

## 1. Company details

Name of entity:	Ensogo Limited
ACN:	165 522 887
Reporting period:	For the half-year ended 30 June 2015
Previous period:	For the half-year ended 30 June 2014

## 2. Results for announcement to the market

Consolidated	30/06/2015 \$	30/06/2014 \$		Movement
Revenues from ordinary activities	29,106,492	25,474,692	Up	14.3%
Loss from ordinary activities after tax attributable to the owners of Ensogo Limited	(41,709,265)	(6,658,281)	Up	526.4%
Loss for the half-year attributable to the owners of Ensogo Limited	(41,709,265)	(6,658,281)	Up	526.4%
<u>Additional information</u>				
Significant item before tax	(31,854,330)	-	Up	> 1,000.0%
Loss before tax excluding significant item	(9,854,935)	(6,658,281)	Up	48.0%
Loss after tax excluding significant item	(9,854,935)	(6,658,281)	Up	48.0%

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Significant item

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

## 3. Net tangible assets

	30/06/2015 Cents	31/12/2014 Cents
Net tangible assets per ordinary security	4.20	(3.61)

## 4. Dividends

### Current period

There were no dividends paid, recommended or declared during the current financial period.

### Previous period

There were no dividends paid, recommended or declared during the previous financial period.

#### 5. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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#### 6. Attachments

The Interim Report of Ensogo Limited for the half-year ended 30 June 2015 is attached.

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#### 7. Signed

A handwritten signature in black ink that reads "Sam Weiss". The signature is written in a cursive, flowing style.

Sam Weiss  
Non-Executive Chairman

Date: 28 August 2015

# **Ensogo Limited**

**ACN 165 522 887**

**Interim Report - 30 June 2015**

Directors	Sam Weiss Lucas Elliott Patrick Grove Erman Akinci Nick Geddes Thomas Baum David Gu
Company secretary	Nick Geddes
Registered office	Suite 806, 70 Pitt Street Sydney NSW 2000 Tel: +61 2 9239 0277
Share register	Computershare Investor Services Pty Ltd Yarra Falls, 452 Johnston Street Abbotsford VIC 3067 Tel: 1300 295 246 or +61 3 9415 4104
Auditor	PricewaterhouseCoopers Freshwater Place, 2 Southbank Boulevard Southbank VIC 3006
Solicitors	Herbert Smith Freehills 101 Collins Street Melbourne VIC 3000
Stock exchange listing	Ensogo Limited shares are listed on the Australian Securities Exchange (ASX code: E88)
Website	<a href="http://www.ensogo.com">www.ensogo.com</a>

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Ensogo Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2015.

#### **Directors**

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

Sam Weiss  
Lucas Elliott  
Patrick Grove  
Erman Akinci  
Nick Geddes  
Thomas Baum  
David Gu (appointed 27 February 2015)

#### **Principal activities**

The principal activity of Ensogo Limited during the half-year period is the provision of e-Commerce business. Headquartered in Singapore with operations in Hong Kong, Singapore, Malaysia, Philippines, Indonesia and Thailand, the group provides products and services for sale to customers in South East Asia and Hong Kong.

#### **Review of operations**

The loss for the group after providing for income tax and the impairment of goodwill and intangible assets arising from the business combinations related to the Group's operations in Indonesia, Philippines, Malaysia and Singapore of \$31,854,330, was \$41,709,265 (30 June 2014: \$6,658,283).

A review of operations report is presented below.

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

There were no significant changes in the state of affairs of the group during the financial half-year other than as disclosed in the review of operations report.

#### **Auditor's independence declaration**

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

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

On behalf of the directors



Sam Weiss  
Non-Executive Chairman

28 August 2015

## **Operating & Financial Review**

The group recorded revenue of \$29,106,492, during the period compared to \$25,474,692 in the previous corresponding period. The loss for the group after providing for income tax and the impairment of goodwill and intangible assets arising from the business combinations related to the Group's operations in Indonesia, Philippines, Malaysia and Singapore of \$31,854,330, was \$41,709,265 (30 June 2014: \$6,658,283).

