

Netlinkz Limited

ABN 55 141 509 426

Appendix 4E Preliminary Final Report for the year ended 30 June 2017

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Audit / review

This report is based on the consolidated financial statements which are in the process of being audited by BDO Audit (WA) Pty Ltd.

Reporting period: For the year ended 30 June 2017
 Previous period: For the year ended 30 June 2016

Results for announcement to the market

				\$'000
Revenues from ordinary activities	down	79.1%	to	233
Loss from ordinary activities after tax attributable to the owners of Netlinkz Limited	down	19.9%	to	(7,950)
Loss for the year attributable to the owners of Netlinkz Limited	up	19.9%	to	(7,950)

Dividends

No dividends have been declared for the year ended 30 June 2017 or for the previous corresponding period.

Net tangible assets

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	<u>(0.0065)</u>	<u>(0.00105)</u>

Control gained / lost over entities

Name of entities (or group of entities) Netlinkz (Hong Kong) Limited

Details of associates and joint venture entities

None

About Netlinkz

Netlinkz Limited (Netlinkz or the Company) provides secure and efficient cloud network solutions and is the world's only fully meshed peer-to-peer network provider. The Company's technology makes Fortune-500 security commercially available for organisations of all sizes. Netlinkz has received numerous industry awards for its technology, including being a worldwide winner of the Global Security Challenge.

Re-listed and Fund raised

The Company has substantially completed the restructure of its business and re-listed on the ASX on 23 August 2017.

As part of the changes to its board and senior management, Trevor Cain and Tim Gooch have resigned as non-executive director and director, respectively, with Darren Patterson appointed as non-executive director. Executive Chairman, James Tsiolis remained as CEO during this period.

Global Partners

The partnership with China Telecom Wuxi has resulted in 5 customers contracted for terms of 36 months, selected to assess the Company's technology.

Reseller agreements have been signed with Transio Solutions on 3 June 2017 and with Whitehorse Technologies Inc. announced on 30 August 2017.

Financial Position

A 3 year debt facility has been arranged with QMAC Capital International Partners LP (QMAC) for USD3.7m secured over the assets of the Company, with corresponding options issued over the shares in the Company equal to 50% of the amount advanced. The facility is without debt amortisation, interest requirements, financial ratios or covenants. A further USD3.8m is available to be advanced to the Company. This facility is repayable in full at the end of the 3 year term.

Senior management of the Company continues to discuss with other creditors to seek their agreement to convert all or part of their debt to equity.

A notice of shareholders meeting is being completed and a shareholders meeting will be called as soon as possible.

Overview of Results

The net loss for the consolidated entity amounted to \$7,950,122 (30 June 2016 \$9,919,960).

The loss included one off financing and restructuring costs of \$729,096 comprising \$254,271 legal costs, \$168,300 advisor costs, \$147,983 other non-cash borrowing cost, and \$147,983 interest costs.

The loss included: (a) sales, business development, marketing, and travel costs of \$2,793,922 comprising corporate \$1,998,782, Australia market \$277,002, Europe market \$203,674, US market \$314,465; (b) administration, office, and corporate costs of \$1,252,395 comprising corporate \$952,725, Australia market \$126,607, US market \$173,064; and (c) development and commercialization costs of \$2,756,095.

The consolidated financial statements are in the process of being audited and are likely to contain an independent audit report that has a modified opinion with an emphasis of matter going concern paragraph.

General information

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

Netlinkz Limited (ASX:NET) is a listed public company limited by shares, incorporated and domiciled in Australia.

Netlinkz Limited
Preliminary consolidated statement of profit or loss and other
comprehensive income
For the year ended 30 June 2017



