International Limited

TV2U INTERNATIONAL LIMITED

(FORMERLY KNOWN AS GALICIA ENERGY CORPORATION LIMITED)

ABN 73 110 184 355

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

TV2U INTERNATIONAL LIMITED
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FOR THE YEAR ENDED 30 JUNE 2016

Board of Directors

Tony Chong	Non-Executive Chairman *(appointed 9 February 2016)*
Nick Fitzgerald	Managing Director *(appointed 5 February 2016)*
Peter Wall	Non-Executive Chairman *(resigned 9 February 2016)*
Faldi Ismail	Non-Executive Director
Igor Soshinsky	Non-Executive Director *(resigned 5 February 2016)*

Secretary

Sarah Smith   Company Secretary

Registered Office

4/11 Ventnor Avenue
West Perth WA 6005
T: +61 (08) 9481 7742
F: +61 (08) 9481 4950
Website: www.tv2u.com

Securities Exchange

Australian Securities Exchange Limited (ASX)
Home Exchange – Perth
ASX codes – TV2 (ordinary shares)

Australian Company Number

ACN 110 184 355

Australian Business Number

ABN 73 110 184 355

Bankers

Westpac Private Bank
Level 13, 109 St Georges Terrace
Perth WA 6000
Website: www.westpac.com.au

Auditors

PA Audit Pty Ltd
91 High Street
Fremantle WA 6160

Share Registry

Automic Registry Services
Suite 1a, Level 1, 7 Ventnor Avenue
West Perth WA 6005

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Lavan Legal
1 William Street
Perth WA 6000

Domicile and Country of Incorporation

Australia

The Directors submit their report on TV2U International Limited ("the Company" or "TV2U") and its controlled entities (together the "Group") for the financial year ended 30 June 2016. The Company changed its name from Galicia Energy Corporation Limited at a general meeting of Shareholders held on 9 November 2015. As such, the Company is referred to in this 2016 Financial Year Report as TV2U.

1. INFORMATION ON DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Mr Faldi Ismail
Non-Executive Director (Appointed 18 May 2015)
Mr Ismail is an experienced corporate advisor who specialises in the restructure and recapitalisation of a wide range of ASX-listed companies, specialising in information technology. He has many years of investment banking experience and has advised on numerous cross border transactions including capital raisings, structuring of acquisitions and joint ventures overseas.

Mr Ismail is also the founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers and acquisitions, capital raisings and Initial Public Offerings.

During the past three years Mr Ismail has held the following Directorships on other ASX listed companies:

- WHL Energy Limited (current)
- Cre8tek Limited (current)
- Asiamet Resources Limited (formerly Kalimantan Gold Corporation) (current)
- Ookami Limited (formerly Advanced Engine Components Limited) (current)
- BGD Corporation Limited (ceased 6 April 2016)
- Emergent Resources Limited (ceased 16 November 2015)
- Mareterram Limited (formerly Style Limited) (ceased 10 August 2015)

Nick Fitzgerald
Managing Director (Appointed 5 February 2016)
Mr Fitzgerald has an exceptional pedigree averaging over 23 years each in Media and Entertainment with deep domain expertise and project experience with content owners, digital service providers, broadcasters and telecommunications companies. Mr Fitzgerald's experience expands over 25 years in the Broadcast and New Media Industries. A successful business leader and visionary entrepreneur, Mr Fitzgerald is responsible for setting the strategic goals and objectives of TV2U. Prior to TV2U, Mr Fitzgerald served in numerous executive level positions while involved in several successful start- up companies, including Digital Rapids, a pioneer in encoding/transcoding technology.

Tony Chong
Non-Executive Chairman (Appointed 9 February 2016)

Mr Chong is a corporate and tax lawyer, with significant experience in mergers and acquisitions and commercial transactions. He has worked in house and in practice across various industries, and has advised media, advertising and technology companies on their structure and commercial dealings. Tony has specific interest and expertise in assisting companies trade with the Asian Region. Tony is the lead partner of Lavan Legal's Corporate Services Group.

Mr Peter Wall
Non-Executive Chairman (Appointed 29 February 2012, resigned 9 February 2016)
LLB BComm MAppFin FFin

Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA.

Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on resources (hard rock and oil/gas), equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions.

During the past three years Mr Wall has held the following Directorships on other ASX listed companies:

- MMJ Phytotech Limited (current)
- Minbos Resources Limited (current)
- MyFiziq Ltd (current)
- Activistic Ltd (current)
- Zyber Holdings Limited (current)
- Sky and Space Global Limited (current)
- Transcendence Technologies Limited (current)
- Ookami Limited (formerly Advanced Engine Components Limited) (current)
- Zinc of Ireland (formerly Global Metals Exploration NL) (ceased 22 July 2016)
- Brainchip Holdings Limited (formerly Aziana Limited) (ceased 3 August 2015)

Mr Igor Soshinsky
Non-Executive Director (Appointed 28 November 2013, resigned 5 February 2016)

Mr Soshinsky is an experienced business advisor who has been involved in senior managerial positions with a number of consulting companies in logistics, transportation, telecommunications, real estate and infrastructure development industries. More recently, Mr Soshinsky has provided advisory services to explorers and producers in the coal and oil & gas industries in the Ukraine. Mr Soshinsky is also the Director of the management company that Galicia has engaged to oversee its Ukraine operations.

During the past three years Mr Soshinsky has not held Directorships in any other ASX listed companies.

2. INFORMATION ON COMPANY SECRETARY

Ms Sarah Smith
(Appointed 14 April 2014)
B.Bus, CA

Sarah specialises in corporate advisory, company secretarial and financial management services. Sarah's experience includes company secretarial and financial management services for ASX listed companies, capital raisings and IPOs, due diligence reviews and ASX and ASIC compliance. Sarah is a Chartered Accountant, and has acted as the Company Secretary of a number of ASX listed companies.

3. DIRECTORS' SHAREHOLDINGS

The following table sets out each current Director's relevant interests in shares and rights or options to acquire shares of the Company or a related body corporate as at the date of this report.

Director	Fully Paid Ordinary Shares	Listed Options Exercisable at $0.04 on or before 30 March 2019	Performance shares
Mr N Fitzgerald	303,571,428*	-	440,178,572
Mr T Chong	2,950,000	737,500	-
Mr F Ismail	466,030	-	-
	306,987,458	**737,500**	**440,178,572**

**Subject to 24 months escrow from date of quotation*

4. DIVIDENDS

No dividend has been paid during the financial year and no dividend is recommended for the financial year.

5. DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director's held office are:

Director	Number Eligible to Attend	Number Attended
Mr T Chong *(Appointed 9 February 2016)*	5	5
Mr N Fitzgerald *(Appointed 5 February 2016)*	5	5
Mr P Wall *(Resigned 9 February 2016)*	-	-
Mr I Soshinsky *(Resigned 9 February 2016)*	-	-
Mr F Ismail	5	5

6. PRINCIPAL ACTIVITIES

The company was formerly an oil and gas exploration and development company. During the period, the Company moved into the technology sector with the completion of the acquisition of TV2U Worldwide Pty Ltd ("TV2UWW"), a leading digital content enabler and technology provider to the media, entertainment and telecommunications industries. The Company is a wholesale television provider to B2B clients. Through its established in-country relationships and management expertise, the Company intends to expand its asset portfolio throughout Australia, Singapore, Hong Kong, Malaysia and Indonesia.

7. OPERATING AND FINANCIAL REVIEW

A Operations

Completion of the acquisition of TV2UWW

On 20 January 2016, the Company received a letter from ASX confirming conditional approval for the Company to be reinstated to quotation on ASX, which set out the conditions that would need to be satisfied prior to re-listing. The Company completed the conditions precedent required under the letter, and on 3 February 2016, closed the Public Offer under the Prospectus dated 10 December 2015, after raising the minimum subscription of $4,000,000.

On this date, the following securities were issued in relation to the acquisition of TV2UWW:

1. 201,300,000 Shares at an issue price of $0.02 per Share;

2. 357,142,857 Shares and 517,857,143 Performance Shares to the TV2UWW vendors in consideration for the TV2UWW Acquisition; and

3. 105,114,359 Shares and 31,687,500 Options to the holders of Convertible Notes on conversion of the outstanding balance of their Convertible Notes.

As approved at the general meeting of shareholders on 9 November 2015, Galicia Energy Corporation Limited changed its name to **TV2U International Limited**. The Australian Securities and Investments Commission recorded the change of name on 3 February 2016. The ASX code was subsequently changed from "GAL" to "TV2".

Strategy and Developments

A considered strategic approach was set to achieve a low capital expenditure business model to achieve revenue at the lowest cost base.

On the 10 February 2016 TV2U formed a joint venture partnership with Sunfly, being one of the pioneering and leading karaoke content providers, to bring a premier karaoke jukebox application to market.

Having released the application on IOS and Android, the application is now available in Australia, New Zealand, Thailand, Malaysia, CIS Region and the UK. The Karaoke2U application will be released to 25 countries in total, exposing it to a global karaoke market estimated to be worth around US$14 billion http://www.redherring.com/company-profiles/singon/).

On the 2 March 2016 TV2U International Limited signed a binding agreement with Divan.TV to provide Hollywood and Karaoke content into Russia and the Commonwealth Independent States. The collaboration agreement with Divan. TV enables TV2U content to be delivered into the region via a trusted and fully operational partner. TV2U and Divan. TV are working with several television manufacturers to incorporate the Karaoke2U application into Smart TV's that are sold in the CIS region. This partnership provides for a multifaceted entry into the CIS region.

On the 11 March 2016 TV2U selected Amazon Web Services to fast track the implementation of our entertainment platform to the market. This is another piece in the puzzle for a low capex, high margin delivery strategy, reducing considerably the upfront capital requirements. In partnership with Amazon there is no longer needs to plan for and procure servers and other IT infrastructure. In addition the Amazon Cloud based technology allows TV2U technology to scale according to subscriber usage.

7. OPERATING AND FINANCIAL REVIEW (CONT)

On the 24 May 2016 TV2U launched into the Australian market through a JV agreement with leading 'B2B' telecommunications service provider OM Telecom (OMT). OMT has access to a customer base of over 200,000 through partnerships with 12 Internet Service Providers (ISP's). OMT has substantial potential to increase its customer base through the Allianz Global Assistance (AGA) platform page. The customer base will potentially increase through ISP partnerships increasing to 20 by December 2016. TV2U will begin staged content delivery, encompassing karaoke, international television on demand, subscription video on demand and gaming through its OM Telecom joint venture.

