

APPENDIX 4D

Half-year Report for the period ending 30 September 2016

1. Name of entity

Flexiroam Limited and its Controlled Entities
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ABN	Reporting Period	Previous Corresponding Period
27 143 777 397	Half year ended 30 September 2016	Half year ended 31 December 2015

2. Results for Announcement to the Market

Financial Results			30 Sept 2016 AUD	31 Dec 2015 AUD
Revenues from ordinary activities (<i>item 2.1</i>)	DOWN	79%	1,228,459	5,978,323
Profit from ordinary activities after tax attributable to members (<i>item 2.2</i>)	DOWN	75%	(2,340,026)	(1,335,765)
Net profit for the period attributable to members (<i>item 2.3</i>)	DOWN	75%	(2,340,026)	(1,335,765)
Final and interim dividends (<i>item 2.4</i>)			It is not proposed that either a final or interim dividend be paid .	
Record date for determining entitlements to the dividend (<i>item 2.5</i>)			N/A	
Brief explanation of any of the figures reported above (<i>item 2.6</i>):			The lower sales recorded in the current half-year had resulted in higher net loss compared to the previous half-year.	

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary share (<i>Item 3</i>)	2.8 cents	3.6 cents

4. Control gained over entities

Details of entities over which control has been gained or lost (<i>item 4</i>)	N/A
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5. Dividends paid and payable

Details of dividends or distribution payments (<i>item 5</i>)	No dividends or distributions are payable.
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6. Dividend reinvestment plans

Details of dividend or distribution reinvestment plans (<i>item 6</i>)	There is no dividend reinvestment program in operation.
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7. Details of associates

Details of associates and joint venture entities (<i>item 7</i>)	N/A
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8. Foreign entities

Foreign entities to disclose which accounting standards are used in compiling the report (<i>item 8</i>)	N/A
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9. Review Opinion

Details of any audit dispute or qualification (<i>item 9</i>) [to input after receiving the auditor's review opinion] N/A
There are no audit disputes or qualifications to the review opinion. [if applicable] N/A

**FLEXIROAM LIMITED AND
ITS CONTROLLED ENTITIES**
ACN 143 777 397

Consolidated Interim Financial Report
for the half-year ended 30 September 2016

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CORPORATE INFORMATION

This half-year report is for Flexiroam Limited and its controlled entities. Unless otherwise stated, all amounts are presented in Australian Dollars.

DIRECTORS	Jefrey Ong (appointed 18 March 2015) Adam Sierakowski (appointed 18 March 2015, resigned 23 August 2016) Stephen Hewitt-Dutton (appointed 21 May 2010, resigned 24 August 2016) Dato' Larry Gan Nyap Liou (appointed 18 November 2015) Dr Joe Wong (alternate director to Dato' Larry Gan Nyap Liou, appointed 18 November 2015) Paul Khong (appointed 22 April 2016) Cheryl Yeoh (appointed 1 October 2016) Wai Hong Fong (appointed 1 October 2016)
COMPANY SECRETARY	Kim Hogg (appointed 15 June 2016) Deborah Ho (appointed 18 March 2015, resigned 15 June 2016)
REGISTERED OFFICE	79 Broadway, NEDLANDS WA 6009
PRINCIPAL PLACE OF BUSINESS	22-2 Jalan PJU 8/3A, Bandar Damansara Perdana, 47820, Petaling Jaya, Selangor D.E., Malaysia
AUDITORS	HLB Mann Judd Level 4, 130 Stirling Street, PERTH WA 6000
BANKERS	National Australia Bank 100 St Georges Terrace, PERTH WA 6000
SOLICITORS	Steinepreis Paganin 16 Milligan St, PERTH WA 6000
SHARE REGISTRY	Advanced Share Registry 110 Stirling Highway, NEDLANDS WA 6009 Ph : 08 9389 8033 Fax : 08 9262 3723
SECURITIES EXCHANGE LISTING	Flexiroam Limited shares are listed on the Australian Securities Exchange (ASX code : FRX)
WEBSITE	www.flexiroam.com
CONTACT INFORMATION	Ph: 08 6389 2688 Fax: 08 6389 2588

DIRECTORS' REPORT

The Directors of Flexiroam Limited (**'the Company'**) and its controlled entities submit herewith the financial report of the Company and its controlled entities (**'the Group'**) for the half-year ended 30 September 2016.