	Note	Consolidated	
		2017	2016
		\$	\$
Revenue	1	90,525	296,996
Other Income	1	141,868	814,754
Expenses			
Sales, Business Development, Marketing, Travel		2,793,922	2,692,350
Admin, Office, Corporate		1,252,395	1,689,075
Development & Commercialisation		2,756,095	3,573,793
Finance & restructuring costs (one off)	2	729,096	3,076,492
Share based payments	11	651,007	-
		<u>8,182,515</u>	<u>11,031,710</u>
(Loss) before income tax expense		(7,950,122)	(9,919,960)
Income tax expense		-	-
(Loss) after income tax expense for the year		(7,950,122)	(9,919,960)
Other comprehensive income			
<i>Items that will be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(4,672)	(80,788)
Other comprehensive income (loss) for the year, net of tax		(4,672)	(80,788)
Total comprehensive loss for the year		<u>(7,954,794)</u>	<u>(10,000,748)</u>
(Loss) attributable to members of the parent entity		(7,950,122)	(9,919,960)
Total comprehensive loss attributable to members of the parent entity		(7,954,794)	(10,000,748)
		Cents	Cents
(Loss) per share from continuing operations			
Basic earnings/(loss) per share		(0.01)	(0.02)
Diluted earnings per/(loss) share		(0.01)	(0.02)

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

Netlinkz Limited
Preliminary consolidated statement of financial position
As at 30 June 2017



	Note	Consolidated 2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	3	33,903	377,045
Trade and other receivables	4	194,434	78,598
Total current assets		<u>228,337</u>	<u>455,643</u>
Non-current assets			
Property, plant and equipment	5	1,633	26,145
Total non-current assets		<u>1,633</u>	<u>26,145</u>
Total assets		<u>229,970</u>	<u>481,788</u>
Liabilities			
Current liabilities			
Trade and other payables	6	3,897,118	1,930,967
Employee benefits	7	94,190	176,904
Borrowings	9	262,397	2,833,544
Other	8	976	85,189
Total current liabilities		<u>4,254,681</u>	<u>5,026,604</u>
Non-current liabilities			
Borrowings	10	1,509,166	2,143,306
Total non-current liabilities		<u>1,509,166</u>	<u>2,143,306</u>
Total liabilities		<u>5,763,847</u>	<u>7,169,910</u>
Net liabilities		<u>(5,533,877)</u>	<u>(6,688,122)</u>
Equity			
Issued capital	11	24,140,363	15,682,329
Reserves	12	1,395,151	748,818
Accumulated losses	13	(31,069,391)	(23,119,269)
Total equity / deficiency		<u>(5,533,877)</u>	<u>(6,688,122)</u>

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

Netlinkz Limited
Preliminary consolidated statement of changes in equity
For the year ended 30 June 2017



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total Equity / deficiency \$
Balance at 1 July 2015	13,353,100	(86,906)	(13,199,309)	66,885
Total comprehensive loss for the year	-	(80,788)	(9,919,960)	(10,000,748)
<i>Transactions with owners in their capacity as owners:</i>				
Share issue	2,556,697	-	-	2,556,697
Options issued	-	916,512	-	916,512
Capital raising costs	(227,468)	-	-	(227,468)
Balance at 30 June 2016	<u>15,682,329</u>	<u>748,818</u>	<u>(23,119,269)</u>	<u>(6,688,122)</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total Equity / deficiency \$
Balance at 1 July 2016	15,682,329	748,818	(23,119,269)	(6,688,122)
Total comprehensive loss for the year	-	(4,672)	(7,950,122)	(7,954,794)
<i>Transactions with owners in their capacity as owners:</i>				
Share issue	8,933,332	-	-	8,933,332
Options issued	-	651,007	-	651,007
Capital raising costs	(475,298)	-	-	(475,298)
Balance at 30 June 2017	<u>24,140,363</u>	<u>748,818</u>	<u>(31,069,391)</u>	<u>(5,533,877)</u>

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

Netlinkz Limited
Preliminary consolidated statement of cash flows
For the year ended 30 June 2017