Operationally TV2U has become stronger through key appointments. The appointment of Dr Samy as Senior Vice President of Global Sales contributes to over 25 years of experience and industry contacts to the team, exposing TV2U to greater sales channels. Other appointments have provided a presence in Latin America where there is a vibrant and growing OTT market. Content acquisition has been further strengthened when hiring a full time Content Aggregator with expertise in Bollywood content.

The Company's software programmers and development team based in Lahore, Pakistan continues to be a strength of TV2U. The Lahore team provides expertise in the latest technology and provides efficient use of resources in achieving the execution of our projects.

Corporate

On 9 February 2016, Mr Tony Chong was appointed as Non-executive Chairman of the Company, replacing Mr Peter Wall who resigned as a Director of the Company due to other work commitments.

Tony is a corporate and tax lawyer, with significant experience in mergers and acquisitions and commercial transactions. He has worked in house and in practice across various industries, and has advised media, advertising and technology companies on their structure and commercial dealings. Tony has specific interest and expertise in assisting companies trade with the Asian Region. Tony is the lead partner of Lavan Legal's Corporate Services Group.

On 1 June 2016, the Company lodged a Prospectus for a non-renounceable entitlement option issue of 1 Option for every 4 Shares held by Shareholders at the Record Date at an issue price of $0.001 to raise up to approximately $296,694 before expenses and for an offer of up to 1,000 Shares at an issue price of $0.03 per Share to facilitate secondary trading of certain shares issued by the Company.

The Company received applications from Shareholders subscribing for 159,009,680 Listed Options in the Company totalling $159,009.68. As such, there is a shortfall under the Entitlement Offer of 137,684,973 Listed Options. The allotment of Listed Options under the Entitlement Offer took place on 28 June 2016.

The Shortfall New Options are subject to shareholder approval, and will be placed at the discretion of the Board following the Company's 2016 Annual General Meeting.

In May 2016, TV2U completed an oversubscribed $2.1 million share placement to institutional, professional and sophisticated investors to accelerate the Company's next phase of growth.

Pursuant to the Placement, the Company issued 70,133,331 new shares at $0.03 per share. The Company had to scale back the Placement, having received bids that were well in excess of the required amount for the capital raise. In addition, and in connection with the Placement, the Company issued 75,000,000 shares to Energy Capital Partners as consideration for corporate advisory and business development services provided.

7. OPERATING AND FINANCIAL REVIEW (CONT)

Funds from the Placement were used for new hires for the research and development team, which will enable TV2U to more rapidly pursue a number of short-term opportunities the Company has been working on since listing and for working capital.

Poland and Ukraine

In August 2015, the Company reached an in principle agreement to sell Zinest Holdings (Zinest), the holding company of its Ukraine oil and gas asset. In November 2015, the Company formalised the agreement to sell Zinest, the holding company of its Ukraine oil and gas asset. Shareholders approved the sale of the asset (which was technically the Company's main undertaking) at the General Meeting held 9 November 2015. The sale enabled the Company to exit the asset at no cost and will release Galicia from all obligations under the original Sale Agreement. Completion of the sale of Zinest, which is now largely administrative, occurred in the first quarter of 2016.

During the Period, the Company finalised negotiations and formally exited from its 24% interest in the Bieszczady Project in Poland at no cost, and without having to pay any historical work commitment liabilities.

The withdrawal from the Bieszczady Project in Poland and the Limnytska Licence in the Ukraine formed part of the Company's strategy to move into the technology sector.

B Financial Performance and Financial Position

The financial results of the Group for the year ended 30 June 2016 are:

	30 June 2016	30 June 2015	% Change
Cash and cash equivalents ($)	2,606,835	90,646	2,776%
Net assets ($)	2,439,484	(336,672)	825%
Revenue ($)	33,098	-	NA
Net loss after tax ($)	(14,160,151)	(335,281)	4,123%
Loss per share (cents)	(1.37)	(0.09)	1,422%

Financial Performance

The financial result for the year ended 30 June 2016 is a net loss after tax of $14,160,151 as per the table above.

7. OPERATING AND FINANCIAL REVIEW (CONT)

C Business Strategies and Prospects for future financial years

During the financial period the Company moved into the technology sector with the acquisition of TV2U, a leading digital content enabler and technology provider to the media, entertainment and telecommunications industries.

There are specific risks associated with these activities of the Company and general risks which are largely beyond the control of the Company and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Company and the market price of the Company's shares.

(a) Intellectual Property

TV2U has licensed or acquired the rights to certain patent applications relating to its core business. None of the patent applications are held in the name of the relevant subsidiary and, at the date of this Annual Report, none of the patent applications have been granted. The patent applications are held in the name of TARA IP Limited, an entity controlled by Mr Nick Fitzgerald, the CEO of the Company. TV2U Singapore has acquired all of the rights, title and interest in and to the patent applications by assignment and has licensed such rights to TV2U Worldwide.

Even if granted, the granting of a patent does not guarantee that the rights of others are not infringed nor that competitors will not develop competing intellectual property that circumvents such patents. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

Although the Company is not aware of any third party interests in relation to the intellectual property rights, and TV2U has taken steps to protect and confirm its interest in these rights, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.

(b) Technology Risk

The Company is reliant upon certain technologies and upon the successful commercialisation of the technologies as currently held by TV2U. There is a risk that as marketable technologies continue to develop in the communications industry there may be certain product developments that supersede, and render obsolete, the products and services of the Company, this would adversely affect the profitability of the Company and likely the value of the Shares.

(c) New Market Entrants and Technology Risk

The emergence of new competitors in the market, or any technological developments providing an alternative to TV2U's product offerings could impact the market share that the Company is able to acquire and cause downward price pressure on consumer software and services platforms, thus reducing the Company's margins and revenue. Further, existing providers of similar consumer services may also respond aggressively to TV2U's market growth to retain or regain market share, which could also impact the Company's margins and revenue.

7. OPERATING AND FINANCIAL REVIEW (CONT)

(d) Failure to Deal with Growth

The TV2U business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth and properly and fully implement the roll out of the technology under various joint venture or other arrangements, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the business.

(e) Availability of IT Staff in the Market

TV2U is reliant upon employees with specialist IT skills in order to develop and maintain its projects. Any shortage of availability of these skills in the IT employment market could impair the development of the TV2U products and business and the rate of such development. Such shortage could also cause wage inflation, which may impact on the Company's profitability.

(f) Dependence on Products

TV2U's products require the use of hardware devices and as such the business model of TV2U will be dependent upon the existence and ownership of these devices. There can be no guarantee that these devices will continue to be as widely used as they are currently or that they will not be replaced by alternative devices upon which TV2U's technology will not function as intended which could impact on the profitability of the Company.

(g) Security Breaches and Hacker Attacks

A malicious attack on TV2U's systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and business systems used at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation, and brand damage resulting in reduced or failing revenues. TV2U follows best practice in relation to security policies, procedures, automated and manual protection, encryption systems and staff screening to minimise this risk.

(h) Customer Service Risk

TV2U's business model is based on recurring revenue arising from usage. Poor customer service experiences may result if the Company loses key customer service personnel, fails to provide adequate training and resources for customer service personnel or there is a disruption to monitoring and account management systems utilised by customer service personnel. Poor experiences may result in the loss of customers, adverse publicity, litigation, regulatory enquiries and customers reducing the use of TV2U products or services. If any of these occur, it may adversely impact the Company's revenues.

a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

7. OPERATING AND FINANCIAL REVIEW (CONT)

b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

c) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

8. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 5 February 2016, the Company officially moved into the technology sector with the acquisition of TV2UWW, a leading digital content enabler and technology provider to the media, entertainment and telecommunications industries.

There have been no other significant changes in the state of affairs of the Company.

9. SUBSEQUENT EVENTS

On 18 July 2016, the Company has begun generating revenues from its Karaoke2U App following the launch on Google Play and Apple's App Store.

On 2 September 2016, the Company entered an agreement with Toomai Broadcasting Telecommunications Corporation Ltd ("Toomai"), a subsidiary of telecoms provider NPNN Group LLC ("NPBB"), to provide TV2U's OverTheTop ("OTT") service. Toomai is a new business with NPBB developing this business over the last two years.

The Company has reached and agreed commercial terms with Toomai for the engineering and launch of this service which includes:

- Upfront capital expenditure payment in excess of $1,000,000 for the head-end expansion of TV2U's head end at NTT Japan's data centre in Kuala Lumpur, Malaysia (payment due Q4 2016);
- Managed service fee based on each active subscriber per month with a minimum guaranteed number of subscribers;
- Cost of content provisioning and delivery; and
- Revenue share on karaoke and advertising.

In relation to the non-renounceable entitlement option issue of 1 Option for every 4 Shares held by Shareholders at an issue price of $0.001 to raise up to approximately $296,694 before expenses, the shortfall of 137,684,973 Listed Options has not been issued as at the date of this annual report. The Company will seek shareholder approval to issue these shortfall options at its 2016 Annual General Meeting.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

10. ENVIRONMENTAL ISSUES

The Company is not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Company.

11. OPTIONS AND PERFORMANCE SHARES

At the date of this report, the unissued ordinary shares of the Company under option are as follows:

Expiry Date	Exercise Price	Number of Listed Options	Number of Unlisted Options
30 March 2019	$0.04	194,076,327	-
31 December 2018	$0.03	-	31,687,500

No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

11. OPTIONS AND PERFORMANCE SHARES (CONT)

At the date of this report, performance shares on issue are as follows:

Class	Date Granted	Issue price of shares	Expiry Date	Number
A	9 February 2016	Nil	9 February 2018	89,285,715
B	9 February 2016	Nil	9 February 2019	107,142,857
C	9 February 2016	Nil	9 February 2020	142,857,143
D	9 February 2016	Nil	9 February 2020	178,571,428

Class A Performance Shares – these performance shares will vest in the event that the earnings before interest, tax, depreciation and amortisation of TV2U and its subsidiaries (EBITDA) is greater than or equal to $5 million (in any rolling 12 month period) within two years of Settlement

Class B Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $10 million (in any rolling 12 month period) within three years of Settlement

Class C Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $15 million (in any rolling 12 month period) within four years of Settlement

Class D Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $20 million (in any rolling 12 month period) within four years of Settlement

12. PROCEEDINGS ON BEHALF OF THE COMPANY AND GROUP

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company and its controlled entities, or to intervene in any proceedings to which the Company and its controlled entities are parties, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

13. INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring all its Directors and current Executive Officers against a liability incurred as such a director or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

14. NON-AUDIT SERVICES

	30-Jun-16
	$
Amounts received or due and receivable	
Taxation, IPO and other services	93,604
	93,604

15. REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*. There were no company executives and other key management personnel who were not also Directors of the Company for the financial year.