Directors

The Directors of the Company during or since the end of the half-year are:

- Jeffrey Ong (appointed 18 March 2015)
- Dato' Larry Gan Nyap Liou (appointed 18 November 2015)
- Paul Khong (appointed 22 April 2016)
- Cheryl Yeoh (appointed 1 October 2016)
- Wai Hong Fong (appointed 1 October 2016)
- Adam Sierakowski (appointed 18 March 2015, resigned 23 August 2016)
- Stephen Hewitt-Dutton (appointed 21 May 2010, resigned 24 August 2016)

Company Secretary

- Kim Hogg (appointed 15 June 2016)
- Deborah Ho (appointed 18 March 2015, resigned 15 June 2016)

Principal Activities

The Group is involved in telecommunications.

Review of Operations

In March 2015, Flexiroam Limited completed the acquisition of Flexiroam Sdn. Bhd. For accounting purposes, Flexiroam Sdn. Bhd. has been identified as the accounting acquirer of the group. The accompanying consolidated interim financial statements represent a continuation of Flexiroam Sdn. Bhd.'s financial statements. The results for the half-year ended 30 September 2016 represent the performance of Flexiroam Sdn. Bhd, Flexiroam Limited and Flexiroam Asia Limited.

The loss after tax of the Group for the 6-month period ended 30 September 2016 was \$2,340,026. Due to a change in the financial year-end of the Company to 31 March, the comparative results reflect the half-year period from 1 July 2015 to 31 December 2015.

The key items to note in the operating results are as follows:

- Sales revenue decreased by 79% from the previous half-year, primarily due to a reduction in corporate sales.
- the reduced sales revenues reflect a seasonal low period for sales that normally occurs between April and September. As noted above, the half-year comparative is for a different period (July to December) which exacerbates the revenue difference.

DIRECTORS' REPORT

Review of Operations (Continued)

- the Group continued to spend substantially on marketing and promotion in a concentrated push to create brand awareness;
- the Group also spent a sizeable amount in research and development to keep itself at the forefront of roaming technology;
- general administrative expenses as well as staff costs were kept in check at levels similar to the previous half-year; and
- the lower sales recorded in the current half-year had resulted in higher net loss compared to the previous half-year.

Flexiroam is the leading global mobile virtual network operator offering an affordable alternative to current mobile roaming services. Through its innovative proprietary roaming technologies, Flexiroam offers the most affordable voice and data roaming services to outbound travelers worldwide.

By offering competitive pricing and access to 580 networks operators in over 100 countries worldwide, Flexiroam roaming services have become the preferred roaming solutions among overseas travelers.

In June 2016, Flexiroam launched its new flagship roaming products, FLEXIROAM X. FLEXIROAM X is a thin, microchip embedded film that, once applied to a user's existing SIM card, provides user affordable data roaming in over 100 countries. FLEXIROAM X comes with a proprietary mobile app that allows users to earn and utilise up to 100GB of roaming data per year.

To ensure the best user experience, Flexiroam has engaged a number of network partners to deliver quality 4G network speed in 40 of the over 100 countries that FLEXIROAM X currently has network coverage.

In June 2016, Flexiroam entered into a partnership agreement with Netccentric Limited (ASX: NCL) via NCL's subsidiary company AroiMakMak.com - a leading digital media, marketing and technology business in the Asia Pacific Region - to drive traffic and membership registrations on the latter's travel website while distributing FLEXIROAM X.