	Note	Consolidated 2017 \$	2016 \$	
Cash flows from operating activities				
Receipts from customers		80,665	246,323	
Payments to suppliers and employees		(4,940,124)	(7,452,822)	
		<u>(4,859,459)</u>	<u>(7,206,499)</u>	
Grants received		-	1,312,271	
Interest received		6,503	11,577	
Interest and other finance costs paid		(75,771)	(54,858)	
		<u>(4,928,727)</u>	<u>(5,937,509)</u>	
Net cash used in operating activities	14			
Cash flows from investing activities				
Disposal (Payments) for property, plant and equipment		(14,654)	(15,413)	
Refund (Payments) for security deposits		28,389	48,370	
Cash acquired on acquisition		-	-	
		<u>44,043</u>	<u>32,957</u>	
Net cash from (used in) investing activities				
Cash flows from financing activities				
Proceeds from issue of shares		7,714,999	2,271,292	
Share issue transaction costs		(475,298)	(227,468)	
Loan advanced		-	-	
Proceeds from borrowings		315,005	3,886,255	
Repayment of borrowings		(3,013,164)	(1,020,000)	
Borrowing transaction costs		-	(370,339)	
		<u>4,541,542</u>	<u>4,539,740</u>	
Net cash from financing activities				
Net increase/(decrease) in cash and cash equivalents		(343,141)	(1,364,812)	1
Cash and cash equivalents at the beginning of the financial year		377,045	1,741,857	
		<u>33,903</u>	<u>377,045</u>	1
Cash and cash equivalents at the end of the financial year	3			

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

Netlinkz Limited
Notes to the preliminary financial statements
30 June 2017

Note 1. Revenue	Consolidated	
	2017	2016
	\$	\$
Revenue		
Sales revenue	84,022	285,419
Interest	6,503	11,577
Revenue from continuing operations	<u>90,525</u>	<u>296,996</u>
<i>Other Income</i>		
Grants and R&D Refund	<u>141,868</u>	<u>814,754</u>

Note 2. Expenses	Consolidated	
	2017	2016
	\$	\$
<i>Finance costs</i>		
Borrowing costs		
- Other debt facility charge at fair value (see note 9)	147,983	1,049,046
- Options debt facility charge at fair value (see Note 9)	-	916,512
	<u>147,983</u>	<u>1,965,558</u>
Borrowing transaction cost	-	370,339
Legal and other costs	254,271	614,951
Advisor costs relating to funding and restructuring	168,300	-
Interest paid/payable	<u>158,542</u>	<u>125,644</u>
	<u>729,097</u>	<u>3,076,492</u>

Note 3. Current assets - cash and cash equivalents	Consolidated	
	2017	2016
	\$	\$
Cash at bank	<u>33,903</u>	<u>377,045</u>

Note 4. Current assets - trade and other receivables	Consolidated	
	2017	2016
	\$	\$
Trade receivables	3,357	169,528
Grants and R&D Refund	141,868	-
Security deposits	49,209	75,598
Other receivables	-	-
Less: Provision for impairment of receivables	-	(169,528)
	<u>78,598</u>	<u>78,598</u>

Note 5. Non-current assets - property, plant and equipment	Consolidated	
	2017	2016
	\$	\$
Plant and equipment - at cost	66,807	118,694
Less: Accumulated depreciation	<u>(65,174)</u>	<u>(92,549)</u>
	<u>1,633</u>	<u>26,145</u>

Note 6. Current liabilities - trade and other payables	Consolidated	
	2017	2016
	\$	\$
Trade payables and accruals	3,897,118	1,930,967
	<u>3,897,118</u>	<u>1,930,967</u>
Note 7. Current liabilities - Employee benefits	Consolidated	
	2017	2016
	\$	\$
Employee benefits	94,190	176,904
	<u>94,190</u>	<u>176,904</u>
Note 8. Current liabilities - other	Consolidated	
	2017	2016
	\$	\$
Subscription funds received in advance	976	85,189
	<u>976</u>	<u>85,189</u>
Note 9. Current liabilities - borrowings	2017	2016
	\$	\$
February 2016 finance facility ¹	262,397	250,000
March 2016 finance facility	-	1,725,701
June 2016 finance facility	-	802,675
Other loans	-	55,168
	<u>262,397</u>	<u>2,833,544</u>
Note 10. Non-current liabilities - borrowings	Consolidated	
	2017	2016
	\$	\$
March 2017 finance facility	-	871,519
Related party loans	520,957	94,757
Other loans	988,209	1,177,030
	<u>1,509,166</u>	<u>2,143,306</u>

Borrowings – Maturity

¹February 2016 finance facility

On 26 February 2016 the Company entered into a \$250,000 debt facility with the lenders under the October 2015 finance facility as in settlement for the repayment of the October finance facility, no funds were received. The finance facility is repayable on 26 February 2016 and has interest payable quarterly at 10% per annum. This debt facility may be converted into Shares at any time after 1 January 2016 or on an event of default at the lower of: (i) the lowest price per Share at which the Company undertakes a rights issue or placement of Shares before 31 December 2016; or (ii) 90% of the lowest volume weighted average price of Shares on ASX over the last 5 trading days on which Shares are traded immediately preceding the date of conversion; and before 1 January 2016 at 90% of the price per Share at which the Company undertakes the capital raising on which the conversion is based. The total finance cost of the debt facility is the \$250,000 subscription discount.