The remuneration arrangements detailed in this report are for the Managing Director and Non-Executives who held office during the financial year and are as follows:

Director	Position	Duration of Appointment
Mr T Chong	Non-Executive Chairman	Appointed 9 February 2016
Mr N Fitzgerald	Managing Director	Appointed 5 February 2016
Mr F Ismail	Non-Executive Director	Appointed 18 May 2015
Mr P Wall	Non-Executive Chairman	Appointed 29 February 2012, Resigned 9 February 2016
Mr I Soshinsky	Non-Executive Director	Appointed 28 November 2013, Resigned 9 February 2016

The Remuneration Report is set out under the following main headings:

A Remuneration Philosophy
B Remuneration Structure and Approvals
C Remuneration and Performance
D Details of Remuneration
E Contractual Arrangements
F Equity Instruments Issued on Exercise of Remuneration Options
G Adoption of Remuneration Report by Shareholders
H Equity Instruments Held by Key Management Personnel
I Loans to Key Management Personnel
J Other Transactions with Key Management Personnel

15. REMUNERATION REPORT (AUDITED) (CONT)

A. Remuneration Philosophy

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel of TV2U comprise the Board of Directors only.

The performance of the Company depends upon the quality of its key management personnel. To prosper the Company must attract, motivate and retain appropriately skilled directors and executives.

The Company's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives, by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

B. Remuneration Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Company's development nor has the Board engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by Directors. It is considered that the size of the Board, along with the level of activity of the Company, renders this impractical and the full Board considers in detail all of the matters for which the Directors are responsible.

- **Executive Remuneration Structure**

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board;
- All executives may receive a base salary, (which reflects the person's duties, responsibilities, experience and length of service), superannuation, fringe benefits, options, shares and performance incentives; and
- The Board reviews the executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of shareholders' value. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, options and shares. The policy is designed to attract the highest calibre executives and reward them for performance that results in long-term growth in shareholder wealth. All directors and executives are also entitled to participate in the Company's share-based incentive plan, the performance rights plan. All directors and executives employed directly by the Company receive a superannuation guarantee contribution required by the government unless otherwise stated in their employment contracts and do not receive any other retirement benefits.

15. REMUNERATION REPORT (AUDITED) (CONT)

All remuneration paid to directors and executives is valued at the cost to the Company and is expensed. Options and performance rights given to directors and executives as part of their remuneration are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options and performance rights are valued using an option pricing model.

➢ **Non-Executive Remuneration Structure**

The Board's intention is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board of Directors determines the payments to the non-executive directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required.

The remuneration of non-executive directors consists of Directors' fees, payable in arrears. The total aggregate fee pool to be paid to Directors (excluding executive directors) is set at $250,000 per year (in accordance with the Company's Constitution) and as approved by the shareholders of the Company. Non-executive directors do not receive retirement benefits but are able to participate in share-based incentive plan and encouraged to hold shares in order to align director's interests with shareholder interests.

Non-executive directors may enter into separate consultancy mandates with the Company for the provision of professional and technical services that fall outside the scope of their directorship role. Under this mandate directors receive a consultancy fee in connection with time spent on Company business, including reasonable expenses incurred by them in carrying out this consultancy role.

Further details relating to remuneration of Non-Executive Directors are contained in the Remuneration Table disclosed as Section D of this Report; and within the Notes to the Financial Statements: Note 21 Key Management Personnel Disclosures.

C. Remuneration and Performance

During the reporting period, Director remuneration was not linked to either long term or short term performance conditions. The Board feels that the terms and conditions of options and shares held by Directors were a sufficient, long term incentive to align the goals of the Directors with those of the shareholders to maximise shareholder wealth.

During the previous reporting period, shareholders approved the adoption of a performance rights plan (PRP) to provide ongoing incentives to directors, executives and employees of the Company. The objective of the PRP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued under the PRP are aligned with the successful growth of the Company's business activities. This long term incentive has been tailored to increase goal congruence between shareholders and directors and executives.

The earnings of the consolidated entity for the five years to 30 June 2016 are summarised below:

	2016	2015	2014	2013	2012
Sales Revenue ($)	33,098	-	223,246	41,439	1,272,793
EBITDA ($)	(13,312,934)	(287,808)	(2,421,523)	(340,614)	112,066
EBIT ($)	(13,380,475)	(329,478)	(2,421,927)	(340,986)	(192,620)
Loss after income tax ($)	(14,160,151)	(335,281)	(2,462,656)	(340,986)	(268,932)

15. REMUNERATION REPORT (AUDITED) (CONT)

C. Remuneration and Performance (cont)

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2016	2015	2014*	2013*	2012*
Share price at financial year end ($)	0.03	-	0.03	0.005	0.009
Total dividends declared (cents per share)	-	-	-	-	
Basic earnings (loss) (cents per share)	(1.37)	(0.09)	(3.804)	(1.779)	(0.223)

* The Group results for 30 June 2014, 2013 and 2012 were related to TV2U prior to acquiring of TV2U subsidiaries.

D. Details of Remuneration

The key management personnel of the Company are the Board of Directors.

During the financial years ended 30 June 2016 and 30 June 2015, the Directors received no long-term benefits. The only remuneration received by the Directors within these periods were short-term employee benefits, post-employment benefits and termination benefits apart from performance rights as disclosed below.

Details of the remuneration of the Directors of the Company for the year ended 30 June 2016 are as follows:

	Short-term employee benefits			**Post-employment benefits**		**Equity-based payments**		**Total**
30 June 2016	**Salary & fees**	**Cash bonus**	**Non-monetary**	**Super-annuation**	**Termination benefits**	**Performance rights**	**Fees paid in shares**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Executive Directors (Managing Director)								
Mr N Fitzgerald (i)	179,167	150,000	-	-	-	-	-	329,167
Non-Executive Chairman								
Mr P Wall (ii)	24,000	-	-	-	-	-	-	24,000
Mr T Chong (iii)	23,620	-	-	2,244	-	-	-	25,864
Non-Executive Directors								
Mr I Soshinsky (iv)	12,500	-	-	-	-	-	-	12,500
Mr F Ismail	36,000	-	-	-	-	-	-	36,000
Total	**275,287**	**150,000**	**-**	**2,244**	**-**	**-**	**-**	**427,531**

(i) Mr Fitzgerald was appointed on 5 February 2016.
(ii) Mr Wall resigned on 9 February 2016.
(iii) Mr Chong was appointed on 9 February 2016.
(iv) Mr Soshinsky resigned on 5 February 2016.

15. REMUNERATION REPORT (AUDITED) (CONT)

D. Details of Remuneration (cont)

Details of the remuneration of the Directors of the Company for the year ended 30 June 2015 are as follows:

	Short-term employee benefits			Post-employment benefits		Equity-based payments		Total
30 June 2015	**Salary & fees $**	**Cash bonus $**	**Non-monetary $**	**Super-annuation $**	**Termination benefits $**	**Performance Rights $**	**Fees paid in Shares $**	**$**
Executive Directors (Managing Director)								
Mr D Jendry (i)	92,000	-	-	-	-	-	-	92,000
Mr D King (ii)	19,871	-	-	3,167	25,000	-	-	48,038
Non-Executive Chairman								
Mr P Wall	6,000	-	-	-	-	46,800	30,000	82,800
Non-Executive Directors								
Mr I Soshinsky (iii)	-	-	-	-	-	98,416	30,000	128,416
Mr R Bensh (iv)	-	-	-	-	-	-	21,000	21,000
Mr S Brown (iv)	15,000	-	-	2,280	-	-	6,000	23,280
Mr F Ismail (v)	4,500					-	-	4,500
Total	**137,371**	**-**	**-**	**5,447**	**25,000**	**145,216**	**87,000**	**400,034**

(i) Mr Jendry resigned 18 May 2015.
(ii) Mr King resigned on 31 July 2014.
(iii) $98,416 relates to expense recognised from performance rights issued in the financial year 2014.
(iv) Mr Bensh and Mr Brown resigned 18 February 2015.
(v) Mr Ismail was appointed on 18 May 2015.

15. REMUNERATION REPORT (AUDITED) (CONT)

E. Contractual Arrangements

- **Mr Tony Chong**- Non-Executive Chairman

  - Contract commencement date 8 February 2016.
  - Director fee is set at $5,000 per month excluding superannuation and GST.
  - Remuneration: Reviewed annually by the Board.
  - Terms: Mr Chong will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
  - Notice period: Mr Chong's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualifies or prohibited by law from being or acting as a Director or from being involved in the management of a Company.

- **Mr Faldi Ismail**- Non-Executive Director

  - Contract commencement date 18 May 2015.
  - Director fee is set at $3,000 per month excluding superannuation and GST.
  - Remuneration: Reviewed annually by the Board.
  - Terms: Mr Ismail will hold office until the next annual general meeting at which point 1/3 of the directors retire by rotation and will be eligible for election as a Director at that meeting in accordance with the Company's Constitution.
  - Notice period: Mr Ismail's appointment will automatically cease in the event that he gives notice to the Board of his resignation as a Director or if he resigns by rotation and is not re-elected as a Director by the Shareholders of the Company. Moreover, his appointment will be terminated immediately if, for any reason, he becomes disqualifies or prohibited by law from being or acting as a Director or from being involved in the management of a Company.

- **Mr Nick Fitzgerald** – Managing Director

  - Contract commencement date: 5 February 2016
  - Terms: 3 year term commencing 5 February 2016
  - Remuneration: Annual Salary was set at $350,000 (excluding superannuation).
  - Other Fees: A sign-on bonus of $150,000 was paid to Mr Fitzgerald on the 10 February 2016 on the completion of the acquisition of TV2UWW. In addition to the sign-on bonus, Mr Fitzgerald is entitled to a performance bonus of $150,000 for each deal signed by TV2U Singapore during the term of engagement where the forecast revenue in the 12 months after commercial launch of the deal is not less than $5,000,000.
  - Restraint of Trade: Mr Fitzgerald will be subject to a restraint of trade period of up to one year from termination of the engagement.
  - Termination: The engagement may be terminated by the Company or Mr Fitzgerald giving the other party the requisite notice.

15. REMUNERATION REPORT (AUDITED) (CONT)

E. Contractual Arrangements (cont)

- **Mr Peter Wall** - Non-Executive Chairman

    - Contract commencement date: 29 February 2012
    - Resignation date: 8 February 2016
    - Director fee is set at $3,000 per month excluding superannuation and GST.

- **Mr Igor Soshinsky**- Non-Executive Director

    - Contract commencement date 28 November 2013.
    - Resignation date: 5 February 2016.
    - Director fee is set at $2,500 per month excluding superannuation and GST.

F. Equity Instruments Issued on Exercise of Remuneration Options

No shares were issued during the financial year to Directors or key management as a result of exercising remuneration options.

