

Results for announcement to market	Up / Down	% Change	Year ended	9 months ended
			31 Mar 2017	31 Mar 2016
Revenue from ordinary activities	DOWN	66%	2,037,336	6,055,037
(Loss)/profit from after tax from ordinary activities attributable to members	DOWN	13%	(5,135,345)	(4,531,124)
(Loss)/profit attributable to members	DOWN	13%	(5,135,345)	(4,531,124)

Dividend Information	Franked Amount per share	
	Amount per share	Franked Amount per share
Dividend – current reporting period	Nil	Nil
Dividend – previous reporting period	Nil	Nil

Tangible Asset Backing per Ordinary Share	Shares	Cents
Tangible asset backing per ordinary share – previous reporting period	190,989,501	3.6
Tangible asset backing per ordinary share – current reporting period	193,689,501	1.6

Commentary on the Results for the Period

Reclassification – a reclassification has been made to the prior year's financial statements in order to conform to the current year's presentation. Specifically, a total of \$5,727,669 which was included in the cost of sales has been reclassified to be included in marketing expenses. The reclassification had no impact on results of operations previously reported.

The operating results for 2017 were ostensibly a step backwards for the Group, but should be viewed in the context of a major technological development – the unveiling in May 2016 of what is now our flagship product, Flexiroam X. This product is the culmination of years of experience in providing cutting edge roaming services to travellers globally, and consists of an ultra-thin 0.08mm microchip and a mobile app. It allows users high speed cellular data access in more than 100 countries around the world without having to change their SIM card.

As is often the case where an innovative product is introduced, there has been a degree of market inertia in the take-up of Flexiroam X, and sales momentum has been modest at best. While the Group's operating revenues from retail sales increased by 26%, overall operating revenues declined by 66% from the previous (nine-month) reporting period, due to a 72% decline in corporate revenues.

The Company has progressively been entering into partnership agreements with major industry players such as Triip, Grab, GO-JEK and Chan Brothers, the majority of these in the first quarter of 2017, laying the platform for future growth as travellers discover the benefits that Flexiroam X provides.

The overall decline in sales also reflects the transition effect of discontinuing the sale of traditional SIM products, with their emphasis on voice transmission, to now selling only Flexiroam X, which focuses predominantly on data.

On the other side of the equation, operating costs before depreciation and amortisation decreased by 40% in FY2017 compared to the previous reporting period, as substantive cost savings were achieved through optimisation of our digital marketing strategy. The savings in this area more than offset increases in other elements of operating costs. The following operating costs had registered increases compared to the previous financial period:

- Network costs increased by 275%, primarily because promotional codes were converted to data usage;
- administrative and operating expenses increased by 46% due to higher professional and consultant fees, as well as higher rental for our retail stores located at airports.

- research and development increased by 503% reflecting Company commitment to developing Flexiroam App and improving technology and innovation; and
- staff costs for the Group increased by 16%, primarily because of the increased headcount (headcount averaged 56 in FY2017 versus 51 in the previous reporting period).

Despite the decrease in revenue, due to relatively lower operating costs in FY2017, the loss for the period increased marginally by 13%.

Audit

This Preliminary Final Report is based on the Annual Financial Report which is in the process of being audited.



Jefrey Ong
Managing Director
Signed at Kuala Lumpur on this 31st day in May 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	YEAR ENDED 31 MARCH 2017 \$	PERIOD ENDED 31 MARCH 2016 \$
Revenue	2	2,037,336	6,055,037
Cost of sales	3	(1,362,304)	(445,737)
Gross profit / (loss)		675,032	5,609,300
Government grant		-	18,210
Interest received		91,964	128,046
Foreign exchange gains		445,140	384,200
Other income		14,881	4,915
Administration and operating expenses	4	(778,303)	(533,621)
Marketing expenses		(2,046,388)	(5,957,001)
Research and development		(641,820)	(106,449)
Staff costs		(843,219)	(726,315)
Depreciation and amortisation		(1,985,672)	(1,610,709)
Allowance for doubtful debtors		(33,252)	(122,292)
Finance expenses		(37,577)	(6,207)
Share-based payment – employees		-	(544,440)
Share-based payment - key management		-	(405,000)
Impairment of available-for-sale asset		-	(3,400)
Impairment of intangible assets		-	(535,504)
Impairment of development expenditure		-	(121,998)
Loss before income tax		(5,139,214)	(4,528,265)
Income tax expense		3,869	(2,859)
Loss for the year/period		(5,135,345)	(4,531,124)
Other comprehensive loss			
<i>Items that may be re-classified to profit or loss:</i>			
Foreign exchange translation		(2,580,846)	(1,258,125)
Revaluation of available-for-sale assets		72,636	-
Total other comprehensive loss, net of tax		(2,508,210)	(1,258,125)
Total comprehensive loss for the year/period		(7,643,555)	(5,789,249)
Loss per share (basic and diluted)		\$(0.03)	\$(0.02)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	NOTES	AS AT 31 MARCH 2017 \$	AS AT 31 MARCH 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		3,145,770	6,709,288
Trade and other receivables		68,537	97,350
Other assets		75,852	6,207
Available-for-sale financial assets		82,836	10,200
Total current assets		3,372,995	6,823,045
NON-CURRENT ASSETS			
Intellectual property	5	14,631,983	18,494,452
Plant and equipment	6	513,590	304,231
Total non-current assets		15,145,573	18,798,683
Total Assets		18,518,568	25,621,728
CURRENT LIABILITIES			
Trade and other payables		276,992	101,716
Borrowings		12,666	13,311
Deferred revenue	7	389,959	754
Total current liabilities		679,617	115,781
NON-CURRENT LIABILITIES			
Borrowings		36,663	55,743
Deferred tax		-	4,361
Total non-current liabilities		36,663	60,104
Total Liabilities		716,280	175,885
Net Assets		17,802,288	25,445,843
EQUITY			
Issued capital	8	36,268,139	35,863,139
Reserves		(3,869,297)	(956,087)
Accumulated losses		(14,596,554)	(9,461,209)
Total equity		17,802,288	25,445,843

