



Appendix 4D

Half Year Report

ELS069.2010

The following information is given under ASX Listing Rule 4.2A.3.

1. The reporting period is the financial half year ended 31 December 2009. The previous reporting period is the financial half year ended 31 December 2008 unless otherwise shown. The information contained in this report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2009.

2. Results for announcement to the market:

\$A'000

2.1 Revenue from ordinary activities	- down	72 %	to	72
2.2 Profit (loss) from ordinary activities after tax attributable to members	- down	18 %	to	(858)*
2.3 Net profit (loss) for the period attributable to members	- down	18 %	to	(858)*
2.4 Final or interim dividends – <i>not applicable</i>				
2.5 Record date for determining entitlements to dividends – <i>not applicable</i>				
2.6 Brief explanation of above figures – <i>see attached Director's Report</i>				

* includes \$22,244 of non-cash share based payments during the half-year ended 31 December 2009.

3. Net tangible assets per security this period – 0.0006
Net tangible assets per security previous period – 0.0004
4. Details of entities over which control has been gained or lost during the period – *not applicable*
5. Details of individual and total dividends – *not applicable*
6. Details of any dividend or distribution reinvestment plans – *not applicable*
7. Details of associates and joint venture entities – *not applicable*
8. Accounting standards for foreign entities – *not applicable*
9. The accounts are not subject to dispute or qualification by the Auditor conducting the review of the financial statements for the 6 months ended 31 December 2009. See attached financial statements with Auditor's Independent Review Report.

DATA MOTION™

ASIA PACIFIC LIMITED

ABN 44 009 148 529

HALF YEARLY FINANCIAL STATEMENTS

31 DECEMBER 2009

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Glossary in brief

DataMotion Asia Pacific	is DataMotion Asia Pacific 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
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

Joshua Wellisch
Non-Executive Director

COMPANY SECRETARY

Martin JW Eade
Chief Technical Officer

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Westcentre
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West Perth WA 6005
AUSTRALIA

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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

Your Directors submit their report for the half year ended 31 December 2009.

DIRECTORS

The names of the Company's directors in office during the half year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- Ronald G Moir
- Mark H Popham FCPA GAICD
- Martin JW Eade
- Joshua Wellisch – appointed as a Director on 04 December 2009

PRINCIPAL ACTIVITIES

Corporate

- the Company completed a fully underwritten rights issue in December 2009 to raise AU\$1,009,213 after costs. Funds from the rights issue will be used:
 - to fund the search for a profitable technology based acquisition target which will expand the Company's portfolio of technology products whilst also leveraging its existing technologies and DataCentre; and
 - to transform the DataMotion Asia Pacific DataCentre into a "boutique" high-end hosting facility to capitalise on the shortage of commercial data centre space in Western Australia and provide additional revenue streams.
- Allegra Capital appointed to assist the Company in identifying potential acquisition targets;
- the Company placed 139,803,019 fully paid ordinary shares in October 2009 at a price of 0.15 cents per share in the Company to sophisticated and private investors, raising a total of AU\$209,704;
- the Company changed its name from Synergy Equities Group Limited to DataMotion Asia Pacific Limited, effective 01 September 2009;
- the Company placed 290,300,000 shortfall listed options in September 2009 further to the Company's pro-rata non-renounceable rights issue which closed on 29 May 2009, raising a total of AU\$290,300; and
- Joshua Wellisch was appointed as a Director on 04 December 2009.

Technology

- the Company (through Data-inCrypt® Pty Ltd) was appointed Asia Pacific Master Distributor for DataMotion, Inc. (USA-based) in July 2009;
- Data-inCrypt® SMX secure registered email was rebranded as DataMotion SecureMail in September 2009;
- mutual confidentiality agreement executed with Optus to explore partnership opportunities in December 2009;
- DataMotion Asia Pacific DataCentre to be transformed into a "boutique" high-end hosting facility;
- DataMotion Intelligent Information Transport platform integrates managed file transfer and electronic forms with secure email; and
- Australian Football League to undertake DataMotion SecureMail trial amongst key executives.

REVIEW AND RESULTS OF OPERATIONS

The consolidated entity incurred an operating loss of \$858,219 for the half year period.