In August 2016, Flexiroam entered into a strategic partnership agreement with TripAdvisor, the world's largest travel website with 350 million average monthly unique visitors, 385 million reviews and opinions covering 6.6 million accommodations, restaurants and attractions. This partnership gives the opportunity to Flexiroam to co-brand with TripAdvisor to deliver greater value and more diverse users experience to FLEXIROAM X subscribers.

In August 2016, Flexiroam received an endorsement from Pacific Asia Travel Association ("PATA") as its Preferred Mobile and Data Partner. PATA is a non-profit organization comprising 95 governmental tourism bodies, 29 international airlines and 63 educational institutions, with over 17,000 travel professionals. As PATA's preferred partner FLEXIROAM X will be featured in all the activities and events that PATA organises globally.

DIRECTORS' 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 page 5.

Signed in accordance with a resolution of directors made pursuant to s.306 (3)(a) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'Jeffrey Ong', with a horizontal line drawn through the middle of the signature.

Jefrey Ong
Chief Executive Officer

Signed at Kuala Lumpur on this 24th day in November 2016



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Flexiroam Limited for the half-year ended 30 September 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read 'M R W Ohm'.

Perth, Western Australia 24
November 2016

M R W Ohm
Partner

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

	NOTES	HALF-YEAR ENDED 30 SEP 2016 \$	HALF-YEAR ENDED 31 DEC 2015 \$
Revenue	2	1,228,459	5,978,323
Cost of sales	3	(289,438)	(6,084,986)
Gross profit / (loss)		939,021	(106,663)
Interest received		57,958	78,083
Foreign exchange gains		235,240	737,597
Other income		9,883	18,210
Administration and operating expenses	4	(421,447)	(368,065)
Marketing expenses		(1,217,662)	(149,048)
Research and development		(454,010)	(35,493)
Staff costs		(420,282)	(446,675)
Depreciation and amortisation		(1,024,627)	(1,056,731)
Allowance for doubtful accounts		(33,252)	-
Finance expenses		(10,848)	(3,580)
Impairment of available-for-sale asset		-	(3,400)
Loss before income tax		(2,340,026)	(1,335,765)
Income tax expense		-	-
Loss for the period		(2,340,026)	(1,335,765)
Other comprehensive (loss)/income			
<i>Items that may be re-classified to profit or loss:</i>			
Foreign exchange translation		(1,222,078)	(2,385,763)
Revaluation of available-for-sale assets		76,345	-
Total other comprehensive loss, net of tax		(1,145,733)	(2,385,763)
Total comprehensive loss for the period		(3,485,759)	(3,721,528)
Loss per share (basic and diluted)		(1.2) cents	(0.7) cents

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

	NOTES	AS AT 30 SEP 2016 \$	AS AT 31 MAR 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		4,983,106	6,709,288
Trade and other receivables		62,744	97,350
Other assets	5	543,495	6,207
Total current assets		5,589,345	6,812,845
NON-CURRENT ASSETS			
Available-for-sale financial assets	6	86,545	10,200
Intellectual property	7	16,597,117	18,494,452
Plant and equipment	8	354,084	304,231
Total non-current assets		17,037,746	18,808,883
Total Assets		22,627,091	25,621,728
CURRENT LIABILITIES			
Trade and other payables		67,307	101,716
Borrowings		13,013	13,311
Deferred revenue	9	536,268	754
Total current liabilities		616,588	115,781
NON-CURRENT LIABILITIES			
Borrowings		46,281	55,743
Deferred tax		4,138	4,361
Total non-current liabilities		50,419	60,104
Total Liabilities		667,007	175,885
Net Assets		21,960,084	25,445,843
EQUITY			
Issued capital	10	36,268,139	35,863,139
Reserves		(2,506,820)	(956,087)
Accumulated losses		(11,801,235)	(9,461,209)
Total equity		21,960,084	25,445,843