Cash Receipts during the period were \$ 52,985,170. The cash position increased to \$45,610,131 (31 Dec 2014: \$6,350,512.)

Gross Turnover during the period was \$55,175,195 (Gross Turnover is an unaudited non IFRS measure and represents the total billings to customers for the period for all product and service sales.)

The Company has made significant progress in building a strong foundation for future growth during the first half of 2015.

In January 2015, Ensogo completed the regional roll-out of its proprietary Ensogo Edge platform which provides a single technology platform in all markets.

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

On 27 February 2015, the group secured a strategic investment with China's leading online discount retailer for brands – Vipshop (NYSE:VIPS) Vipshop has agreed to work with Ensogo management to improve its ability to list product sales on the ensogo website.

On 23 April 2015, the company announced raising \$38m in funding from Vipshop, Ward Ferry and other institutional investors.

## **Likely Developments and expected results of operations**

The focus of the Company in the first half of the year was to improve the customer experience and product assortment, by:

- Assortment expansion with local and international brands
- Launching flash sales events for merchandise sourced from Vipshop
- Re-launch of mobile apps for iOS and Android with greatly improved user experience
- Deploying cash on delivery as a payment method
- Shorter delivery times
- Enabling delivery to Tier 2 and Tier 3 cities

The Company's strategy to accelerate revenue and earnings growth is to:

- increase repeat purchases with better product assortments
- provide superior customer experience
- deploy capital raised to acquire new paying customers through online advertising in markets with demonstrated high repeat purchase rates

In line with this strategy, Ensogo began customer acquisition campaigns in the first market in quarter 2 in 2015, resulting in record month of June and an EBITDA - positive second quarter for Thailand.

The company will apply similar strategies in all markets over the next 18 months.



## **Auditor's Independence Declaration**

As lead auditor for the review of Ensogo Limited for the half-year ended 30 June 2015, 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.

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

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

Jon Roberts  
Partner  
PricewaterhouseCoopers

Melbourne  
28 August 2015

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## **General information**

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

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

### **Registered office**

Suite 806, 70 Pitt Street  
Sydney  
NSW 2000  
Australia

### **Principal place of business**

2 Kalang Avenue  
CT Hub #03-09  
Singapore 339407

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 August 2015.

**Ensogo Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2015**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30/06/2015</b>	<b>30/06/2014</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	3	29,106,492	25,474,692
Other income	4	281,897	324,587
<b>Expenses</b>			
Depreciation and amortisation expense		(3,981,947)	(336,176)
Impairment of assets		(31,854,330)	-
Cost of sales		(20,696,081)	(13,663,826)
Marketing		(1,633,796)	(1,848,654)
Administration		(12,590,939)	(15,777,189)
Other expenses		(860,203)	(831,717)
<b>Loss before income tax benefit</b>		(42,228,907)	(6,658,283)
Income tax benefit		519,642	-
<b>Loss after income tax expense for the half-year attributable to the owners of Ensogo Limited</b>		(41,709,265)	(6,658,283)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		100,797	995,030
Other comprehensive income for the half-year, net of tax		100,797	995,030
<b>Total comprehensive income for the half-year attributable to the owners of Ensogo Limited</b>		<u>(41,608,468)</u>	<u>(5,663,253)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	11	(7.78)	(1.72)
Diluted earnings per share	11	(7.78)	(1.72)