G. Adoption of Remuneration Report by Shareholders

The adoption of the Remuneration Report for the financial year ended 30 June 2015 was put to the shareholders of the Company at the Annual General Meeting held 27 November 2015. The resolution was passed without amendment on a show of hands. At the Annual General Meeting, 78% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

15. REMUNERATION REPORT (AUDITED) (CONT)

H. Equity Instruments Held by Key Management Personnel

Shareholdings of Key Management Personnel

Details of shares held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2016 are set out below:

30 June 2016	Opening balance	Granted as remuneration	Participation in placements	On-Market Purchases	Off-Market purchases	Net change - other	Closing balance (i)
Directors							
Mr Ismail	785,000	-	-	-	-	(318,970)	466,030
Mr Soshinsky	5,162,739	-	-	-	-	(5,162,739)	-
Mr Wall	32,697,507	-	-	-	-	(32,697,507)	-
Mr Chong	-	-	2,950,000	-	-	-	2,950,000
Mr Fitzgerald	-	-	-	-	-	303,571,428	303,571,428
Total	**38,645,246**	**-**	**2,950,000**	**-**	**-**	**265,392,212**	**306,987,458**

(i) These closing balances reflect KMP shareholdings as at 30 June 2016. KMP shareholdings at the date of this report can be found in the Directors Report.

Option Holdings of Key Management Personnel

Details of options held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2016 are set out below:

30 June 2016	Opening Balance	Lapsed	Participation in Placements	Closing Balance (i)	Not vested and not exercisable	Vested and exercisable
Directors						
Mr Ismail	-	-	-	-	-	-
Mr Soshinsky	-	-	-	-	-	-
Mr Wall	431,390	(431,390)	-	-	-	-
Mr Chong	-	-	737,500	737,500	-	-
Mr Fitzgerald	-	-	-	-	-	-
Total	**431,390**	**(431,390)**	**737,500**	**737,500**	**-**	**-**

(i) These closing balances reflect KMP option holdings as at 30 June 2016. KMP option holdings at the date of this report can be found in the Directors Report.

15. REMUNERATION REPORT (AUDITED) (CONT)

H. Equity Instruments Held by Key Management Personnel (cont)

Performance Rights Holdings of Key Management Personnel

Details of performance rights held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2016 are set out below:

30 June 2016	Opening Balance	Received as Remuneration	Lapsed	Net change - other	Closing Balance
Directors					
Mr N Fitzgerald (i)	-	-	-	440,178,572	440,178,572
Mr T Chong (ii)	-	-	-	-	-
Mr F Ismail	-	-	-	-	-
Mr Wall (iii)	3,000,000	-	-	(3,000,000)	-
Mr Soshinsky (iv)	3,000,000	-	-	(3,000,000)	-
Total	**6,000,000**	-	-	**434,178,572**	**440,178,572**

(i) Mr Fitzgerald was appointed in 5 February 2016. Performance rights issued are subject to 24 months escrow from date of quotation.
(ii) Mr Chong was appointed on 9 February 2016.
(iii) Mr Wall resigned on 9 February 2016.
(iv) Mr Soshinsky resigned on 5 February 2016.

I. Loans to Key Management Personnel

There were no loans to or from Directors or any other Key Management Personnel during the financial year ended 30 June 2016.

J. Other Transactions with Key Management Personnel

A Director, Peter Wall, is a Partner in the firm Steinepreis Paganin. Steinepreis Paganin has provided legal services to the Company during the current and previous financial year on normal commercial terms and conditions as follows:

	30-Jun-16
Steinepreis Paganin Lawyers & Consultants:	**$**
A firm which Director Peter Wall is a partner - Legal services	374,500

A Director, Tony Chong, is a Partner of Laval Legal. Laval Legal has provided legal services to the Company during the current financial year on normal commercial terms and conditions as follows:

	30-Jun-16
Laval Legal:	**$**
A firm which Director Tony Chong is a Partner – Legal services	59,213

15. REMUNERATION REPORT (AUDITED) (CONT)

J. Other Transactions with Key Management Personnel (cont)

There are no other transactions with key management personnel during the financial year ended 30 June 2016.

[End of Remuneration Report]

16. CORPORATE GOVERNANCE

The Company's corporate governance statement can be found in the investor section of the Company's website: http://www.tv2u.com

17. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the financial year ended 30 June 2016 has been received and can be found on the following page of this Annual Report.

18. AUDITOR

PA Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

nick fitzgerald

Nick Fitzgerald
Managing Director
Perth, Western Australia
30 September 2016

AUDITOR'S TO INSERT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	30-Jun-16	28-May-15 to 30-Jun-15
		$	$
Revenue and other income from continuing operations	5	33,098	-
Employee benefits expense	6	(229,985)	-
Administration expenses	6	(6,576,413)	(287,808)
Finance costs	6	(779,676)	(41,670)
Depreciation and amortisation	6	(67,541)	(5,803)
Share-based payment expense		(202,332)	-
Foreign exchange loss		3,305	-
Restructuring/ relisting expense	10	(6,431,783)	-
Gain on deconsolidation	9	91,176	-
Loss from continuing operations before income tax		(14,160,151)	(335,281)
Income tax expense	7	-	-
Loss from continuing operations after income tax		(14,160,151)	(335,281)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange difference on translation of foreign operations		(315,101)	-
Other comprehensive income for the year, net of tax		(315,101)	
Total comprehensive loss for the year		(14,475,252)	(335,281)
		Cents	Cents
Loss per share attributable to the ordinary equity holders of the company:			
Basic loss per share - cents per share	20	(1.37)	(0.09)
Diluted loss per share - cents per share	20	(1.37)	(0.09)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes to the financial statements.

TV2U INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	30-Jun-16	30-Jun-15
		$	$
Current Assets			
Cash and cash equivalents	8	2,606,835	90,646
Trade and other receivables	11	237,550	701,931
Other assets	12	59,014	35,098
Total Current Assets		2,903,399	827,675
Non-Current Assets			
Plant and equipment	13	11,803	1,524
Intangible assets	14	182,111	227,203
Total Non-Current Assets		193,914	228,727
TOTAL ASSETS		3,097,313	1,056,402
Current Liabilities			
Trade and other payables	15	657,829	455,074
Borrowings	16	-	935,000
Total Current Liabilities		657,829	1,390,074
TOTAL LIABILITIES		657,829	1,390,074
NET ASSETS		2,439,484	(333,672)
Equity			
Contributed equity	17	16,386,067	1,609
Reserves	18	548,849	-
Accumulated losses	19	(14,495,432)	(335,281)
TOTAL EQUITY		2,439,484	(333,672)

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes to the financial statements.

TV2U INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Contributed Equity	Equity-based Payment and Other Reserves	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
At 28 May 2015 (date of incorporation)	**-**	**-**	**-**	**-**	**-**
Comprehensive loss:					
Loss for the period	-	-	-	(335,281)	(335,281)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(335,281)	(335,281)
Transactions with owners in their capacity as owners:					
Issue of share capital	1,609	-	-	-	1,609
At 30 June 2015	**1,609**	**-**	**-**	**(335,281)**	**(333,672)**
At 1 July 2015	**1,609**	**-**	**-**	**(335,281)**	**(333,672)**
Comprehensive loss:					
Loss for the year	-	-	-	(14,160,151)	(14,160,151)
Other comprehensive income	-	-	(315,101)	-	(315,101)
Total comprehensive income/(loss) for the year	-	-	(315,101)	(14,160,151)	(14,475,252)
Transactions with owners in their capacity as owners:					
Issue of share for acquisition for subsidiary	7,622,476	-	-	-	7,622,476
Share-based payments	-	863,950	-	-	863,950
Capital raising	4,026,000	-	-	-	4,026,000
Placement fund	2,106,619	-	-	-	2,106,619
Share issued to settle debt	1,419,549	-	-	-	1,419,549
Share issue costs	(374,116)	-	-	-	(374,116)
Share issued for corporate advisory and business development services	1,500,000	-	-	-	1,500,000
Share issued for convertible notes	83,930	-	-	-	83,930
At 30 June 2016	**16,386,067**	**863,950**	**(315,101)**	**(14,495,432)**	**2,439,484**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the financial statements.

	Notes	30-Jun-16	28-May-15 to 30-Jun-15
		$	$
Cash flows used in operating activities			
Payments to suppliers and employees		(3,334,300)	(185,648)
Interest received		9,861	-
Interest paid		-	(315)
Receipts from customers		23,238	-
Net cash flows used in operating activities	8(b)	(3,301,201)	(185,963)
Cash flows used in investing activities			
Payment for intangible assets		(315,615)	-
Net cash flows used in investing activities		(315,615)	-
Cash flows from financing activities			
Proceeds from issue of share capital		6,132,621	1,609
Share issue costs		(374,116)	-
Proceeds from Related party Loan		-	450,000
Repayment of Related party Loan		-	(175,000)
Proceeds from issue of Convertible Notes		707,000	-
Repayment of Convertible Notes		(332,500)	-
Net cash flows provided by financing activities		6,133,005	276,609
Net increase in cash and cash equivalents		2,516,189	90,646
Cash and cash equivalents at beginning of year		90,646	-
Cash and cash equivalents at end of year	8(a)	2,606,835	90,646

The Consolidated Statement of Cash Flows is to be read in
conjunction with the accompanying notes to the financial statements.

1. REPORTING ENTITY

TV2U International Limited ("the Company" or "Parent Entity") and its controlled entities (together the "Group") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited ("ASX"). The addresses of its registered office and principal place of business are disclosed in the Corporate Directory of the annual report.

The separate financial statements of the Parent Entity have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

The financial report was authorised for issue on 30 September 2016.

2. BASIS OF PREPARATION

(a) Going Concern

During the year, the consolidated entity incurred a net loss after income tax for the year ended 30 June 2016 of $14,160,151 (2015: $335,281), incurred net cash outflows in operating and investing activities of $3,301,201 (2015: outflow of $185,963), and had a net current assets of $2,245,570 at 30 June 2016 (2015: net current liabilities of $562,399).

The ability of the consolidated entity to continue as a going concern is dependent on securing additional funding through capital raising to continue to meet its working capital requirements in the next 12 months.

These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the consolidated entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at the amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

(b) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial report of the Group also complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board. The Group is a for-profit entity for the purpose of preparing the financial statements.

2. BASIS OF PREPARATION (CONT)

(c) Reverse Acquisition accounting

On 9 February 2016, TV2U (formerly known as Galicia Energy Corporation Limited), the legal parent and legal acquirer, completed the acquisition of TV2U Worldwide Pty Ltd ("TV2U Subsidiaries"). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that TV2U Subsidiaries have effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if TV2U Subsidiaries have acquired TV2U, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by TV2U Subsidiaries to have exactly the same percentage holding in the new structure at the date of the transaction.