Shareholders should note that this operating loss includes a non-cash expense of \$22,244 inserted as a result of the technical requirements of the applicable Australian Accounting Standards in valuing unlisted employee / consultant incentive options issued to staff and consultants, as approved by Shareholders.

As shareholders are aware, the Company has not been isolated from the global financial situation and, notwithstanding its best efforts in marketing, restrictions in capital expenditure have lead to the significant lengthening of the sales cycle

within the large organisations that the Company has been dealing with in regard to secure email. A 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. This has meant that sales revenues from the Company's primary target market have taken longer to be realised than originally anticipated, and the timeframe for the lifting of spending restrictions cannot accurately be estimated at this point in time. These delays, combined with a decreasing level of transactional income, have impacted on the Company.

In response to this, the Company's focus shifted to raising capital, and to that end a share placement and a fully underwritten rights issue were completed during the period.

An overview of the Company's Technology and Corporate activities for the half year follows. For further details of the consolidated entity's activities during the half year, we refer the Company's Shareholders to the comprehensive reports previously submitted to the Australian Securities Exchange, which can be viewed on the Company's website at www.datamotion.asia.

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

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. The Data-inCrypt® service delivers *fast – reliable – secure online data backup & recovery worldwide*. 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 backup & recovery service and the suite of e-commerce software products branded the SYNERGY TradeCentre.

Activities

The half year saw the Company change its name to DataMotion Asia Pacific Limited as the final stage in the transitioning of its business model to reflect the emphasis on and commitment to the DataMotion platform in the Asia Pacific region. Coinciding with this change, Data-**inCrypt**[®] SMX secure registered email was rebranded as DataMotion SecureMail as part of the global unification of the DataMotion brand.

The Company:

- released an update on DataMotion Vice-President's tour of Australia with Data-**inCrypt**[®]'s Directors on behalf of SMX / SecureMail during June 2009;
- announced that Data-**inCrypt**[®] had completed the first half of a nationwide strategy for the supply of SecureMail "hosted service" licenses to Local Governments nationwide through their respective Local Government associations;
- released an update on the forthcoming enhancements to the 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;
- rebranded SMX secure registered email as DataMotion Secure Mail;
- released details of DataMotion's Intelligent Information Transport (IIT) platform;
- released its Introducing DataMotion Asia Pacific sales and marketing presentation;
- released a trading update on the Company and its wholly owned subsidiaries, Data-**inCrypt**[®] Pty Ltd and Synergy Business Solutions Australia Pty Ltd;
- advised that the DataMotion Asia Pacific DataCentre is to be transformed into a "boutique" high-end hosting facility; and
- commenced the exploration of partnership opportunities with SingTel Optus and Alphawest Services Pty Ltd (a SingTel Group company, www.alphawest.com.au) in regard to their use of the DataMotion DataCentre as a hosting facility for customer equipment and managed services.

Corporate

Activities

- released a 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 an 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 would change to DataMotion Asia Pacific Limited on 01 September 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 the names of the Company's Top 20 Optionholders as at 09 September 2009;
- released the Company's Full Year Statutory Accounts for the year ended 30 June 2009;
- placed 139,803,019 fully paid ordinary shares at a price of 0.15 cents per share in the Company to sophisticated and private investors, raising a total of AU\$209,704;
- released the Company's 2009 Annual Report and Notice of Annual General Meeting with Proxy Form;
- announced that the Company had entered into an agreement with Cunningham Peterson Sharbanee Securities Pty Ltd to fully underwrite a non-renounceable Rights Issue to all eligible shareholders and raise up to approximately AUD\$1,138,489 before costs. The Rights Issue was an offer of two (2) fully paid New Shares for every three (3) fully paid Shares held, at a price of \$0.0015 (0.15 cents) for every New Share subscribed, with one (1) free Attaching of class DMNOA for every two (2) New Shares subscribed;
- released Section 708A Notice in relation to the placement of 139,803,019 Fully Paid Ordinary Shares in the Company;
- released Form 603 – Notice of Initial Substantial Holder;
- released Appendix 3B – Fully Underwritten Rights Issue;
- released a copy of its Fully Underwritten Rights Issue Prospectus;
- released 1st Quarter Activities Report for the period ended 30 September 2009;
- released 1st Quarter Cash Flow Report for the period ended 30 September 2009;
- advised that Mr Martin Eade, a current Director and the Company's Chief Technical Officer had been appointed as Joint Company Secretary. Mr Mark Popham, also a current Director had retired as Joint Company Secretary and continued in his primary role as the Company's Chief Financial Officer;
- held its 2009 Annual General Meeting;
- released the results of the Company's 2009 Annual General Meeting;
- appointed Allegra Capital Pty Ltd to assist in identifying potential acquisition target/s;
- appointed Mr Joshua Wellisch as a Director;
- announced the closing of the fully underwritten rights issue;
- released Appendix 3B – issue of Listed Options to Underwriter; and
- released Form 604 – Notice of Change of Interests of Substantial Holder.