The conditions disclosed above have since been modified during the year. The SCM Absolute Return International Equity Trust (ARIE Trust) has assumed ownership of the \$250,000 debt facility and elected to convert this balance to equity in accordance with the finance facility agreement. ARIE Trust has waived the repayment requirements until the next shareholders meeting.

Netlinkz Limited
Notes to the financial statements
30 June 2017

Note 11. Equity

Issued capital

	2017 Shares	2016 Shares	2017 \$	2016 \$
Ordinary shares - fully paid	848,225,547	639,298,019	24,140,363	15,682,329

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Opening balance	1 Jul 2015	609,059,604		13,353,100
Issue of shares	23 Oct 2015	10,592,350	\$0.17	1,800,700
Issue of shares	4 Nov 2015	1,176,471	\$0.17	200,000
Share issue transaction costs, net of tax		-		(227,468)
Borrowing collateral shares ¹	16 Mar 2016	10,000,000		-
Borrowing repayment in shares ¹	22 Apr 2016	1,602,737	\$0.086	137,835
Equity drawdown ¹	10 May 2016	1,464,601	\$0.07	102,522
Borrowing repayment in shares ¹	20 May 2016	2,170,150	\$0.068	147,570
Equity drawdown ¹	10 Jun 2016	3,232,106	\$0.052	168,070
Closing balance ²	30 Jun 2016	639,298,019		15,682,329
Opening balance	1 Jul 2016	639,298,019		15,682,329
Issue of shares - placement	03 Aug 2016	124,444,432	\$0.045	5,599,999
Borrowing repayment in shares	17 Oct 2016	21,346,872	\$0.045	524,946
Issue of shares – placement	8 Nov 2016	3,333,334	\$0.045	150,000
Expenses paid in shares	11 Nov 2016	1,851,111	\$0.045	83,300
Issue of shares – placement	18 Nov 2016	10,666,667	\$0.045	480,000
Issue of shares – placement	20 Nov 2016	2,222,223	\$0.045	100,000
Borrowing repayment in shares	30 Dec 2016	1,443,404	\$0.045	64,953
Expenses paid in shares	30 Dec 2016	3,666,666	\$0.045	165,000
Issue of shares – placement	5 Jan 2017	10,000,000	\$0.045	450,000
Issue of shares – placement	23 Jan 2017	12,333,334	\$0.045	555,000
Expenses paid in shares	25 Jan 2017	4,444,445	\$0.045	200,000
Expenses paid in shares	10 Feb 2017	148,149	\$0.045	6,667
Expenses paid in shares	10 Feb 2017	971,334	\$0.045	43,665
Issue of shares – placement	1 Mar 2017	3,333,334	\$0.045	150,000
Issue of shares – placement	21 Mar 2017	2,222,223	\$0.045	100,000
Issue of shares – placement	29 Jun 2017	6,500,000	\$0.02	130,000
Share issue transaction costs, net of tax		-		(475,298)
Fair value gain on repayment of loan		-		(40,397)
Fair value cost of repayment of loan		-		304,167
Fair value gain on payment of expenses		-		(133,968)
Closing balance ³	30 Jun 2017	848,225,547		24,140,363

¹ Refer to Note 9 March 2016 finance facility

² Note: 308,008,973 shares are escrowed until 17 December 2016.

³ Note: 6,500,000 shares are escrowed until 29 September 2017, 13,137,152 shares are escrowed until 13 October 2017 and 168,277,902 shares are escrowed until 17 December 2017.