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED
30 SEPTEMBER 2016**

	ISSUED CAPITAL \$	OPTION AND PERFORMANCE RIGHTS RESERVE \$	FOREX TRANSLA- TION RESERVE \$	AVAILABLE FOR-SALE RESERVE \$	ACCUMU- LATED LOSSES \$	TOTAL \$
Balance at 1 July 2015	35,318,699	299,993	(402,955)	-	(4,930,085)	30,285,652
Loss for the period	-	-	-	-	(1,335,765)	(1,335,765)
Other comprehensive loss for the period	-	-	(2,385,763)	-	-	(2,385,763)
Total comprehensive loss for the period	-	-	(2,385,763)	-	(1,335,765)	(3,721,528)
Balance at 31 December 2015	35,318,699	299,993	(2,788,718)	-	(6,265,850)	26,564,124
Balance at 1 April 2016	35,863,139	704,993	(1,661,080)	-	(9,461,209)	25,445,843
Loss for the period	-	-	-	-	(2,340,026)	(2,340,026)
Other comprehensive loss for the period	-	-	(1,222,078)	76,345	-	(1,145,733)
Total comprehensive loss for the period	-	-	(1,222,078)	76,345	(2,340,026)	(3,485,759)
Share-based payments	405,000	(405,000)	-	-	-	-
Balance at 30 September 2016	36,268,139	299,993	(2,883,158)	76,345	(11,801,235)	21,960,084

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2016

	NOTES	HALF-YEAR ENDED 30 SEP 2016 \$	HALF-YEAR ENDED 31 DEC 2015 \$
Cash Flows from Operating Activities			
Receipts from customers		1,776,492	3,921,988
Payments to suppliers and employees		(3,425,195)	(5,197,263)
Interest paid		(10,848)	(3,580)
Interest received		57,958	85,156
Net cash flows (used in)/ provided by operating activities		(1,601,593)	(1,193,699)
Cash Flows from Investing Activities			
Purchase of plant and equipment		(101,280)	(124,263)
Proceeds from convertible note receivable		-	50,000
Net cash flows (used in)/provided by investing activities		(101,280)	(74,263)
Cash Flows from Financing Activities			
Government grants		-	18,210
Advances to related parties		(12,485)	(70,673)
Borrowings – proceeds		-	69,191
Borrowings – payments		(6,454)	-
Net cash flows (used in)/provided by financing activities		(18,939)	16,728
Net decrease in cash and cash equivalents		(1,721,812)	(1,251,234)
Cash and Cash Equivalents at the beginning of the period			
		6,709,288	8,623,528
Foreign exchange fluctuations on opening cash balances		(4,370)	(104,488)
Cash and Cash Equivalents at the end of the period			
		4,983,106	7,267,806

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

This consolidated interim financial report includes the financial statements and notes of Flexiroam Limited (“the Company”) and its subsidiaries Flexiroam Sdn. Bhd and Flexiroam Asia Limited (collectively “the Group”). The Group is a for-profit entity primarily and is domiciled in Australia.

These half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 ‘Interim Financial Reporting’, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’). Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’.

This condensed consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the period ended 31 March 2016 and any public announcements made by the Company and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of Preparation

The consolidated interim financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The functional currency of the Company and subsidiary are measured using the currency of the primary economic environment in which the Company and subsidiaries operates; being Australian dollars, Malaysian Ringgit and US Dollar respectively. However, as the majority of the Company’s shareholder base is Australian, these financial statements are presented in Australian dollars.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period and does not include full disclosures of the type normally included in an annual financial report.

Accounting Policies and Methods of Computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of New and Revised Australian Accounting Standards

Standards and Interpretations applicable to 30 September 2016

In the half-year ended 30 September 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current half-year reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 30 September 2016.