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

**Ensogo Limited**  
**Statement of financial position**  
**As at 30 June 2015**



	Note	Consolidated 30/06/2015 \$	31/12/2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		45,610,131	6,350,512
Trade and other receivables	5	3,691,350	2,227,197
Inventories		1,935,345	1,584,651
Other		2,094,879	2,084,971
<b>Total current assets</b>		<u>53,331,705</u>	<u>12,247,331</u>
<b>Non-current assets</b>			
Receivables		2,670,334	2,439,568
Available-for-sale financial assets		682,974	654,296
Property, plant and equipment		1,193,727	1,513,488
Intangibles	6	20,204,508	55,651,375
Other		25,359	60,556
<b>Total non-current assets</b>		<u>24,776,902</u>	<u>60,319,283</u>
<b>Total assets</b>		<u>78,108,607</u>	<u>72,566,614</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	26,022,683	31,460,309
Provisions		292,044	302,646
<b>Total current liabilities</b>		<u>26,314,727</u>	<u>31,762,955</u>
<b>Non-current liabilities</b>			
Deferred tax		-	519,642
Provisions		11,436	10,860
<b>Total non-current liabilities</b>		<u>11,436</u>	<u>530,502</u>
<b>Total liabilities</b>		<u>26,326,163</u>	<u>32,293,457</u>
<b>Net assets</b>		<u>51,782,444</u>	<u>40,273,157</u>
<b>Equity</b>			
Issued capital	8	162,112,809	108,995,054
Reserves		(687,889)	(788,686)
Accumulated losses		(109,642,476)	(67,933,211)
<b>Total equity</b>		<u>51,782,444</u>	<u>40,273,157</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Ensogo Limited**  
**Statement of changes in equity**  
**For the half-year ended 30 June 2015**



	Issued capital \$	Foreign currency Reserve \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
<b>Consolidated</b>					
Balance at 1 January 2014	80,488,262	(41,154)	(555,572)	-	79,891,536
Loss after income tax benefit for the half-year	-	-	(6,658,283)	-	(6,658,283)
Other comprehensive income for the half-year, net of tax	-	995,030	-	-	995,030
Total comprehensive income for the half-year	-	995,030	(6,658,283)	-	(5,663,253)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	28,506,792	-	-	-	28,506,792
Balance at 30 June 2014	<u>108,995,054</u>	<u>953,876</u>	<u>(7,213,855)</u>	-	<u>102,735,075</u>
	Issued capital \$	Foreign currency Reserve \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
<b>Consolidated</b>					
Balance at 1 January 2015	108,995,054	(788,686)	(67,933,211)	-	40,273,157
Loss after income tax benefit for the half-year	-	-	(41,709,265)	-	(41,709,265)
Other comprehensive income for the half-year, net of tax	-	100,797	-	-	100,797
Total comprehensive income for the half-year	-	100,797	(41,709,265)	-	(41,608,468)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 8)	53,117,755	-	-	-	53,117,755
Balance at 30 June 2015	<u>162,112,809</u>	<u>(687,889)</u>	<u>(109,642,476)</u>	-	<u>51,782,444</u>

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

**Ensogo Limited**  
**Statement of cash flows**  
**For the half-year ended 30 June 2015**



	<b>Consolidated</b>	
	<b>30/06/2015</b>	<b>30/06/2014</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	52,985,170	56,416,380
Payments to suppliers and employees	<u>(66,384,892)</u>	<u>(60,884,103)</u>
	(13,399,722)	(4,467,723)
Interest received	<u>17,732</u>	<u>1,065</u>
Net cash used in operating activities	<u>(13,381,990)</u>	<u>(4,466,658)</u>
<b>Cash flows from investing activities</b>		
Payment for purchase of business, net of cash acquired	-	(18,692,119)
Payments for property, plant and equipment and intangibles	(75,211)	(665,700)
Proceeds from disposal of property, plant and equipment	<u>2,735</u>	<u>-</u>
Net cash used in investing activities	<u>(72,476)</u>	<u>(19,357,819)</u>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares	52,713,885	27,789,167
Repayment of shareholder loan	<u>-</u>	<u>(117,490)</u>
Net cash from financing activities	<u>52,713,885</u>	<u>27,671,677</u>
Net increase in cash and cash equivalents	39,259,419	3,847,200
Cash and cash equivalents at the beginning of the financial half-year	<u>6,350,712</u>	<u>10,580,071</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>45,610,131</u></u>	<u><u>14,427,271</u></u>

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

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

These general purpose financial statements for the interim half-year reporting period ended 30 June 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