Netlinkz Limited
Notes to the financial statements
30 June 2016

Options	2017 Options	Consolidated 2016 Options
Options	<u>119,907,857</u>	<u>23,907,857</u>

Movements in options

Details	Date	No of options	Exercise price
Opening balance	1 Jul 2015	-	
Expiry date of 31 October 2017	23 Oct 2015	10,592,350	\$0.25
Expiry date of 31 October 2017	4 Nov 2015	1,176,471	\$0.25
Expiry date of 4 November 2020	4 Nov 2015	2,139,036	\$0.187
Expiry date of 8 March 2019	8 Mar 2016	1,500,000	\$0.1412
Expiry date of 16 March 2019	16 Mar 2016	<u>8,500,000</u>	\$0.147
Closing balance	30 Jun 2016	<u>23,907,857</u>	

Opening balance	1 Jul 2016	23,907,857	
Expiry date of 1 August 2020	30 Dec 2016	45,000,000	\$0.045
Expiry date of 1 August 2020	30 Dec 2016	5,000,000	\$0.06
Expiry date of 1 August 2020	30 Dec 2016	5,000,000	\$0.12
Expiry date of 1 August 2020	9 Feb 2017	10,000,000	\$0.30
Expiry date of 1 January 2020	13 Feb 2017	5,500,000	\$0.045
Expiry date of 1 January 2020	13 Feb 2017	2,500,000	\$0.12
Expiry date of 1 January 2020	13 Feb 2017	5,000,000	\$0.30
Expiry date of 1 January 2021	9 Feb 2017	3,300,000	\$0.06
Expiry date of 1 January 2021	9 Feb 2017	3,300,000	\$0.12
Expiry date of 1 January 2021	9 Feb 2017	3,400,000	\$0.30
Expiry date of 1 October 2021	9 Feb 2017	2,000,000	\$0.06
Expiry date of 1 October 2021	9 Feb 2017	2,000,000	\$0.12
Expiry date of 1 October 2021	9 Feb 2017	2,000,000	\$0.24
Expiry date of 1 October 2021	9 Feb 2017	<u>2,000,000</u>	\$0.36
Closing balance	30 Jun 2016	<u>119,907,857</u>	

Options

Pursuant to their appointment and in payment of services the following Directors were granted unlisted Options, the issue of the Options to the Directors were approved at the Annual General Meeting on 30 November 2016. For the purposes of the Australian Accounting Standards the Options are required to be accounted for as a share based payment granted during the reporting period.

On 30 December 2016 Mr Tsiolis was issued unlisted Options expiring on 1 August 2020 to subscribe for: 20.0 million ordinary fully paid shares at an exercise price of 4.5 cents per share (for services rendered to date of commencement); 2.5 million ordinary fully paid shares at an exercise price of 6.0 cents per share at the first anniversary; 2.5 million ordinary fully paid shares at an exercise price of 12.0 cents per share at the second anniversary, and 5.0 million ordinary fully paid shares at an exercise price of 30.0 cents per share at the third anniversary.

On 30 December 2016 Mr Gooch was issued unlisted Options expiring on 1 August 2020 to subscribe for: 2.5 million ordinary fully paid shares at an exercise price of 6.0 cents per share at the first anniversary; 2.5 million ordinary fully paid shares at an exercise price of 12.0 cents per share at the second anniversary, and 5.0 million ordinary fully paid shares at an exercise price of 30.0 cents per share at the third anniversary.

On 30 December 2016 Mr Cain was issued unlisted Options expiring on 1 August 2020 to subscribe for 7.5 million ordinary fully paid shares at an exercise price of 4.5 cents per share that will vest over three years in equal annual instalments.

On 30 December 2016 Mr Turner was issued unlisted Options expiring on 1 August 2020 to subscribe for 7.5 million ordinary fully paid shares at an exercise price of 4.5 cents per share that will vest over three years in equal annual instalments.