Matters subsequent to 31 December 2009

- placed 80,039,686 fully paid ordinary shares at a price of 0.15 cent per share to private investors, raising a total of AUD\$120,059. Every two placement shares subscribed for had one free attaching listed option of existing class DMNOA;
- announced that the Company has received a request from Mr Robert Roget, on behalf of Intercorp Pty Ltd, for an extraordinary general meeting (EGM) of shareholders to be called to remove the Company's Chairman & Managing Director Mr Ronald Moir & Chief Financial Office Mr Mark Popham;
- released Forms 604 – Notice of Change of Interests of Substantial Holder;
- announced the resignation of the Company's Group Accountant Ms Vicky Oui as joint Company Secretary;
- released 2nd Quarter Activities Report for the period ended 31 December 2009;
- released 2nd Quarter Cash Flow Report for the period ended 31 December 2009;
- released Notice of Extraordinary General Meeting with Proxy Form; and
- successfully prosecuted the first of a series of defamation actions in the Supreme Court of Western Australia in response to comments published on the HotCopper website.

Except for the matters discussed above, there is at the date of this report no other matter or circumstance which has arisen since 31 December 2009, that has significantly affected or may significantly affect:

- (a) the Company's operations in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the Company's state of affairs in future financial years.

Pursuant to section 306 Corporations Act 2001 this Directors' Report:

- (a) is made in accordance with a resolution of the Directors;
- (b) is dated 09 March 2010; and
- (c) is signed by Mark Popham, a Director.

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The Auditor's Independence Declaration is set out on page 7 and forms part of the Directors' Report for the half year ended 31 December 2009.



MH POPHAM
Director

Perth, Western Australia
09 March 2010

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**Auditor's Independence Declaration
To The Directors of DataMotion Asia Pacific Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of DataMotion Asia Pacific Limited for the half-year ended 31 December 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants



M J HILLGROVE
Partner

Perth, 9 March 2010

Grant Thornton (WA) Partnership ABN 17 735 344 518, a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389.

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Independent Auditor's Review Report To the Members of DataMotion Asia Pacific Limited

We have reviewed the accompanying half-year financial report of DataMotion Asia Pacific Limited ("Company"), which comprises the consolidated financial statements being the condensed consolidated statement of financial position as at 31 December 2009, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year 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 half-year 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of DataMotion Asia Pacific Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Grant Thornton (WA) Partnership ABN 17 735 344 518, a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389.

Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

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

Independence

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

Conclusion

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

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Significant uncertainty regarding continuation as a going concern

Without qualification to the conclusion expressed above, attention is drawn to the following matter. As described in Note 2(c) in the half-year financial report the company incurred a net loss of \$858,219 during the half-year ended 31 December 2009. These conditions, along with other matters as set forth in Note 2(c), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity'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 state in the financial report.



GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants



M J HILLGROVE
Partner

Perth, 9 March 2010

Grant Thornton (WA) Partnership ABN 17 735 344 518, a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389.