The impact of the group restructure on each of the primary statements is as follows:

Statement of Profit or Loss and Other Comprehensive Income

- The 30 June 2016 consolidated statements comprise 12 months of TV2U Subsidiaries and TV2U since acquisition date.
- The 30 June 2015 comparative statements comprise TV2U Subsidiaries since the incorporation date.

Statement of Financial Position

- The consolidated statement of financial position as at 30 June 2016 represents both TV2U and TV2U Subsidiaries.
- The comparative statement of financial position at 30 June 2015 represents TV2U Subsidiaries.

Statement of Changes in Equity

- The 30 June 2016 consolidated changes in equity comprises TV2U Subsidiaries' equity balance at 1 July 2015, its loss for the period and transactions with equity holders for the 12 months. It also comprises TV2U's transactions with equity holders from the acquisition date and the equity balances of TV2U and TV2U Subsidiaries as at 30 June 2016.
- The 30 June 2015 statement of changes in equity comprises TV2U Subsidiaries since the incorporation date.

(d) Basis of measurement

Except for cash flow information, the financial report has been prepared on 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. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

(e) Functional and presentation currency

The presentation currency of the Group is Australian dollars.

2. BASIS OF PREPARATION (CONT)

(f) New, revised or amended standards and interpretations adopted by the group

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 and Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity. Refer to Note 3(t).

The following Accounting Standards and Interpretations are most relevant to the Group:

(i) AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.

(ii) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 *Materiality*.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of TV2U International Limited and its subsidiaries ("the Group") as at 30 June each year.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses from intra-group transactions have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Business combinations have been accounted for using the acquisition method of accounting.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(a) Basis of consolidation (cont)

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is revalued to its fair value with the change in carrying amount recognised in the statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the statement of comprehensive income.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(c) Asset acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities, as the initial recognition exemption for deferred tax under AASB 112 *Income Taxes* applies. No goodwill will arise on the acquisition.

(d) Foreign currency translation

(i) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars. The functional and presentation currency of the Company is Australian dollars. The functional currencies of the subsidiaries are Singapore Dollars (SGD), Euro (EUR), Ukraine Hryvnia (UAH) and Polish Zloty (ZL).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investments in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated Statement of Comprehensive Income, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income on a net basis within other income or other expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Foreign currency translation (cont)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date,
- Revenue and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from Services

Revenue from rendering services is recognised when persuasive evidence exists that the services rendered and the economic benefits expected to flow to the Group and revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(f) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

- The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and deferred tax liabilities shall be offset only if:

(a) there is a legally enforceable right to set-off current tax assets against current tax liabilities; and

(b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   (i) the same taxable entity; or
   (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and receivables and payables, which are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of cash flows.

(i) Trade and Other Receivables

Trade and other receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(j) Plant and Equipment

Owned assets
Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a work condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components).

Subsequent costs
The Group recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

Depreciation
Depreciation is charged to the statement of comprehensive income using a straight line method over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives in the current financial year are as follows:
- Plant and equipment – 3 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

(k) Intangible assets

IT development and software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

These intangible assets have finite lives and are subject to amortisation on a straight line basis. The useful lives for these assets are as follows:
- Software 4 years

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(l) Financial Assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.
(ii) Loans and receivables

Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) Available for sale financial assets

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

(m) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(m) Impairment of financial assets (cont)

computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in the statement of comprehensive income.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(m) Impairment of financial assets (cont)

depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Trade and Other Payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee Leave Benefits
Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings Per Share

Basic earnings per share
Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(p) Earnings Per Share (cont)

Diluted earnings per share
Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(q) Share-Based Payments

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a calculation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(q) Share-Based Payments (cont)

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(r) Comparative Figures

The comparative financial information presented as of and for the year ended 30 June 2015 is for TV2U Worldwide Pty Ltd, prior to the reverse acquisition that occurred on 9 February 2016.

When required by Accounting Standards, comparative information has been reclassified to be consistent with the presentation in the current year.

(s) Significant Accounting Estimates and Judgments

Significant accounting judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Significant accounting estimates and assumptions
The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted.

(t) New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the year ended 30 June 2016. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(t) New standards and interpretations not yet mandatory or early adopted (cont)

management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(t) New standards and interpretations not yet mandatory or early adopted (cont)

interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the consolidated entity.

4. SEGMENT INFORMATION

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

During the period the Group operated as one business segment, being wholesale television provider to B2B clients. Through its established in-country relationships and management expertise, the Company intends to expand its asset portfolio throughout Australia, Singapore, Hong Kong, Malaysia and Indonesia.

5. REVENUE & OTHER INCOME

	30-Jun-16	28- May- 15 to 30-Jun-15
	$	$
Revenue and other income from continuing operations		
Other income	23,237	-
Interest income	9,861	-
Total Revenue and other income	**33,098**	-

6. EXPENSES

	30-Jun-16	28- May- 15 to 30-Jun-15
Employee benefits expense	$	$
Salaries, wages & other employee benefits	152,244	-
Directors fees & other benefits	77,741	-
Total employee benefits expense	**229,985**	**-**
Administration expenses		
Consulting & corporate expenses	3,082,288	157,514
Compliance & regulatory expenses	145,620	2,517
Other Administration expenses	3,348,505	127,777
Total administration expense	**6,576,413**	**287,808**
Depreciation & amortisation		
Depreciation and amortisation of computer equipment and intangible assets	67,541	5,803
Total depreciation & amortisation	**67,541**	5,803
Finance Costs		
Interest expense	779,676	41,670
Total finance costs	**779,676**	**41,670**

7. INCOME TAX EXPENSE

	30-Jun-16	30-Jun-15
Numerical reconciliation of income tax expense to prima facie tax payable:	**$**	**$**
Accounting loss before income tax	**(14,160,151)**	(327,635)
Prima facie tax payable on loss at 30% (2015: 30%)	**(4,248,045)**	(98,290)
Adjustments in respect of:		
Effect of lower tax rate – Foreign subsidiaries	**191,568**	-
Permanent differences	**1,929,535**	34,411
Net timing differences	**(159,584)**	12,160
Deferred tax assets on losses not recognised	**2,286,526**	51,719
Total income tax on operating loss	**-**	-
Unrecognised deferred tax assets and liabilities:		
Deferred tax assets not brought to account:		
Timing differences	**421,954**	19,109
Tax losses	**2,404,329**	51,719
	2,826,282	70,829

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits from.

The potential deferred tax assets will only be obtained if:

(i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;
(ii) The Company continues to comply with the conditions for deductibility imposed by the law; and
(iii) No changes in tax legislation adversely affect the Company in realising the benefits.

Tax Losses

The Group has estimated tax losses for which no deferred tax asset is recognised in the statement of financial position of $3,195,341 (2015: Nil) which are available indefinitely for offset against future taxable income subject to meeting the relevant statutory tests.

8. CASH & CASH EQUIVALENTS

(a) Reconciliation to cash at the end of the year

	30-Jun-16	30-Jun-15
	$	$
Cash at bank and in hand	2,606,835	90,646
	2,606,835	**90,646**

(b) Reconciliation of net loss after income tax to net cash flows used in operating activities

	30-Jun-16	30-Jun-15
	$	$
Net loss after income tax	(14,160,151)	(335,281)
Adjustments for:		
Depreciation & amortisation	67,541	5,803
Restructuring / relisting expense	6,431,783	-
Share-based payments & consideration for services	1,702,332	-
Foreign exchange adjustment	(3,305)	-
Finance costs	779,676	41,670
Gain on deconsolidation	(91,176)	-
Intercompany write off & Other expenses	1,328,879	-
Change in assets and liabilities		
Trade & other receivables	464,381	(929,134)
Trade & other payables	202,755	406,077
Intercompany borrowings	-	660,000
Other assets	(23,916)	(35,098)
Net cash used in operating activities	**(3,301,201)**	**(185,963)**

9. DISPOSAL OF SUBSIDIARY – ZINEST HOLDINGS LIMITED

During the year, the controlled entities, Zinest Holdings Limited and its controlled entity, was disposed of. Aggregate details of this transaction are:

	30-Jun-16
	$
Disposal price	-
Cash consideration	-
Assets and Liabilities held as at 23 March 2016	
Cash and cash equivalents	1,679
Trade & other receivables	24,257
Non-current assets	1,714,583
Loans	(1,831,695)
Net liabilities as at 23 March 2016	(91,176)
Net gain on disposal	91,176

10. ACQUISITION OF SUBSIDIARY – TV2U WORLDWIDE PTY LTD

On 9 February 2016, TV2U (formerly known as Galicia Energy Corporation Limited), the legal parent and legal acquirer, completed the acquisition of TV2U Worldwide Pty Ltd ("TV2U Subsidiary"). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that TV2U Subsidiary have effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if TV2U Subsidiary have acquired TV2U, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by TV2U Subsidiary to have exactly the same percentage holding in the new structure at the date of the transaction.

As the activities of TV2U would not constitute a business based on the requirements of AASB 3, the transaction has been accounted for as a share based payment under AASB 2. The excess of the deemed consideration over the fair value of TV2U, as calculated in accordance with the reverse acquisition accounting principles and with AASB 2, is considered to be a payment for a group restructure and has been expensed.

TV2U is the legal acquirer of TV2U Subsidiary in this transaction and the consideration for the acquisition was the issue by TV2U of:

- 357,142,857 fully paid ordinary shares in TV2U in accordance with reverse asset acquisition according principles the consideration is deemed to have been incurred by TV2U Subsidiary in the form of equity instruments issued to TV2U shareholders. The acquisition date fair value of this consideration has been determined with reference to the fair value of the issued shares of TV2U immediately prior to the acquisition and has been determined to be $7,622,476; and

- 517,857,143 Performance Shares, comprising 89,285,715 Class A Performance Shares, 107,142,857 Class B Performance Shares, 142,857,143 Class C Performance Shares and 178,571,428 Class D Performance Shares. The fair value or these performance shares has been included as part of the consideration for the transaction in accordance with the relevant accounting standard.
    - **Class A Performance Shares**: Class A Performance Share will convert into Shares on a one (1) for one (1) basis in the event that the earnings before interest, tax, depreciation and amortisation of TV2U and its subsidiaries (EBITDA) is greater than or equal to $5 million (in any rolling 12 month period) within two years of Settlement;
    - **Class B Performance Shares**: Class B Performance Shares will convert into Shares on a one (1) for one (1) basis in the event that the EBITDA is greater than or equal to $10 million (in any rolling 12 month period) within three years of Settlement;
    - **Class C Performance Shares**: Class C Performance Shares will convert into Shares on a one (1) for one (1) basis in the event that the EBITDA is greater than or equal to $15 million (in any rolling 12 month period) within four years of Settlement; and
    - **Class D Performance Shares**: Class D Performance Shares will convert into Shares on a one (1) for one (1) basis in the event that the EBITDA is greater than or equal to $20 million (in any rolling 12 month period) with four years of Settlement.