On 9 February 2017 in payment of past services of an executive employee the Company issued 10,000,000 unlisted options expiring on 1 August 2020 to subscribe for ordinary fully paid shares at an exercise price of \$0.045 per share

On 13 February 2017 in payment of US based services the Company issued 13,000,000 unlisted options expiring on 1 January 2020 to subscribe for: 5.5 million ordinary fully paid shares at an exercise price of \$0.045 per share; 2.5 million ordinary fully paid shares at an exercise price of \$0.12 per share; and 5.0 million ordinary fully paid shares at an exercise price of \$0.30 per share. 10 million of the unlisted options will be exercisable subject to achieving agreed revenue milestones

On 9 February 2017 pursuant to an executive employment contract the Company issued 10,000,000 unlisted Options expiring on 1 January 2021 to subscribe for: 3.3 million ordinary fully paid shares at an exercise price of 6.0 cents per share at the first anniversary; 3.3 million ordinary fully paid shares at an exercise price of 12.0 cents per share at the second anniversary; and 3.4 million ordinary fully paid shares at an exercise price of 24.0 cents per share at the third anniversary

On 9 February 2017 pursuant to an executive employment contract effective 1 October 2016 the Company issued 8,000,000 unlisted Options expiring on 1 October 2021 to subscribe for: 2.0 million ordinary fully paid shares at an exercise price of 6.0 cents per share at the first anniversary; 2.0 million ordinary fully paid shares at an exercise price of 12.0 cents per share at the second anniversary; 2.0 million ordinary fully paid shares at an exercise price of 24.0 cents per share at the third anniversary; and 2.0 million ordinary fully paid shares at an exercise price of 36.0 cents per share at the fourth anniversary.

Note 12. Equity - reserves

	Consolidated	
	2017	2016
	\$	\$
Foreign currency reserve	(172,368)	(167,694)
Option reserve	1,567,519	916,512
	<u>1,395,151</u>	<u>748,818</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Options reserve

This reserve is used to record the value of equity benefits provided for the issue of options.

	Consolidated	
	2017	2016
	\$	\$
Balance at the beginning of the financial year	916,512	-
October 2015 finance facility 2,139,036 unlisted options (see Note 9)	282,253	282,353
March 2016 finance facility 1,500,000 unlisted options (see Note 9)	96,246	96,246
March 2016 finance facility 8,500,000 unlisted options (see Note 9)	537,913	537,913
Options to directors and key management personnel	651,007	-
Balance at the end of the financial year	<u>1,567,519</u>	<u>916,512</u>

Note 13. Accumulated losses	Consolidated	
	2017	2016
	\$	\$
Accumulated losses at the beginning of the financial year	23,119,269	13,199,309
Loss after income tax expense for the year	7,950,122	9,919,960
Accumulated losses at the end of the financial year	<u>31,069,391</u>	<u>23,119,269</u>

Note 14. Reconciliation of loss after income tax to net cash from operating activities	Consolidated	
	2017	2016
	\$	\$
Loss after income tax expense for the year	(7,950,122)	(9,919,960)
Adjustments for:		
Director share based payments (options granted)	651,007	-
Depreciation and amortisation	9,857	19,302
Foreign exchange differences	(4,672)	(80,788)
Impairment of receivables	-	113,093
Interest accrued on loans	82,771	42,199
Borrowing options finance cost (see Note 9)	-	916,512
Borrowing finance cost (see Note 9)	129,802	1,049,046
Borrowing transaction cost	-	370,339
Expenses paid in shares	498,633	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(145,225)	458,421
Decrease/(increase) in other operating assets	-	-
Increase (decrease) in employee benefits and other liabilities	166,927	150,575
Increase/(decrease) in trade and other payables	1,966,150	943,752
Net cash used in operating activities	<u>(4,928,727)</u>	<u>(5,937,509)</u>

Note 15. Events after the reporting period

On 4 July 2017 pursuant to a placement the company issued 32,375,000 shares at \$0.02 per share. This is related to the QMAC debt facility referred in the Financial Position section.

On 4 August 2017 the Company announced that Darren Patterson was appointed as a Non-Executive Director, and the resignation of Timothy Gooch as director.

On 23 August 2017 the Company re-listed on the ASX. And then, the Company also announced that via its partner, China Telecom Wuxi, signed sales contracts with initial five customers in the Xinwu region.

On 28 August 2017 consistent with the QMAC debt facility, the Company issued 35,285,000 options exercisable at \$0.02 and will be immediately exercisable from the Company's available Listing Rule 7.1 placement capacity.

On 30 August 2017 a reseller agreement has been signed with Whitehorse Technologies Inc.

Other than the above there have been no other material events subsequent to the year ended 30 June 2017.