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

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

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

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

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

#### *Major customers*

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



	Hong Kong \$	Singapore \$	Malaysia \$	Thailand \$	Indonesia \$	Philippines \$	Intersegment eliminations/ group unallocated \$	Total \$
<b>Consolidated – 30/06/2015</b>								
<b>Assets</b>								
Segment assets	8,517,793	2,490,285	1,011,539	2,251,285	148,387	1,431,559	42,053,251	57,904,099
Allocation of goodwill & intangibles	11,015,581	-	1,871	9,077,414	133	-	109,509	20,204,508
<b>Total assets</b>	<u>19,533,374</u>	<u>2,490,285</u>	<u>1,013,410</u>	<u>11,328,699</u>	<u>148,520</u>	<u>1,431,559</u>	<u>42,162,760</u>	<u>78,108,607</u>
<b>Liabilities</b>								
Segment liabilities	8,165,478	4,664,777	5,092,708	4,355,465	666,883	2,929,160	451,692	26,326,163
<b>Total liabilities</b>								<u>26,326,163</u>
Revenue	21,737,583	2,732,504	728,666	2,953,502	167,798	786,439	-	29,106,492
Expenses	(24,901,320)	(2,364,519)	(3,029,238)	(3,484,578)	(1,068,676)	(2,081,850)	(2,550,888)	(39,481,069)
Impairment of assets	-	(15,299,010)	(9,874,374)	-	(2,556,406)	(4,124,540)	-	(31,854,330)
<b>Loss before income tax expense</b>	<u>(3,163,737)</u>	<u>(14,931,025)</u>	<u>(12,174,946)</u>	<u>(531,076)</u>	<u>(3,457,284)</u>	<u>(5,419,951)</u>	<u>(2,550,888)</u>	<u>(42,228,907)</u>
Income tax expense								519,642
<b>Loss after income tax expense</b>	<u>(3,163,737)</u>	<u>(14,931,025)</u>	<u>(12,174,946)</u>	<u>(531,076)</u>	<u>(3,457,284)</u>	<u>(5,419,951)</u>	<u>(2,550,888)</u>	<u>(41,709,265)</u>
<b>Consolidated – 31/12/2014</b>								
<b>Assets</b>								
Segment assets	7,008,869	2,669,362	1,331,292	1,198,181	222,109	959,719	3,525,707	16,915,239
Allocation of goodwill & intangibles	12,890,066	15,457,785	10,311,954	9,631,022	2,699,879	4,537,226	123,443	55,651,375
<b>Total assets</b>	<u>19,898,935</u>	<u>18,127,147</u>	<u>11,643,246</u>	<u>10,829,203</u>	<u>2,921,988</u>	<u>5,496,945</u>	<u>3,649,150</u>	<u>72,566,614</u>
<b>Liabilities</b>								
Segment liabilities	8,319,317	7,102,944	6,024,285	4,867,387	957,251	3,788,261	1,234,012	32,293,457
<b>Total liabilities</b>								<u>32,293,457</u>

**Ensogo Limited**  
**Notes to the financial statements**  
**30 June 2015**

*Operating segment information*

<b>Consolidated - 30/06/2014</b>	Hong Kong \$	Singapore \$	Malaysia \$	Other \$	Intersegment eliminations/ unallocated \$	Total \$
Revenue	15,342,270	4,124,565	3,492,161	2,413,730	101,966	25,474,692
Expenses	(16,670,221)	(4,951,083)	(4,854,824)	(3,804,513)	(1,852,334)	(32,132,975)
<b>Loss before income tax expense</b>	<u>(1,327,951)</u>	<u>(826,518)</u>	<u>(1,362,663)</u>	<u>(1,390,783)</u>	<u>(1,750,368)</u>	<u>(6,658,283)</u>
Income tax expense						-
<b>Loss after income tax expense</b>						<u>(6,658,283)</u>

**Note 3. Revenue**

	<b>Consolidated</b> <b>30/06/2015</b> \$	<b>30/06/2014</b> \$
Sales of products	19,373,002	14,908,203
Provision on services	7,536,807	8,073,016
Other revenue	2,196,683	2,493,473
	<u>29,106,492</u>	<u>25,474,692</u>
Revenue	<u>29,106,492</u>	<u>25,474,692</u>

Customer refunds and discounts given in the prior period have been reclassified from other revenue and offset against sales of products for comparison purposes.

