the performance of the Board, its committees and individual Directors.

The skills, experience, expertise and commencement dates of the Directors are set out in the Directors' Report.

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. Prior approval of the Managing Director is required, which will not be unreasonably withheld.

Due to the small size of the Board and staff members and current operations of the Company, the Board has considered that establishing formally constituted nomination committee would contribute little to its effective management. Accordingly, the nomination of new Directors and the setting, or review, of remuneration levels of Directors and senior

executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest).

The Company has an informal process to educate new Directors and senior executives about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors.

Directors and senior executives are encouraged to undertake continuing professional education to update and enhance their skills and knowledge.

Board members have complete and open access to management.

The Company Secretary provides advice and support to the Board and is responsible for the Company's day-to-day governance framework.

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other Boards.

Principle 3 – Promote Ethical and Responsible Decision-Making

The Company has a written Code of Conduct which sets out minimum standards necessary to guide executives, management and employees in carrying out their duties and responsibilities.

The Company's Code of Conduct can be viewed on its website (www.datamotion.asia).

Directors and employees are subject to the *Corporations Act 2001* restrictions on applying for, acquiring and disposing of securities in, or other relevant financial products of, the Company if they are in possession of inside information. Inside information is that information which is not generally available and which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities in, or other relevant financial products of, the Company.

The Company has an established policy relating to trading in the Company's securities by Directors and employees. The policy provides that Directors and employees are not to deal in the securities of the Company during the period of 24 hours prior to the release of annual or half-yearly results announcements and within the period of 24 hours prior to the issue of a prospectus. Directors and employees are further required to notify their intention to trade in the Company's securities prior to trading.

The Company's Share Trading Policy can be viewed on its website (www.datamotion.asia).

Principle 4 – Safeguard Integrity in Financial Reporting

The fact that the Company does not have an audit committee is a departure from Recommendations 4.1, 4.2 and 4.3. Due to the Company's size, nature and extent of operations, the Company has departed from these recommendations. The Board believes that, within the number of Directors on the Board, the Board itself is the appropriate forum to deal with this function.

In late 2006, the Board reviewed the appointment of the external auditor and conducted a tender process for the appointment of the external auditor. As a result, the Company sought and obtained shareholder approval and appointed its external auditor as Grant Thornton Chartered Accountants. The external auditor attends the annual general meeting and has regular contact with management and Directors in accounting and regulatory issues.

The external auditor is rotated in accordance with the *Corporations Act 2001* and the new appointment is subject to tender at that time.

Principle 5 – Make Timely and Balanced Disclosure

The Board is acutely aware of the continuous disclosure regime and there are robust systems in place to ensure compliance, underpinned by experience. The Company's policy is that shareholders are informed of all major developments that impact the Company. There is a detailed disclosure policy in place to ensure that it is in compliance with its ASX Listing Rule disclosure requirements. This policy includes identifying matters that may have a material

effect on the price of the Company's securities, notifying them to the ASX and posting them on the Company's website (www.datamotion.asia).

The Company's Continuous Disclosure Policy is available on its website (www.datamotion.asia).

Principle 6 – Respect the Rights of Shareholders

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Company and the Directors and to encourage their attendance at general meetings. The Company's policy is to ensure that information is communicated to shareholders and the market through:

- 1) the Annual Report which is distributed to all shareholders;
- 2) other periodic reports which are lodged with ASX and available for shareholder scrutiny;
- 3) other announcements made in accordance with ASX Listing Rules;
- 4) special purpose information memoranda issued to shareholders as appropriate; and
- 5) the annual general meeting and other meetings called to obtain approval for Board action as appropriate.

All announcements are made available on the Company's website as soon as the announcements have been released to the market by ASX. In addition, shareholders who lodge their email contact details with the Company can also receive an emailed copy of all ASX announcements.

The Company's Communications Policy can be viewed on its website (www.datamotion.asia).

Principle 7 – Recognise and Manage Risk

The Board is responsible for assessing, monitoring and managing operational, financial reporting and compliance risks for the Company. Financial reporting risk management and associated compliance and controls are monitored and found to be operating efficiently and effectively.

The Company does not have formalised policies for the oversight and management of material business risks as required under Recommendation 7.1

The Board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees.

The Company has instigated internal procedures designed to provide reasonable assurance as to the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with relevant laws and regulations.

The Company requires that the Managing Director and Chief Financial Officer (or equivalent) state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

The Board has received assurance from the Managing Director and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received a report from management on the effectiveness of the Company's management of its material business risks and receives weekly financial and operational reports.

The Directors regard the confidentiality of customer information as highly important. All Directors and employees have entered into Confidentiality & Non Disclosure Agreements with the Company.

Principle 8 – Remunerate Fairly and Responsibly

The fact that the Company does not have a remuneration committee is a departure from Recommendation 8.1. The Company does not consider it appropriate to have a sub-committee of the Board to consider remuneration matters. The procedures for determining the remuneration of the Company's Directors are described in the Directors' Report. Acting in its ordinary capacity, the Board from time to time carries out the process of considering and determining performance issues, including the identification of matters that may have a material effect on the price of the Company's securities. Whenever relevant, any such matters are reported to the ASX.

Remuneration and other terms of employment of executives, including executive Directors, are reviewed periodically by the Board having regard to performance, relevant comparative information and, where necessary, independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations. Where the remuneration of a particular executive Director is to be considered, the Director concerned does not participate in the discussion or decision-making.

The remuneration policy for the Board and the remuneration of each Director is set out in the remuneration report which forms part of the Directors' Report.

A summary of the Company's policy on prohibiting transactions in associated products which limit risk of participating in unvested entitlements under any equity-based remuneration schemes can be viewed in the Company's Share Trading Policy on its website (www.datamotion.asia).

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