As a result of this review the Directors have determined that the following Standards and Interpretations will have a material effect on the Company in the future reporting periods:

- AASB 15 Revenue from contracts with customers
- AASB 16 Leases

The Company have elected to not early adopt these Standards and Interpretations and have not quantified the material effect of application on future periods.

Other than the above, there are no other material impact of the new and revised standards and interpretations on the Group and therefore no change is necessary to Group accounting policies.

Significant Accounting Judgments and Key Estimates

The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the period ended 31 March 2016.

During the half-year ended 31 December 2015, management reassessed the intellectual property as having a finite life of 10 years.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The Group incurred an operating loss of \$2,340,026 for the half-year ended 30 September 2016 (31 December 2015 loss: \$1,335,765) and a net cash outflow from operating activities amounting to \$1,601,593 (31 December 2015 outflow: \$1,193,699).

Based upon cash flow forecasts and the Group's current financial position, the Directors are satisfied that the going concern basis of preparation is appropriate. The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report, the Group believes it can meet all liabilities as and when they fall due.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 REVENUE

	HALF-YEAR ENDED 30 SEP 2016 \$	HALF-YEAR ENDED 31 DEC 2015 \$
Corporate ¹	1,002,593	5,727,669
Consumer ²	225,866	250,654
	1,228,459	5,978,323

¹ Corporate sales consist of business to business transactions involving local and foreign travel agencies and companies.

² Consumer sales consist of business to consumer transactions involving local and foreign travellers.

NOTE 3 COST OF SALES

	HALF-YEAR ENDED 30 SEP 2016 \$	HALF-YEAR ENDED 31 DEC 2015 \$
Network costs	231,818	267,899
Marketing costs	-	5,727,669
Material costs	17,033	60,725
Commissions due	40,587	18,388
Research expenditure	-	10,305
	289,438	6,084,986

NOTE 4 ADMINISTRATION AND OPERATING EXPENSES

	HALF-YEAR ENDED 30 SEP 2016 \$	HALF-YEAR ENDED 31 DEC 2015 \$
Office equipment and general maintenance	6,372	7,286
Other costs	101,212	32,890
Professional fees	160,575	104,389
Rental	105,249	120,938
Software and stationery	11,844	36,062
Talent and recruitment	9,859	9,602
Travelling and transportation	12,684	47,160
Utilities	13,652	9,738
	421,447	368,065

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 OTHER ASSETS

	AS AT 30 SEP 2016 \$	AS AT 31 MAR 2016 \$
Opening balance	6,207	-
Net additions ¹	537,288	6,207
Closing balance	543,495	6,207

¹Represents advance payments to network facility providers and marketing vendors.

NOTE 6 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	AS AT 30 SEP 2016 \$	AS AT 31 MAR 2016 \$
Opening balance	10,200	13,600
Impairment	-	(3,400)
Revaluation	76,345	-
Closing balance	86,545	10,200

NOTE 7 INTELLECTUAL PROPERTY

	AS AT 30 SEP 2016 \$	AS AT 31 MAR 2016 \$
Carrying value opening balance	18,494,452	20,647,648
Amortisation	(988,323)	(1,452,432)
Foreign exchange translation effects	(909,012)	(700,764)
Carrying value closing balance	16,597,117	18,494,452

The intellectual property asset is known as Flexiroam Malaysia, an international roaming service for Malaysians who travel overseas to make and receive unlimited calls at a fixed rate by linking their home mobile number to their overseas number. It operates on a sophisticated integrated network of services, forming a unified system known as the 'Flexiroam Tracking System' (FTS).

Intellectual property is an intangible asset with finite life of 10 years and is stated at cost. As at 30 September 2016, Flexiroam Malaysia holds 1 patent in Malaysia and 1 patent in India.