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Directors' Declaration

In accordance with a resolution of the Directors of the Company, I state that:

In the opinion of the Directors:

- (a) the financial statements and the notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2009 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



MH FOPHAM
Director

Perth, Western Australia
09 March 2010

Condensed Consolidated Statement of Financial Position

	Consolidated	
	31 December 2009 \$	30 June 2009 \$
ASSETS		
Current Assets		
Cash and cash equivalent	850,828	225,104
Trade and other receivables	91,378	56,494
Financial assets	330,213	13
Other current assets	18,137	8,867
Total Current Assets	1,290,556	290,478
Non-Current Assets		
Property, plant and equipment	195,922	210,846
Intangible assets	93,229	88,786
Total Non-Current Assets	289,151	299,632
Total Assets	1,579,707	590,110
LIABILITIES		
Current Liabilities		
Trade and other payables	334,355	152,186
Provisions	53,374	33,760
Total Current Liabilities	387,729	185,946
Non-Current Liabilities		
Provisions		
Total Non-Current Liabilities	14,828	11,457
Total Liabilities	402,557	197,403
Net Assets	1,177,150	392,707
EQUITY		
Issued capital	38,833,555	37,308,085
Reserves	620,785	503,593
Accumulated losses	(38,277,190)	(37,418,971)
Total Equity	1,177,150	392,707

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Comprehensive Income

	Consolidated	
	31 December 2009 \$	31 December 2008 \$
Sales revenue	72,322	261,689
Cost of sales	(4)	(23,277)
Gross profit	72,318	238,412
Other revenue	10,198	8,910
Administrative expenses	(447,982)	(279,044)
Consultant and legal fees	(57,012)	(131,001)
Depreciation and amortisation expense	(32,060)	(57,029)
Impairment of financial assets	-	(11,104)
Employee benefit expense	(403,681)	(811,592)
Other expenses	-	(2,193)
Profit / (Loss) before income tax expense	(858,219)	(1,044,641)
Income tax expense	-	-
Profit / (Loss) for the period	(858,219)	(1,044,641)
Other comprehensive income / (loss)		
Fair value movements on available-for-sale financial assets	94,948	-
Other comprehensive income / (loss) for the period, net of tax	94,948	-
Total comprehensive income / (loss) for the period	(763,271)	(1,044,641)
Basic earning per share (cents)	(0.074)	(0.114)
Diluted earnings per share (cents)	(0.074)	(0.114)

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

	Consolidated	
	31 December 2009 \$	31 December 2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	53,079	304,464
Interest received	3,512	4,879
Payments to suppliers and employees	(681,506)	(729,717)
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	(624,915)	(420,374)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for equity investments	(247,456)	-
Payment for intangibles	(9,989)	-
Payment for purchase of property, plant and equipment	(12,000)	(5,566)
Proceeds from sale of equity investments	19,776	22,994
Proceeds from sale of property, plant and equipment	297	4,000
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	(249,372)	21,428
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,604,194	354,000
Capital raising costs	(104,183)	(2,274)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	1,500,011	351,726
Net (decrease)/increase in cash held	625,724	(47,220)
Cash and cash equivalents at beginning of period	225,104	140,063
CASH AND CASH EQUIVALENTS AT END OF PERIOD	850,828	92,843

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

Consolidated	<u>Attributable to the shareholders of DataMotion Asia Pacific Limited</u>				
	Issued Capital Ordinary Shares \$	Listed Options \$	Accumulated Losses \$	Reserves \$	Total Equity \$
At 1 July 2008	36,284,545	-	(35,411,795)	6,590	879,340
Total comprehensive income / (loss) for the period	-	-	(1,044,641)	-	(1,044,641)
Issue of share capital	454,000	-	-	-	454,000
Capital raising costs	(3,479)	-	-	-	(3,479)
Sub-total	36,735,066	-	(36,456,436)	6,590	285,220
Share-based payments	-	-	-	433,641	433,641
At 31 December 2008	36,735,066	-	(36,456,436)	440,231	718,861
As at 1 July 2009	36,911,527	396,558	(37,418,971)	503,593	392,707
Total comprehensive income / (loss) for the period	-	-	(858,219)	94,948	(763,271)
Issue of share capital	1,348,193	-	-	-	1,348,193
Capital raising costs	(117,106)	-	-	-	(117,106)
Sub-total	38,142,614	396,558	(38,277,190)	598,541	860,523
Share-based payments	-	-	-	22,244	22,244
Listed options issued	-	310,300	-	-	310,300
Capital raising costs	-	(15,917)	-	-	(15,917)
At 31 December 2009	38,142,614	690,941	(38,277,190)	620,785	1,177,150

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Condensed Financial Statements

1. CORPORATE INFORMATION

The financial statements of DataMotion Asia Pacific Limited for the half-year ended 31 December 2009 are authorised for issue in accordance with a resolution of the Directors on 09 March 2010. DataMotion Asia Pacific Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in note 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial statements do not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial statements should be read in conjunction with the annual Financial Statements of the Group as at 30 June 2009.