**Note 4. Other income**

	<b>Consolidated</b> <b>30/06/2015</b> \$	<b>30/06/2014</b> \$
Other	281,897	324,587
	<u>281,897</u>	<u>324,587</u>

Other income mainly consists government grant during the year and interest income.

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

	<b>Consolidated</b> <b>30/06/2015</b> \$	<b>31/12/2014</b> \$
Trade receivables	3,399,026	2,296,020
Less: Provision for impairment of receivables	(136,675)	(821,427)
	<u>3,262,351</u>	<u>1,474,593</u>
Other receivables	428,999	752,604
	<u>3,691,350</u>	<u>2,227,197</u>

There are no past due balance as at 30 June 2015 that remain unprovided for.

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

	<b>Consolidated</b>	
	<b>30/06/2015</b>	<b>31/12/2014</b>
	<b>\$</b>	<b>\$</b>
Goodwill - at cost	87,347,741	87,347,741
Less: Impairment	<u>(74,834,405)</u>	<u>(46,976,050)</u>
	<u>12,513,336</u>	<u>40,371,691</u>
Customer lists - at cost	20,590,404	20,590,404
Less: Accumulated amortisation	(9,668,291)	(6,236,557)
Less: Impairment	<u>(3,710,840)</u>	<u>-</u>
	<u>7,211,273</u>	<u>14,353,847</u>
Brand names - at cost	725,000	725,000
Less: Accumulated amortisation	(331,768)	(210,934)
Less: Impairment	<u>(257,562)</u>	<u>-</u>
	<u>135,670</u>	<u>514,066</u>
Other intangible assets - at cost	538,963	567,656
Less: Accumulated amortisation	(167,161)	(155,885)
Less: Impairment	<u>(27,573)</u>	<u>-</u>
	<u>344,229</u>	<u>411,771</u>
	<u><u>20,204,508</u></u>	<u><u>55,651,375</u></u>

*Reconciliations*

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

<b>Consolidated</b>	Customer lists \$	Brand names \$	Goodwill \$	Other intangibles \$	Total \$
Balance at 1 January 2015	14,353,847	514,066	40,371,691	411,771	55,651,375
Additions	-	-	-	49,663	49,663
Exchange differences	-	-	-	14,180	14,180
Impairment of assets	(3,710,840)	(257,562)	(27,858,355)	(27,573)	(31,854,330)
Reclassification	-	-	-	(60,889)	(60,889)
Amortisation expense	<u>(3,431,734)</u>	<u>(120,834)</u>	<u>-</u>	<u>(42,923)</u>	<u>(3,595,491)</u>
Balance at 30 June 2015	<u><u>7,211,273</u></u>	<u><u>135,670</u></u>	<u><u>12,513,336</u></u>	<u><u>344,229</u></u>	<u><u>20,204,508</u></u>

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

During the current financial half-year, there were several impairment triggers with regard to some of the group's CGUs, namely the operations in Indonesia, Philippines, Malaysia and Singapore whereby the revenue generated, growth achieved and resulting EBITDA (earnings before interest, tax, depreciation and amortisation) were below expectation in comparison with the forecasted results based on the budget and targets for the period in review. Accordingly, an impairment assessment was carried out on these four (4) CGUs to determine their respective recoverable amounts and carrying value of their intangibles and goodwill to the group.

**Note 6. Non-current assets - intangibles (continued)**

*Impairment Test for Goodwill*

Arising from the impairment triggers as mentioned above that necessitated an impairment assessment to be undertaken on the four (4) CGUs i.e. operations in Indonesia, Philippines, Malaysia and Singapore, the group tested whether goodwill arising from these four (4) CGUs had suffered any impairment. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial forecasts approved by management covering a five-year period. Cash flows beyond the five-year period have a residual value calculated using the estimated long term growth rates.