'Settlement' means the date that the Company completes the acquisition of TV2U Subsidiary.

As TV2U is deemed to be the acquirer for accounting purposes, the carrying values of its assets and liabilities are required to be recorded at fair value for the purposes of the acquisition. No adjustments were required to the historical values to value this change.

10. ACQUISITION OF SUBSIDIARY – TV2U WORLDWIDE PTY LTD (CONT)

	Recognised on acquisition $
Consideration	
357,142,857 fully paid ordinary vendor shares	7,622,476
517,857,143 Performance Shares [1]	-
	7,622,476
Fair value of TV2U at acquisition:	
Cash	243,785
Trade and other receivables	1,333,995
Trade and other payables	(387,087)
Fair value of net assets	1,190,693
Excess of consideration provided over the fair value of net assets at the date of Acquisition expensed, being group restructuring and relisting costs	6,431,783

(1) Performance shares were issued as additional consideration, valued at nil, as the probability of performance hurdles being met was assessed as less than probable on the date of acquisition.

11. TRADE & OTHER RECEIVABLES

	30-Jun-16	30-Jun-15
	$	$
Trade receivables	54,762	-
Other receivables	182,788	701,931
	237,550	701,931

(a) Trade receivables past due but not impaired
There were no trade receivables past due but not impaired.

(b) Fair value and credit risk
Due to the short-term nature of these receivables, their carrying amount is assumed to be approximately their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 20 for more information on the risk management policy of the Company and the credit quality of the Company's trade receivables.

12. OTHER ASSETS

	30-Jun-16	30-Jun-15
	$	$
Preliminary expenses	-	2,164
Prepayments	59,014	32,934
	59,014	35,098

13. PLANT & EQUIPMENT

	30-Jun-16	30-Jun-15
	$	$
Computer equipment		
At cost	17,139	1,524
Accumulated depreciation	(5,336)	-
Total Computer Equipment	11,803	1,524

	Computer Equipment	Total
	$	$
Carrying amount at 30 June 2014	-	-
Movement during the year		
Additions	1,524	1,524
Depreciation expense	-	-
Carrying amount at 30 June 2015	**1,524**	**1,524**
Additions	15,615	-
Depreciation expense	(5,336)	-
Carrying amount at 30 June 2016	**11,803**	**-**

14. INTANGIBLE ASSETS

	30-Jun-16	30-Jun-15
	$	$
Software and development – at cost	251,155	233,006
Less: Accumulated amortisation	(69,044)	(5,803)
	182,111	227,203
Movement:		
Balance at the beginning of the year	227,203	-
Additions	18,148	233,006
Amortisation expense	(63,240)	(5,803)
Balance at the end of the year	182,111	227,203

15. TRADE & OTHER PAYABLES

	30-Jun-16	30-Jun-15
	$	$
Trade payables	308,438	198,568
Other payables	349,391	256,506
	657,829	**455,074**

All trade & other payables are non-interest bearing and are normally settled on 30-day terms. Due to the short term nature of trade and other payable, their carrying value is assumed to approximate their fair value.

16. BORROWINGS

	30-Jun-16	30-Jun-15
	$	$
Loans	-	935,000
	-	**935,000**

17. CONTRIBUTED EQUITY

Issued and fully paid

	30-Jun-16		30-Jun-15	
	No. of shares	$	No. of shares	$
Ordinary shares	**1,189,814,327**	**16,386,067**	**1,000,000,001**	**1,609**

Movements in ordinary share capital	30 June 2016		30 June 2015	
	No. of shares	$	No. of shares	$
a) Ordinary Shares				
At the beginning of the reporting period	1,000,000,001	1,609	1,000,000,001	1,609
Less:				
- Elimination of Existing TV2U Subsidiary shares	(1,000,000,001)	-	-	-
Add:				
- Existing TV2U shares on acquisition	381,123,780	-	-	-
Add shares issued during the period				
- Issue of share to settle debts	102,078,644	1,419,549	-	-
- Capital raising	201,300,000	4,026,000	-	-
- Issue of TV2U shares on acquisition of TV2U Subsidiary	357,142,857	7,622,476	-	-
- Share placement	70,133,331	2,106,619	-	-
Transaction costs relating to share issues	-	(374,116)	-	-
Share issued for corporate advisory and business development services	75,000,000	1,500,000		
Share issued for convertible notes	3,035,715	83,930		
At the end of the reporting period	1,189,814,327	16,386,067	1,000,000,001	1,609

17. CONTRIBUTED EQUITY (CONT)

The ordinary shares rank equally in all respects with all ordinary shares in the Company. The rights attaching to the Shares arise from a combination of the Company's Constitution, statute and general law. Copies of the Company's Constitution are available for inspection during business hours at its registered office.

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and the Listing Rules. Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every ordinary Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote for any share held by the Shareholder.

Capital Risk Management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

Management effectively manages capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses may include the issue of new shares, return of capital to shareholders, the entering into of joint ventures and or the sale of assets.

The Company does not have a defined share buy-back plan. Management reviews management accounts on a monthly basis and regularly reviews actual expenditures against budget. The Group is not subject to externally imposed capital requirements.

Options on issue as at 30 June 2016

Class	Date of Expiry	Exercise Price	Number Under Option
Unlisted Options	31 December 2018	$0.03	31,687,500
Listed Options	30 March 2019	$0.04	194,076,327
			225,763,827

18. RESERVES

	30-Jun-16	30-Jun-15
	$	$
Share Based Payment Reserve	863,950	-
Foreign Currency Translation Reserve	(315,101)	-
	548,849	-

Movement reconciliation

Share Based Payment Reserve		
Balance at the beginning of the year	-	-
Consideration options (i)	-	-
Performance Rights (ii)	458,104	-
Other Reserves	405,846	
Balance at end of the year	863,950	-
Foreign Currency Translation Reserve		
Balance at the beginning of the year	-	-
Effect of translation of foreign currency operations to group presentation	(315,101)	-
Balance at end of the year	(315,101)	-

18A. SHARE BASED PAYMENTS

(i) Options

All options granted to key employees, consultants and advisors of the Company are for ordinary shares in TV2U which confer a right of one ordinary share for every option held.

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the period	Exercised/Expired during the period	Balance at end of the period	Vested & exercisable at end of the period
As at 30 June 2016							
Listed options							
09-Feb-16	29-Feb-16	$0.17	3,941,184	-	(3,941,184)	-	-
31-May-16	30-Mar-19	$0.04	-	331,761,318	(137,684,991)	194,076,327	-
Unlisted options							
09-Feb-16	31-Dec-18	$0.03	-	31,687,500	-	31,687,500	-
			3,941,184	363,448,818	(141,626,175)	225,763,827	-

18. RESERVES (CONT)

18A. SHARE BASED PAYMENTS (CONT)

(ii) Performance Rights

Fair value of performance rights

During the previous period, the Board adopted a Performance Rights Plan ("PRP") to allow the Directors and employees to be granted performance rights (Performance Rights) to acquire Shares in the Company.

The reason for the adoption of a new PRP is due to taxation legislation changes made in Australia in late 2009. This new taxation treatment has significantly reduced the effectiveness of Options as an incentive for the Company's Directors and employees. Accordingly, the new PRP is structured that the Board awards Performance Rights which ultimately can vest into Shares, should circumstances permit.

A Performance Right does not have an exercise price and therefore allows a recipient, subject to satisfaction of the relevant vesting conditions and performance hurdles (as applicable), to benefit by their Performance Rights vesting into ordinary shares in the Company. The adoption of such an incentive mechanism which allows the grant of Performance Rights is a current trend among the Company's ASX listed industry peer group.

The objective of the PRP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the PRP are aligned with the successful growth of the Company's business activities.

The Directors and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the PRP is an appropriate method to:

(a) reward Directors and employees for their past performance;
(b) provide long term incentives for participation in the Company's future growth;
(c) motivate Directors and generate loyalty from senior employees; and
(d) assist to retain the services of valuable Directors and employees.

The PRP will be used as part of the remuneration planning for executive and non-executive Directors and employees. The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the Company' circumstances and goals. The Performance Rights will also be used as part of the remuneration planning for non-executive Directors. Although this is not in accordance with the recommendations contained in the Corporate Governance Council Guidelines, the Company considers that it is appropriate for non-executive Directors to be granted Performance Rights.

In prior year, the Company issued performance rights to the following Key Management Personnel:

- On 28 December 2014, the Company issued 3,000,000 performance rights to Mr Doug Jendry; and
- On 28 December 2014, the Company issued 3,000,000 performance rights to Mr Peter Wall.

The Performance rights were issued as incentive to motivate and reward performance in achieving specified performance milestones within a specified performance period.

18. RESERVES (CONT)

18A. SHARE BASED PAYMENTS (CONT)

(ii) Performance Rights (cont)

In order for the Performance Rights to vest as Shares, the following Performance Milestones must be achieved:

(a) 2,000,000 Performance Rights will vest if, within 3 years from the date the Company re-complies with Chapters 1 and 2 of the Listing Rules, the production of hydrocarbons from the shallow reservoir in the Limnytska Licence area is greater than 400 Barrels of Oil Equivalent Per Day (BOEPD) (based on a 30 day average of continuous flow rate, within 90 days of production from the well commencing or following remedial action on the well);
(b) 2,000,000 Performance Rights will vest if, within three (3) years from the date the Company re-complies with Chapters 1 and 2 of the Listing Rules, the Best (P50) estimate of the "Prospective (recoverable) Resource" (to SPE-PRMS standards) measured in Million Barrels of Oil Equivalent (MBOE) in the Limnytska Licence area is doubled as compared against the initially defined Prospective Resource detailed in the RPS Energy Independent Geological Report for the Limnytska Licence dated around May 2013; and
(c) 2,000,000 Performance Rights will vest if, within five (5) years from the date the Company re-complies with Chapters 1 and 2 of the Listing Rules, the total production from the Limnytska Licence area exceeds 1,000 BOEPD average for at least 90 days of continuous flow rate; and (together, Vesting Conditions).

In addition, for each class of the Performance Rights, the Director must remain employed by the Company for a minimum of 12 months from the commencement date, otherwise they will immediately lapse.