It is also recommended that the half-year financial statements be considered together with any public announcements made by the Group and its controlled entities during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

a) Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2009 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial statements is intended to provide users with an update on the latest annual financial statements of DataMotion Asia Pacific Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2009, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial statements as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

b) Accounting Standards not previously applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial statements on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- the adoption of the separate income statement/single statement approach to the presentation of the statement of comprehensive income;

- other financial statements are renamed in accordance with the Standard; and
- presentation of a third statement of financial position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments

From 01 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statement of comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

As a result of the adoption of the revised AASB 8, certain cash-generating units have been redefined having regard to the requirements in AASB 136: Impairment of Assets.

c) Going Concern

The consolidated entity has incurred operating losses of \$858,219 (including \$22,244 of non-cash share-based payments) for the period ended 31 December 2009 [2008: (\$1,044,641)].

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.

3. LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	31 December 2009 \$	31 December 2008 \$
Revenue		
Sales	72,322	261,689
Other revenue		
Interest from:		
Other unrelated persons	335	2,770
Total interest	335	2,770
Proceeds from sale of non current assets	459	3,636
Proceeds from sale of financial assets	7,777	-
Other	1,627	2,504
Total other revenue	10,198	8,910
Total revenue	82,520	270,599
Expenses		
Depreciation and amortisation on non current assets		
Depreciation of:		
- plant and equipment	25,416	35,506
- software	1,097	1,829
Amortisation of:		
- licences	1,481	1,481
- software	2,788	17,277
- trade marks	1,278	936
Total depreciation and amortisation	32,060	57,029
Impairment of financial assets		
Impairment	-	11,104
Total impairment of financial assets	-	11,104
Employee benefit expense		
Wages and salaries	344,002	423,904
Defined contribution superannuation expense	30,921	38,151
Share-based payment expense	3,627	351,936
Other employee benefit expense	25,131	(2,399)
Total employee benefit expense	403,681	811,592
Loss from sale of financial assets	-	25,289

4. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of functions within the Group, since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

The Group's suite of technology products are comprised of the following segments:

- DataMotion SecureMail & IIT platform – a powerful, cost effective, and easy to use service that encrypts messages between an organisation and its business partners and customers.
- Hosted services – including co-location of customer equipment in the DataMotion Asia Pacific DataCentre and the hosting of Internet services such as web sites and extranets.
- Data-inCrypt[®] online backup & recovery – 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.

Basis of accounting for purposes of reporting by operating segments

Accounting policies and inter-segment transactions

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group. There are no inter-segment transactions.

Segment assets and segment liabilities

Assets and liabilities are not allocated to each segment and are reviewed by the board of directors as the chief operating decision maker on a consolidated entity basis.

Unallocated items

Unless indicated otherwise the following items of revenue and expense are not allocated to operating segments as they are not considered part of the core operations of any segment:

- interest revenue;
- net gain on disposal of available-for-sale of financial assets;
- net gain on disposal of plant and equipment;
- administration costs; and
- employee benefit expenses (including share-based payments).

Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the Standard.