The key assumptions used for value-in-use calculations are as follows:

	Average growth rate %	Terminal year rate %	Discount rate %
Indonesia	13.0	5.0	22.8
Philippines	8.5	3.5	19.7
Malaysia	11.0	2.9	17.3
Singapore	7.0	2.3	14.6

*Assumptions and approach used to determining values*

**Average annual growth rate**

Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.

**Long-term growth rate**

This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with the International Monetary Fund long term inflation forecast for the countries in which they operate.

**Discount rate**

Reflect specific risks relating to the relevant segments and the countries in which they operate. In performing the value-in-use calculations for each CGU, the group has applied post-tax discount rates to discount the forecast future attributable post tax cash flows.

Based on the value-in-use calculations for each of the four (4) CGUs, the group has determined that there is impairment to the carrying amount of goodwill and intangible assets of these four (4) CGUs. The total impairment charge amounted to \$31,854,330 arose across these four (4) CGUs.

Breakdown by CGUs of impairment charge for the current financial-half year ended 30 June 2015 are as follow:

CGUs	Goodwill \$	Customer lists \$	Brand names \$	Other intangibles \$	Total \$
Singapore	14,886,452	349,781	62,777	-	15,299,010
Malaysia	7,955,576	1,800,427	90,799	27,573	9,874,375
Indonesia	1,923,277	606,842	26,287	-	2,556,406
Philippines	3,093,050	953,790	77,699	-	4,124,539
Balance at 30 June 2015	<u>27,858,355</u>	<u>3,710,840</u>	<u>257,562</u>	<u>27,573</u>	<u>31,854,330</u>

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

	<b>Consolidated</b>	
	<b>30/06/2015</b>	<b>31/12/2014</b>
	<b>\$</b>	<b>\$</b>
Trade payables	17,880,338	21,318,803
Deferred revenue	1,177,122	991,667
Accruals	4,468,141	4,174,690
Other payables	2,497,082	4,975,149
	<u>26,022,683</u>	<u>31,460,309</u>

**Note 8. Equity - issued capital**

	<b>Consolidated</b>			
	<b>30/06/2015</b>	<b>31/12/2014</b>	<b>30/06/2015</b>	<b>31/12/2014</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>751,334,906</u>	<u>426,069,834</u>	<u>162,112,809</u>	<u>108,995,054</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 January 2014	426,069,834		108,995,054
Issue of shares	27 February 2015	59,464,069	\$0.108	6,422,119
Issue of shares	24 March 2015	80,000	\$0.440	35,200
Issue of shares	24 April 2015	58,823,530	\$0.170	10,000,000
Issue of shares	24 April 2015	1,228,051	\$0.337	414,713
Issue of shares	29 April 2015	83,000,000	\$0.185	15,355,000
Issue of shares	5 June 2015	106,000,000	\$0.185	19,610,000
Issue of shares	5 June 2015	16,669,422	\$0.185	3,083,843
Share issue costs		-	\$0.000	(1,803,120)
Balance	30 June 2015	<u>751,334,906</u>		<u>162,112,809</u>

*Ordinary shares*

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

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

*Share buy-back*

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

**Note 9. Fair value measurement**

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

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

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

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

**Note 11. Earnings per share**

	<b>Consolidated</b>	
	<b>30/06/2015</b>	<b>30/06/2014</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Ensogo Limited	<u>(41,709,265)</u>	<u>(6,658,283)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>535,922,746</u>	<u>386,362,673</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>535,922,746</u>	<u>386,362,673</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(7.78)	(1.72)
Diluted earnings per share	(7.78)	(1.72)

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

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

Sam Weiss  
Non-Executive Chairman

28 August 2015



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

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

We have reviewed the accompanying half-year financial report of Ensogo Limited (the Company), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Ensogo Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

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

### ***Auditor's responsibility***

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

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

### ***Independence***

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

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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*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 Ensogo Limited is not in accordance with the *Corporations Act 2001* including:

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

PricewaterhouseCoopers

PricewaterhouseCoopers

S.P. #A

Jon Roberts  
Partner

Melbourne  
28 August 2015