Mr Doug Jendry's employment contract with the Company as Managing Director commenced on 16 June 2014. Mr Peter Wall's appointment to the Board as Non-Executive Chairman commenced on 29 February 2012.

The model inputs are shown in the tables below:

Mr Doug Jendry (i)

Vesting Conditions	**(a)**	**(b)**	**(c)**
Date of Grant	28/12/2014	28/12/2014	28/12/2014
Date of Expiry	27/12/2017	27/12/2017	27/12/2019
Exercise price	Nil	Nil	Nil
Risk Free Interest rate	-	-	-
Volatility	-	-	-
Years to Expiry	3	3	5
Number of Rights Granted	1,000,000	1,000,000	1,000,000
Total Fair Value of Rights ($)	15,600	15,600	15,600

18. RESERVES (CONT)

18A. SHARE BASED PAYMENTS (CONT.)

(ii) Performance Rights (cont.)

Mr Peter Wall (ii)

Vesting Conditions	(a)	(b)	(c)
Date of Grant	28/12/2014	28/12/2014	28/12/2014
Date of Expiry	27/12/2017	27/12/2017	27/12/2019
Exercise price	Nil	Nil	Nil
Risk Free Interest rate	-	-	-
Volatility	-	-	-
Years to Expiry	3	3	5
Number of Rights Granted	1,000,000	1,000,000	1,000,000
Total Fair Value of Rights ($)	15,600	15,600	15,600

(i) Mr Jendry resigned 18 May 2015.
(ii) Mr Wall resigned on 8 February 2016.

Movement of performance rights during the year:

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the period	Exercised during the period	Forfeited during the period	Balance at end of the period	Vested & exercisable at end of the period
2016								
28-Dec-14	27-Dec-17	Nil	4,000,000	-	-	(4,000,000)	-	-
28-Dec-14	27-Dec-19	Nil	2,000,000	-	-	(2,000,000)	-	-
			6,000,000	-	-	(6,000,000)	-	-

18. RESERVES (CONT)

18A. SHARE BASED PAYMENTS (CONT)

(iii) Performance Shares

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the period	Exercised during the period	Forfeited during the period	Balance at end of the period	Vested & exercisable at end of the period
2016								
09-Feb-16*	09-Feb-18	Nil	-	89,285,715	-	-	89,285,715	-
09-Feb-16**	09-Feb-19	Nil	-	107,142,857	-	-	107,142,857	-
09-Feb-16***	09-Feb-20	Nil	-	142,857,143	-	-	142,857,143	-
09-Feb-16****	09-Feb-20	Nil	-	178,571,428	-	-	178,571,428	-
			-	517,857,143	-	-	517,857,143	-

*Class A Performance Shares – these performance shares will vest in the event that the earnings before interest, tax, depreciation and amortisation of TV2U and its subsidiaries (EBITDA) is greater than or equal to $5 million (in any rolling 12 month period) within two years of Settlement

**Class B Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $10 million (in any rolling 12 month period) within three years of Settlement

***Class C Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $15 million (in any rolling 12 month period) within four years of Settlement

****Class D Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $20 million (in any rolling 12 month period) within four years of Settlement

Due to these vesting conditions being dependent on certain production milestones being achieved, the Company has estimated the probability of the milestones being met.

Type	Shares/rights (No.)	Underlying share price	Probability	Value ($)
Class A	89,285,715	0.02	20%	357,143
Class B	107,142,857	0.02	20%	428,571
Class C	142,857,143	0.02	20%	571,429
Class D	178,571,428	0.02	20%	714,286
	517,857,143			2,071,429

*The probability estimated by the management is over the expiry date of the performance shares.

18. RESERVES (CONT)

18A. SHARE BASED PAYMENTS (CONT)

(iii) Performance Shares (cont)

Recognised equity-based payment expense

The total expense recognised for Key Management Personnel under the PRP for the period are as follows:

	30-Jun-16		30-Jun-15	
	Value recognised during the year	Value to be recognised in future periods	Value recognised during the year	Value to be recognised in future periods
	$	$	$	$
Key Management Personnel				
Performance Rights – Mr Doug Jendry (i)	-	-	-	-
Performance Rights – Mr Peter Wall	-	-	46,800	-
Performance Rights – Mr David King (ii)	-	-	(79,858)	-
Performance Rights – Mr Igor Soshinsky	-	-	98,416	184,229
Total	-	-	65,358	184,229

(iii) Mr Jendry resigned 18 May 2015.
(iv) Mr King resigned on 31 July 2014.

19. ACCUMULATED LOSSES

Movement in accumulated losses were as follows:

	30-Jun-16	30-Jun-15
	$	$
Balance at 1 July	(335,281)	-
Net loss for the financial period	(14,160,151)	(335,281)
Balance at 30 June	(14,495,432)	(335,281)

20. EARNINGS PER SHARE

The calculation of basic loss per share at 30 June 2016 was based on the loss attributable to ordinary shareholders of $14,160,151 (2015: $335,281) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2016 of 1,034,658,341 (2015: 357,142,857) calculated as follows:

	30-Jun-16	30-Jun-15
Net loss attributable to ordinary equity holders of the Company ($)	(14,160,151)	(335,281)
Weighted average number of ordinary shares for basis per share (No.)	1,034,658,341	357,142,857
Continuing operations		
- Basic loss per share (cents)	(1.37)	(0.09)
Potential ordinary shares that are not dilutive and not used in the calculation of diluted EPS:	**No.**	**No.**
Share Options (No.)	225,763,827	-
Performance shares (No.)	517,857,143	-

21. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits. The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

At the reporting date, the Group had the following mix of financial assets and liabilities.

	30-Jun-16	30-Jun-15
	$	$
Financial Assets		
Cash & cash equivalents	2,606,835	90,646
Trade & other receivables	237,550	701,931
Total Financial Assets	2,844,385	792,577
Financial Liabilities		
Trade & other payables	(657,829)	(1,390,074)
Total Financial Liabilities	(657,829)	(1,390,074)
Net exposure	2,186,556	(597,497)

22. FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group does not speculate in the trading of derivative instruments. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 to the financial statements.

Risk Exposures and Responses

Interest Rate Risk

The Group's exposure to risks of changes in market interest rates relates primarily to the Group's cash balances. The Group constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Group has no interest bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At reporting date, the Group had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Weighted Average Interest Rate	30-Jun-16	Weighted Average Interest Rate	30-Jun-15
	%	$	%	$
Cash & cash equivalents	2%	2,606,835	-	90,646

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

22. FINANCIAL RISK MANAGEMENT (CONT)

Interest Rate Risk (CONT)

At 30 June 2016, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity relating to financial assets of the Group would have been affected as follows:

	30-Jun-16	30-Jun-15
	$	$
Judgements of reasonably possible movements:		
Post tax profit – higher / (lower)		
+ 0.5%	13,034	453
- 0.5%	(13,034)	(453)
Equity – higher / (lower)		
+ 0.5%	13,034	453
- 0.5%	(13,034)	(453)

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financing loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Group's maximum exposure to credit risk. All receivables are due within 30 days and none are past due.

Cash
The Group's primary banker is National Australia Bank. The Board considers the use of this financial institution, which has a short term rating of A- from Standards and Poors to be sufficient in the management of credit risk with regards to these funds.

Trade & other receivables
While the Group has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors.

Cash at bank and short-term bank deposits:

	30-Jun-16	30-Jun-15
	$	$
Standards & Poors rating		
A-	2,606,835	90,646

There are no significant concentrations of credit risk within the Group.

22. FINANCIAL RISK MANAGEMENT (CONT.)

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities. The decision on how the Group will raise future capital will depend on market conditions existing at that time.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. Trade payables were non-interest bearing and were due within the normal 30-60 day terms of creditor payments.

The table below reflects the respective undiscounted cash flows for financial liabilities. The risk implied from the values shown in the table below reflects outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in the Company's on-going operations.

Contractual maturities of financial liabilities	**<6 months**	**6 - 12 months**	**>12 months**	**Total Contractual Cash Flow**	**Carrying Amount**
	$	**$**	**$**	**$**	**$**
30-Jun-16					
Trade & other payables	657,829	-	-	-	657,829
	657,829	**-**	**-**	**-**	**657,829**
30-Jun-15					
Trade & other payables	200,806	-	-	-	200,806
	200,806	**-**	**-**	**-**	**200,806**

23. RELATED PARTY DISCLOSURE

a) Equity interests

Name	Country of Incorporation	Equity Interest 30-Jun-16 %	Equity Interest 30-Jun-15 %
Cossack Investments Pty Ltd	Australia	100	100
Zinest Holdings Limited	Cyprus	-	100
Geo Poshuk Ltd	Ukraine	-	100
Eastford Investments Sp. z o.o.	Poland	-	100
Eurogas Polska Sp. z o.o.	Poland	-	100
TV2U Worldwide Pty Ltd	Australia	100	-
TV2U Singapore Pte Ltd	Singapore	100	-
Tara China Hong Kong Ltd	Hong Kong	100	-
Tara Singapore Pte Ltd	Singapore	100	-
Karaoke2u Pte Ltd	Singapore	50	-
Innovation2u Pte Ltd	Singapore	100	-
TV2U Australia Pty Ltd	Australia	100	-

b) Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

A Director, Nick Fitzergerald, is a Director in the firm Talico Technologies Pte Ltd. Talico Technologies Pte Ltd has provided consulting services to the Company during the current and previous financial year on normal commercial terms and conditions as follows:

	30-Jun-16	30-Jun-15
Talico Technologies Pte Ltd:	**$**	**$**
A firm which Director Nick Fitzgerald is a Director – Consulting services	-	29,167

A Director, Peter Wall, is a Partner in the firm Steinepreis Paganin. Steinepreis & Paganin has provided legal services to the Company during the current and previous financial year on normal commercial terms and conditions as follows:

	30-Jun-16	30-Jun-15
Steinepreis Paganin Lawyers & Consultants:	**$**	**$**
A firm which Director Peter Wall is a Partner - Legal services	374,500	80,738

A Director, Tony Chong, is a Partner of Laval Legal. Laval Legal has provided legal services to the Company during the current financial year on normal commercial terms and conditions as follows:

	30-Jun-16	30-Jun-15
Lavan Legal:	**$**	**$**
A firm which Director Tony Chong is a Partner – Legal services	59,213	-

23. RELATED PARTY DISCLOSURE (CONT)

c) Key Management Personnel Compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2016 and 30 June 2015.

	30-Jun-16	30-Jun-15
	$	$
Compensation by category		
Short-term employee benefits	246,120	137,371
Post-employment benefits	2,244	5,447
Termination benefits	-	25,000
Equity based payments	-	232,216
	248,364	400,034

d) Loans from related parties

There were no loans to or from related parties during the financial year.