Due to reported operating losses which constitute an indicator of impairment, the management has undertaken an impairment test on intellectual property. The recoverable amount, which is based upon five-year cash flow forecasts at a discount rate of 15% per annum, is in excess of the carrying value of the cash-generating unit to which the assets is allocated, being the business as a whole. No allowance for an impairment loss on assets is therefore required.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 PLANT AND EQUIPMENT

	FURNITURE & FITTINGS \$	OFFICE EQUIPMENT \$	COMPUTER \$	RENOVATION \$	MOTOR VEHICLE ¹ \$	BEAMER ² \$	X MICROCHIP ³ \$	TOTAL \$
AT COST								
As at 1 July 2015	1,308	18,881	6,127	42,326	-	-	-	68,642
Additions	9,194	10,068	6,746	119,982	99,258	44,392	-	289,640
Foreign exchange effects	(333)	(917)	(408)	(5,138)	(3,142)	(1,405)	-	(11,343)
As at 31 March 2016	10,169	28,032	12,465	157,170	96,116	42,987	-	346,939
Additions	-	8,403	7,420	3,036	-	-	82,421	101,280
Foreign exchange effects	(522)	(1,700)	(871)	(8,159)	(4,931)	(2,205)	(282)	(18,670)
As at 30 September 2016	9,647	34,735	19,014	152,047	91,185	40,782	82,139	429,549
ACCUMULATED DEPRECIATION								
As at 1 July 2015	358	5,751	710	8,886	-	-	-	15,705
Depreciation expense	1,033	3,364	1,015	13,584	7,922	354	-	27,272
Foreign exchange effects	6	(224)	(11)	(131)	87	4	-	(269)
As at 31 March 2016	1,397	8,891	1,714	22,339	8,009	358	-	42,708
Depreciation expense	1,004	3,297	1,548	15,704	9,499	2,124	3,128	36,304
Foreign exchange effects	(112)	(588)	(150)	(1,776)	(792)	(103)	(26)	(3,547)
As at 30 September 2016	2,289	11,600	3,112	36,267	16,716	2,379	3,102	75,465
CARRYING AMOUNT								
As at 31 March 2016	8,772	19,141	10,751	134,831	88,107	42,629	-	304,231
As at 30 September 2016	7,358	23,135	15,902	115,780	74,469	38,403	79,037	354,084

¹Motor vehicle is used as security for the borrowings.

² Beamer is a wireless router device which acts as a WiFi hotspot that can be connected to a cellular network and provide internet access to other devices.

³ X Microchip is an advanced SIM card which when applied to a user's existing SIM card, provides user affordable data roaming in 100 countries.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 DEFERRED REVENUE

	AS AT 30 SEP 2016 \$	AS AT 31 MAR 2016 \$
Opening balance	754	-
Net additions ¹	535,556	754
Foreign exchange effects	(42)	-
Closing balance	536,268	754

¹Advance billing to customers give rise to provisions for unearned revenue in respect of services which have not been rendered as at the end of the reporting period.

NOTE 10 ISSUED CAPITAL

	NUMBER OF SHARES	\$
Ordinary shares issued (net of share issue costs)	193,689,501	36,268,139
Reconciliation		
Balance at 1 July 2015	188,197,501	35,318,699
Share issue – 29 January 2016 ¹	2,792,000	544,440
Balance at 31 March 2016	190,989,501	35,863,139
Balance at 1 April 2016	190,989,501	35,863,139
Share issue – 5 April 2016 ²	2,700,000	405,000
Balance at 30 September 2016	193,689,501	36,268,139

¹ On 29 January 2016, in accordance with the Company's Performance Rights Plan, 2,792,000 fully paid ordinary shares were issued to employees of Flexiroam Sdn. Bhd. following the achievement of a revenue milestone.

² On 5 April 2016, following Shareholder approval obtained on 30 March 2016, 2,700,000 fully paid ordinary shares were issued to Jeffrey Ong (and/or his nominees) for his contribution to the Company's achievement of a \$6 million revenue milestone.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Dividends

No dividends were paid or proposed during the half-year ended 30 September 2016 (31 March 2016: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about the components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the chief operating decision maker.