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	ISSUED CAPITAL \$	OPTION AND PERFORMANCE RIGHTS RESERVE \$	FOREX TRANSLATION RESERVE \$	AVAILABLE- FOR-SALE RESERVE \$	ACCUMULATED LOSSES \$	TOTAL \$
Balance at 1 July 2015	35,318,699	299,993	(402,955)	-	(4,930,085)	30,285,652
Loss for the period	-	-	-	-	(4,531,124)	(4,531,124)
Other comprehensive loss for the period	-	-	(1,258,125)	-	-	(1,258,125)
Total comprehensive loss for the period	-	-	(1,258,125)	-	(4,531,124)	(5,789,249)
Share-based payments	544,440	405,000				949,440
Balance at 31 March 2016	35,863,139	704,993	(1,661,080)	-	(9,461,209)	25,445,843
Balance at 1 April 2016	35,863,139	704,993	(1,661,080)	-	(9,461,209)	25,445,843
Loss for the year	-	-	-	-	(5,135,345)	(5,135,345)
Other comprehensive loss for the year	-	-	(2,580,846)	72,636	-	(2,508,210)
Total comprehensive loss for the year	-	-	(2,580,846)	72,636	(5,135,345)	(7,643,555)
Share-based payments	405,000	(405,000)				-
Balance at 31 March 2017	36,268,139	299,993	(4,241,926)	72,636	(14,596,554)	17,802,288

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	YEAR ENDED 31 MARCH 2017 \$	PERIOD ENDED 31 MARCH 2016 \$
Cash flows from operating activities			
Receipts from customers		2,438,762	4,013,206
Payments to suppliers and employees		(5,617,559)	(5,740,107)
Interest paid		(37,577)	(6,752)
Interest received		91,964	135,118
Net cash flows (used in)/provided by operating activities	9	(3,124,410)	(1,598,535)
Cash flows from investing activities			
Purchase of plant and equipment		(335,616)	(230,147)
Proceeds from convertible note receivable		-	50,000
Net cash flows (used in)/provided by investing activities		(335,616)	(180,147)
Cash flows from financing activities			
Government grant		-	18,210
Loan receivable – additional loan		-	(77,123)
Repayment of advances		(12,485)	-
Borrowings – proceeds		-	73,310
Borrowings - payments		(12,678)	(4,256)
Net cash flows (used in)/provided by financing activities		(25,163)	10,141
Net (decrease)/increase in cash and cash equivalents		(3,485,189)	(1,768,541)
Cash and cash equivalents at the beginning of the year			
Foreign exchange fluctuations on opening cash balances		6,709,288	8,623,528
Cash and cash equivalents at the end of the year		(78,329)	(145,699)
		3,145,770	6,709,288

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 BASIS OF PREPARATION

These financial statements include the financial statements of Flexiroam Limited (“the Company”) and its subsidiaries Flexiroam Sdn. Bhd. and Flexiroam Asia Limited (“the Group”). These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Accounting Standards are equivalent to International Financial Reporting Standards (“IFRS”). Compliance with Australian Accounting Standards ensures that these financial statements comply with International Financial Reporting Standards.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

NOTE 2 REVENUE

	YEAR ENDED 31 MARCH 2017 \$	PERIOD ENDED 31 MARCH 2016 \$
Corporate sales ¹	1,778,201	5,727,669
Consumer sales ²	649,094	328,122
	2,427,295	6,055,791
Less: Deferred revenue (Note 7)	(389,959)	(754)
	2,037,336	6,055,037