24. COMMITMENTS AND CONTINGENCIES

There are currently no contingent liabilities or contingent assets outstanding at the end of the current reporting year.

25. AUDITOR'S REMUNERATION

	30-Jun-16	30-Jun-15
	$	$
Amounts received or due and receivable		
(i) Audit of the financial report of the entity – PA Audit Pty Ltd	67,895	-
(ii) Review of the financial report of the entity – Pitcher Partners Corporate & Audit (WA) Pty Ltd	14,000	-
(iii) Taxation, IPO and other services	93,604	
	175,499	-

26. DIVIDENDS

No dividend was paid or declared by the Group in the period since the end of the financial year up to the date of this report. The Directors do not recommend that any amount to be paid by way of dividend for the financial year ended 30 June 2016.

27. PARENT ENTITY INFORMATION

a) Summary financial information

Financial Position

	Parent	
	30-Jun-16*	**30-Jun-15****
	$	**$**
Assets		
Current assets	1,468,955	2,137,341
Non-current assets	19,496	2,013
Total assets	1,488,451	2,139,354
Liabilities		
Current liabilities	5,416,777	196,684
Total liabilities	5,416,777	196,684
Equity		
Issued capital	1,609	28,545,811
Reserves	-	542,854
Accumulated losses	(3,929,935)	(27,145,995)
Total equity	(3,928,326)	1,942,670

Financial Performance

	Parent	
Loss for the year	(3,696,005)	(14,918,114)
Other comprehensive (loss) / income	-	-
Total comprehensive loss for the year	(3,696,005)	(14,918,114)

* TV2U Worldwide Pty Ltd's financial information
** TV2U International Limited's (formerly known as Galacia Energy Corporation Ltd) financial information

b) Guarantees

The Company has not entered into any guarantees in relation to the debts of its subsidiaries.

c) Other Commitments and Contingencies

Other than disclosed in Note 24 above, the Company has no commitments to acquire property, plant and equipment, and has no contingent liabilities.

28. SUBSEQUENT EVENTS

On 18 July 2016, the Company has begun generating revenues from its Karaoke2U App following the launch on Google Play and Apple's App Store.

On 2 September 2016, the Company entered an agreement with Toomai Broadcasting Telecommunications Corporation Ltd ("Toomai"), a subsidiary of telecoms provider NPNN Group LLC ("NPBB"), to provide TV2U's OverTheTop ("OTT") service. Toomai is a new business with NPBB developing this business over the last two years.

The Company has reached and agreed commercial terms with Toomai for the engineering and launch of this service which includes:

- Upfront capital expenditure payment in excess of $1,000,000 for the head-end expansion of TV2U's head end at NTT Japan's data centre in Kuala Lumpur, Malaysia to be reviewed in quarter 4 of 2016;
- Managed service fee based on each active subscriber per month with a minimum guaranteed number of subscribers;
- Cost of content provisioning and delivery; and
- Revenue share on karaoke and advertising.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

The Directors of TV2U International Limited declare that, in their opinion:

(a) The financial statements and accompanying notes are in accordance with the *Corporations Act 2001*, including:

i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the year ended on that date.

(b) The financial statements and accompanying notes comply with International Financial Reporting Standards as disclosed in Note 2(b).

(c) As disclosed in 2(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

nick fitzgerald

Nick Fitzgerald
Managing Director
Perth, Western Australia
30 September 2016

AUDITORS TO INSERT

AUDITORS TO INSERT

Number of holders of each class of equity securities and the voting rights attached:

As at 29 September 2016 the equity securities are as follows:

Class of security	No. of Holders	Voting Rights Attached
Ordinary Shares	2,388	Each shareholder is entitled to one vote per share held.
Listed Options ($0.04; 30/03/2019)	982	There are no voting rights attached to these options.
Unlisted Options ($0.03, 31/12/18)	7	There are no voting rights attached to these options.

All ordinary shares carry one vote per share without restriction.

a) Distribution schedule of the number of holders in each listed class of equity security as at 29 September 2016:

	ORD Issued Capital	
Range of Holding	**No. of Shareholders**	**Percent of Issued Capital (%)**
1 – 1,000	295	0.00
1,001 – 5,000	111	0.03
5,001 – 10,000	61	0.04
10,001 – 100,000	992	4.21
100,001 and over	929	95.72
Total	**2,388**	**100.00**

b) Holders of non-marketable parcels:

Number of shareholders with less than a marketable parcel is 276.

	Listed Options ($0.04; 30 March 2019)	
Range of Holding	**No. of holders**	**Percent of Issued Capital (%)**
1 – 1,000	15	0.00
1,001 – 5,000	93	0.16
5,001 – 10,000	104	0.40
10,001 – 100,000	463	9.22
100,001 and over	307	90.21
Total	**982**	**100.00**

c) Twenty Largest Holders of Ordinary Shares:

No.	Name	No. of Shares	Percent of Issued Capital (%)
1	TALICO TECHNOLOGIES PTE LTD	303,571,428	25.51
2	CANCUN TRADING PTY LTD	49,779,198	4.18
3	MRS DIVYA JINDAL	36,000,000	3.03
4	MR XU ZHAI	21,057,484	1.77
5	CORPORATE ENERGETICS PTY LTD	21,000,000	1.76
6	CANCUN TRADING PTY LTD	19,951,599	1.68
7	MR SOWARAN SINGH	11,800,000	0.99
8	MR BENJAMIN JOHN CAMPBELL	11,365,055	0.96
9	ANGLO MENDA PTY LTD	11,250,000	0.95
10	MRS JOANNA MILLIGAN & MR JOHN EDWIN MILLIGAN	9,397,500	0.79
11	H E 2 HOLDINGS PTY LTD	8,400,000	0.71
12	MR JOHN EDWIN MILLIGAN & MRS JOANNA MILLIGAN	7,800,000	0.66
13	MR VIKRANT JINDAL	7,320,000	0.62
14	NINGBO INWIT PTY LTD	7,142,857	0.60
14	MR EDWARD VALVARORI & MRS FRANCES VALVASORI	7,142,857	0.60
15	DYNAMIK CAPITAL PTY LTD	7,000,000	0.59
15	MR VICTOR BONNICI	7,000,000	0.59
16	MRS ABBIE STUART DURTANOVICH	6,535,714	0.55
17	GARF PTY LIMITED	5,833,334	0.49
18	MR XIAOLIN WANG	5,650,000	0.47
19	TRANSLATOR ENERGY PTY LTD	5,367,857	0.45
19	CRACKING CHANG PTY LTD	5,367,857	0.45
20	KATERYNA LYSENKO	5,250,000	0.44
	TOTAL TOP 20 HOLDERS	**580,982,740**	**48.84**
	TOTAL REMAINING HOLDERS BALANCE	**1,189,814,327**	**100.00**

d) Substantial shareholders of ordinary fully paid shares:

Name	No. of Shares	Percent of Issued Capital (%)
J P MORGAN NOMINEES AUSTRALIA LIMITED	303,571,428	25.51

e) Twenty Largest Holders of Listed Options:

No.	Name	No. of Shares	Percent of Issued Capital (%)
1	ROBMP PTY LTD <RMP SUPER FUND A/C>l	11,188,750	5.77
2	JOLLY DAYS PTY LTD <THE K & J DAY A/C>	8,400,000	4.33
3	MR XIAOLIN WANG	7,000,000	3.61
4	MRS DIVYA JINDAL	5,581,550	2.88
5	MR TIMOTHY MIZERA	4,312,840	2.22
6	CORPORATE ENERGETIC PTY LTD <THE BOYD FAMILY A/C>	4,250,000	2.19
7	H E HOLDING 2 PTY LTD	4,237,500	2.18
8	MR BENJAMIN JOHN CAMPBELL	2,841,263	1.46
9	CANCUN TRADING PTY LTD	2,806,274	1.45
10	MR KONSTANTINOS BAGIARTAKIS	2,175,000	1.12
11	JOHN EDWIN MILLIGAN & JOANNE MILLIGAN <TEAM ELITE FAM A/C>	2,118,125	1.09
12	PASNER PTY LTD <THE NERO SUPER FUND>	2,000,000	1.03
13	MR EDWARD VALVARORI & MRS FRANCES VALVASORI	1,785,714	0.92
14	BUZZ CAPITAL PTY LTD <ZI VESTMENT A/V>	1,767,857	0.91
15	HNR INVESTMENTS PTY LTD	1,743,750	0.90
16	JOHN EDWIN MILLIGAN & JOANNE MILLIGAN	1,693,750	0.87
17	THE REGENT CHILDRENS CENTRE PTY LTD	1,649,500	0.85
18	MIS ROWENA JANE NAUFAL	1,575,000	0.81
19	MS PATRICIA PAULINE RUSSO & MR HARRY HOHOLIS	1,500,000	0.77
20	BC & JT HOLDINGS PTTY LTD	1,462,500	0.75
	TOTAL TOP 20 HOLDERS	**70,089,373**	**36.11**
	TOTAL REMAINING HOLDERS BALANCE	**119,986,954**	**63.89**
		190,076,327	**100.00**

f) Unquoted equity securities

The unlisted securities of the company as at 29 September 2016 are 31,687,500 options. The options do not carry a right to vote at a general meeting of shareholders.

Unlisted Options

Issue Date	Expiry Date	Exercise Price	No. of Options	No. of Holders
3 February 2016	31 December 2018	$0.03	31,687,500	7

Performance Shares

At the date of this report, performance shares on issue are as follows:

Class	Date Granted	Issue price of shares	Expiry Date	Number
A	9 February 2016	Nil	9 February 2018	89,285,715
B	9 February 2016	Nil	9 February 2019	107,142,857
C	9 February 2016	Nil	9 February 2020	142,857,143
D	9 February 2016	Nil	9 February 2020	178,571,428

Class A Performance Shares – these performance shares will vest in the event that the earnings before interest, tax, depreciation and amortisation of TV2U and its subsidiaries (EBITDA) is greater than or equal to $5 million (in any rolling 12 month period) within two years of Settlement

Class B Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $10 million (in any rolling 12 month period) within three years of Settlement

Class C Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $15 million (in any rolling 12 month period) within four years of Settlement

Class D Performance Shares – these performance shares will vest in the event that the EBITDA is greater than or equal to $20 million (in any rolling 12 month period) within four years of Settlement

g) On Market Buy-Back

There is currently no on market buy-back.

h) Restricted securities subject to escrow

The securities subject to escrow as at 29 September 2016 are 396,428,573 ordinary shares subject to 24 months escrow and 16,105,427 ordinary shares subject to 12 months escrow.

i) Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets it had acquired at the time of admission and for the period ended 30 June 2016 in a way that is consistent with its business objective and strategy.