As at 30 September 2016, the Group operated in one business segment being the telecommunication business segment and three geographical market segments, namely the telecommunications market in Malaysia, Singapore and other countries where each country have contributed less than 10% to total sales for the current period.

During the current period, the chief decision makers have been reviewing operations and making decisions based on the supply and provision of telecommunications as a single operating unit. Internal management accounts are consequently prepared on this basis.

	MALAYSIA \$	SINGAPORE \$	OTHER COUNTRIES \$	TOTAL \$
<u>HALF-YEAR ENDED 30 SEP 2016</u>				
Revenue				
Retail	164,676	18,311	42,879	225,866
Corporate	5,310	997,284	-	1,002,594
Total segment and group revenue	169,986	1,015,595	42,879	1,228,459
Segment and group cost of sales	(129,103)	(36,642)	(123,693)	(289,438)
Other income and foreign exchange gains	-	-	-	303,082
Administration and operating expenses	-	-	-	(2,557,502)
Depreciation and amortisation	-	-	-	(1,024,627)
Group loss for the period	40,882	978,953	(80,814)	(2,340,026)
<u>AS AT 30 SEP 2016</u>				
Assets	3,130,970	18,706,330	789,791	22,627,091
Liabilities	92,295	551,430	23,282	667,007

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 SEGMENT REPORTING (CONTINUED)

	MALAYSIA \$	SINGAPORE \$	OTHER COUNTRIES \$	TOTAL \$
<u>HALF-YEAR ENDED 31 DEC 2015</u>				
Revenue				
Retail	204,673	41,467	4,514	250,654
Corporate	5,448,466	279,203	-	5,727,669
Total segment and group revenue	5,653,139	320,670	4,514	5,978,323
Segment and group cost of sales	(5,740,235)	(338,316)	(6,435)	(6,084,986)
Other income and foreign exchange gains	-	-	-	833,890
Administration and operating expenses	-	-	-	(1,006,261)
Depreciation and amortisation	-	-	-	(1,056,731)
Group Loss for the period	(87,096)	(17,646)	(1,921)	(1,335,765)
<u>AS AT 31 DEC 2015</u>				
Assets	24,228,063	1,374,320	19,345	25,621,728
Liabilities	166,318	9,434	133	175,885

NOTE 12 FINANCIAL INSTRUMENTS

The accounting policies and methods of computation adopted are consistent with those of the previous year and corresponding half-year.

The available-for-sale financial asset has been measured at fair value as a level 1 fair value measurement representing the share price at balance date.

The Directors consider that the carrying value of the financial assets and financial liabilities as recognised in the condensed consolidated financial statements approximate their fair values.

NOTE 13 SIGNIFICANT EVENTS AFTER BALANCE DATE

Flexiroam Limited

On 1 October 2016, Cheryl Yeoh and Fong Wai Hong were appointed as Directors.

Other than disclosed above, no matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the Group, the results of those operations, or state of affairs in future financial years.

NOTE 14 COMMITMENTS AND CONTINGENCIES

There has been no change in contingent liabilities since the last annual reporting date.

DIRECTORS' DECLARATION

In the opinion of the Directors of the Group:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 30 September 2016 and of its performance for the half-year then ended; and
2. 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 signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Jeffrey Ong', with a horizontal line drawn through the middle of the signature.

Jefrey Ong
Director

Signed at Kuala Lumpur on this 24th day in November 2016



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Flexiroam Limited

Report on the Condensed Interim Financial Report

We have reviewed the accompanying interim financial report of Flexiroam Limited ("the company") which comprises the condensed consolidated statement of financial position as at 30 September 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the interim financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 September 2016 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 the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.



Accountants | Business and Financial Advisers

Conclusion

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

- (a) giving a true and fair view of the Group's financial position as at 30 September 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'M R W Ohm'.

M R W Ohm
Partner

Perth, Western Australia
24 November 2016