	DataMotion SecureMail & IIT platform	Hosted services	Online backup & recovery	Consolidated
	\$	\$	\$	\$
Six months ended 31 Dec 2009				
Revenue				
External sales	3,025	30,310	38,987	72,322
Other revenue	-	1,364	263	1,627
Inter-segment sales	-	-	-	-
Total segment revenue	3,025	31,674	39,250	73,949
Interest revenue				335
Net gain on disposal of available-for-sale of financial assets				7,777
Net gain on disposal of plant and equipment				459
Total group revenue				82,520
Result				
Segment net loss before tax	(251,068)	20,949	38,527	(191,592)
<i>Amounts not included in segment result but reviewed by the Board:</i>				
Depreciation and amortisation				(32,060)
<i>Unallocated items:</i>				
Administration costs				(230,886)
Employee benefit expenses				(403,681)
Net loss before tax				(858,219)
Six months ended 31 Dec 2008				
Revenue				
External sales	2,750	215,464	43,475	261,689
Other revenue	-	1,694	810	2,504
Inter-segment sales	-	-	-	-
Total segment revenue	2,750	217,158	44,285	264,193
Interest revenue				2,770
Net gain on disposal of available-for-sale of financial assets				-
Net gain on disposal of plant and equipment				3,636
Total group revenue				270,599
Result				
Segment net loss before tax	(62,077)	154,724	43,761	136,408
<i>Amounts not included in segment result but reviewed by the Board:</i>				
Depreciation and amortisation				(57,029)
<i>Unallocated items:</i>				
Administration costs				(302,227)
Employee benefit expenses				(821,793)
Net loss before tax				(1,044,641)

5. COMMITMENTS

The Company is committed to proceed with the Common Criteria certification of the DataMotion platform at a cost of AU\$140,000 (US\$127,636) certification costs plus estimated AU\$150,000 (US\$136,753) ancillary costs in the first quarter of calendar year 2010. The certification cost of AU\$140,000 (US\$127,636) or the actual amount, whichever is lower, is to be credited against the AU\$349,299 (US\$320,000) Guarantee Revenue for calendar year 2010 that will be due in the first quarter of calendar year 2011.

6. ISSUED CAPITAL

	31 December 2009 \$	30 June 2009 \$
a) Ordinary shares		
1,897,483,024 fully paid ordinary shares (30 June 09: 998,686,795)	38,142,614	36,911,527
b) Movements in contributed equity for the year		
Balance at the beginning of the financial year	36,911,527	36,284,545
Shares issued during the current financial year:		
- 139,803,019 on 20 October 2009	209,704	-
- 758,993,210 on 04 December 2009	1,138,489	-
Shares issued during the previous financial year:		
- 38,000,000 on 13 August 2008	-	304,000
- 30,000,000 on 28 November 2008	-	150,000
- 45,000,000 on 19 February 2009	-	180,000
Less capital raising costs	(117,106)	(7,018)
Total contributed equity	38,142,614	36,911,527

During the period, the Company issued 290,300,000 shortfall listed options for the value of \$290,300 to various investors and 20,000,000 listed options for the value of \$20,000 as part of the underwriting fee for the Company's recently completed Rights Issue.

7. SHARE OPTIONS ISSUED

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 09	Issued	Lapsed / Cancelled	Held at 31 Dec 09
09 Dec 05	08 Dec 10	2.5 cents	10,000,000	-	-	10,000,000
29 May 08	28 May 13	2.5 cents	5,000,000	-	-	5,000,000
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 09	Issued	Lapsed / Cancelled	Held at 31 Dec 09
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
12 Dec 08	11 Dec 13	2.5 cents	10,000,000	-	-	10,000,000

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

There were no options exercised during the year ended 31 December 2009 (2008: nil).

The weighted average fair value of the options have been charged to the Condensed Income Statement in the 31 December 2009 accounts was \$22,244 (2008: \$433,641).

The theoretical notional values were calculated by using a Black-Scholes option pricing model based on the following assumptions:

Weighted average exercise price	\$0.025
Weighted average life of the option	3 years
Underlying share price	\$0.0070 - \$0.0019
Expected share price volatility	106.18% - 185.24%
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.

The notional valuations ascribed to these unlisted options may not necessarily represent the market price at the date of valuation.

The employee options of \$3,627 and consultant options of \$18,617 have been charged to the Condensed Income Statement as part of Employee benefit expense and Consultant & legal fees respectively in the 31 December 2009 accounts.

8. RELATED PARTY TRANSACTION

a) Executive Contractual Arrangements

The Company has entered into service agreements executed on 03 November 2009 with key management personnel. Details of these agreements are provided below.