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

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

NOTE 3 COST OF SALES

	YEAR ENDED 31 MARCH 2017 \$	PERIOD ENDED 31 MARCH 2016 \$	PERIOD ENDED 31 MARCH 2016 \$
		(as reclassified)	(as reported)
Network costs	1,240,751	330,866	330,866
Marketing	-	-	¹ 5,727,669
Material costs	49,203	68,443	68,443
Commissions	72,350	31,002	31,002
Development expenditure	-	15,426	15,426
	1,362,304	445,737	6,173,406

¹ The amount of \$5,727,669 which was related to costs of acquiring subscribers had been reclassified as marketing expenses to be reflected as an element of indirect costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 ADMINISTRATION AND OPERATING EXPENSES

	YEAR ENDED 31 MARCH 2017	PERIOD ENDED 31 MARCH 2016
	\$	\$
Office equipment and general maintenance	8,656	8,542
Others costs	33,130	43,836
Professional fees	416,155	169,000
Rental	197,001	178,663
Software and stationery	32,582	40,745
Talent and recruitment	21,261	12,038
Travelling and transportation	44,623	66,425
Utilities	24,895	14,372
	778,303	533,621

NOTE 5 INTELLECTUAL PROPERTY

	AS AT 31 MARCH 2017	AS AT 31 MARCH 2016
	\$	\$
Carrying value opening balance	18,494,452	20,647,648
Amortisation	(1,895,854)	(1,452,432)
Foreign exchange translation effects	(1,966,615)	(700,764)
Carrying value closing balance	14,631,983	18,494,452

The intellectual property asset is known as Flexiroam Malaysia, an international roaming service for travellers who travel overseas to gain access to high speed cellular data without having to change SIM card. It operates on a sophisticated integrated network of services, forming a unified system now known as Flexiroam X.

Intellectual property is an intangible asset with a finite life of 10 years and is stated at cost. As at 31 March 2017, Flexiroam Malaysia holds 1 patent in Malaysia and 1 patent in India.

Due to sustained reported operating losses which constitute an indicator of impairment, the management has undertaken impairment test in 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 assets. No allowance for impairment loss on assets is therefore required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 PROPERTY, 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	-	8,610	14,368	11,422	-	-	301,215	335,616
Foreign exchange effects	(1,149)	(3,690)	(2,282)	(18,447)	(10,856)	(4,855)	(4,428)	(45,707)
As at 31 March 2017	9,020	32,952	24,551	150,145	85,260	38,132	296,787	636,847
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	1,924	6,650	3,880	30,645	18,201	4,070	24,448	89,818
Foreign exchange effects	(279)	(1,424)	(439)	(4,457)	(2,053)	(297)	(320)	(9,269)
As at 31 March 2017	3,042	14,117	5,155	48,527	24,157	4,131	24,128	123,257
CARRYING AMOUNT								
As at 31 March 2016	8,772	19,141	10,751	134,831	88,107	42,629	-	304,231
As at 31 March 2017	5,978	18,835	19,396	101,618	61,103	34,001	272,659	513,590

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 CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 DEFERRED REVENUE

	AS AT 31 MARCH 2017 \$	AS AT 31 MARCH 2016 \$
Corporate sales	153,108	-
Retail sales	236,851	754
	389,959	754

Reconciliation

Opening balance	754	-
Net additions	389,293	754
Foreign exchange translation effects	(88)	-
Closing balance	389,959	754

Advance billing to customers that 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 8 ISSUED CAPITAL

	Number	\$
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 31 March 2017	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 Jefrey 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 year ended 31 March 2017 (31 March 2016: \$nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 CASH FLOW INFORMATION

Reconciliation of loss for the year/period to net cash flows from operating activities

	AS AT 31 MARCH 2017 \$	AS AT 31 MARCH 2016 \$
Loss for the period	(5,135,345)	(4,531,124)
Depreciation and amortisation	1,985,672	1,610,709
Forex movements	(494,025)	(384,200)
Share-based payment – employees	-	544,440
Share-based payment – key management	-	405,000
Government grant	-	(18,210)
Interest earned on convertible notes	-	7,072
Impairment of available-for-sale financial asset	-	3,400
Impairment of intangible assets	-	535,504
Impairment of development expenditure	-	121,998
Decrease in trade and other receivables	28,813	253,911
(Increase)/Decrease in other assets	(69,645)	4,207
Increase in inventory	-	5,437
Increase/(Decrease) in trade and other payables	175,276	(160,292)
Increase in deferred revenue	389,205	754
Increase/(Decrease) in deferred tax	(4,361)	2,859
Net cash from operating activities	(3,124,410)	(1,598,535)

NOTE 10 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 31 March 2017, 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 year, the Chief Decision Maker has 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.