Agreement Details	Ronald Moir, Chairman & Managing Director
Duration of contract	three years commencing 01 February 2008, unless extended or terminated earlier in accordance with the Agreement
Service fee *	\$900,000 to be paid over the service period (three years) payable in monthly instalments of \$25,000 (exclusive of superannuation)
Termination notice period	varies from immediate termination (ie no notice period required) to six months notice, dependent on circumstances as outlined in the Agreement
Termination payment	varies from accrued entitlements up to the termination date to the balance of the total Service fee outstanding, dependent on circumstances as outlined in the Agreement.

* For the period 1 October 2008 to 31 December 2009 Mr Moir voluntarily accepted a one-third reduction in his Service fee in light of the global financial crisis.

Agreement Details	Martin Eade, Executive Director & Chief Technical Officer
Duration of contract	three years commencing 01 February 2008, unless extended or terminated earlier in accordance with the Agreement
Service fee	\$450,000 to be paid over the service period (three years) payable in monthly instalments of \$12,500 (exclusive of superannuation)
Termination notice period	varies from immediate termination (ie no notice period required) to six months notice, dependent on circumstances as outlined in the Agreement
Termination payment	varies from accrued entitlements up to the termination date to the balance of the total Service fee outstanding, dependent on circumstances as outlined in the Agreement.

b) Transactions with key management personnel

Key management of the Group are members of the board of directors. Key management personnel remuneration includes the following expenses:

31 December 2009

Director	Short-term benefits		Long-term benefits	Post-employment benefits	Value of Unlisted Employee Option Incentive Scheme Options	Total
	Salary & leave	Cash bonus	Accrued long service leave	Superannuation		
RG Moir	117,692	Nil	48,927	10,592	Nil	177,211
MH Popham	42,775	Nil	Nil	8,365	Nil	51,140
MJW Eade	92,948	Nil	14,828	3,850	Nil	111,626
J Wellisch	Nil	Nil	Nil	Nil	Nil	Nil
Totals	253,415	Nil	63,755	22,807	Nil	339,977

During the period, an amount of \$24,000 was owed by a director with regards to the purchase of shares. Subsequently, the amount has been fully repaid.

During the period, a director purchased his notebook computer and its accessories from Synergy Business Solutions Australia Pty Ltd for the amount of \$1,686.62.

An amount of \$11,941.65 relating to MH Popham's salary was accrued and has been included in other payables as at 31 December 2009.

9. EVENTS SUBSEQUENT TO REPORTING DATE

The company:

- placed 80,039,686 fully paid ordinary shares at a price of 0.15 cent per share to private investors, raising a total of AUD\$120,059. Every two placement shares subscribed for had one free attaching listed option of existing class DMNOA;
- announced that the Company has received a request from Mr Robert Roget, on behalf of Intercorp Pty Ltd, for an extraordinary general meeting (EGM) of shareholders to be called to remove the Company's Chairman & Managing Director Mr Ronald Moir & Chief Financial Officer Mr Mark Popham;
- released Form 604 – Notice of Change of Interests of Substantial Holder;
- announced the resignation of the Company's Group Accountant Ms Vicky Oui as joint Company Secretary;

- released 2nd Quarter Activities Report for the period ended 31 December 2009;
 - released 2nd Quarter Cash Flow Report for the period ended 31 December 2009;
 - released Forms 604 – Notice of Change of Interest of Substantial Holder;
 - released Notice of Extraordinary General Meeting with Proxy Form;
 - during January 2010, a payment of AU\$180,078.78 (US\$160,000) was paid to CertifiedMail.com, Inc. in relation to the reseller / teaming agreement between CertifiedMail.com, Inc. and Data-inCrypt Pty Ltd, being Data-inCrypt[®] Pty Ltd's Guaranteed Revenue for calendar year 2009;
 - during January 2010, the Company's wholly owned subsidiary Synergy Business Solutions Australia Pty Ltd purchased investment securities in the amount of \$43,230.36 (inclusive of GST);
 - during February 2010, the Company's wholly owned subsidiary Synergy Business Solutions Australia Pty Ltd sold investment securities resulting in a gross return of capital to the Company, in the amount of \$432,687.50 (inclusive of GST), of which the net proceeds were \$214,031.91 (inclusive of GST); and
 - successfully prosecuted the first of a series of defamation actions in the Supreme Court of Western Australia in response to comments published on the HotCopper website.
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