



**31 August 2010**

Australian Stock Exchange  
20 Bridge Street  
SYDNEY, NSW 2000

By Electronic Lodgment

### **FY10 FINANCIAL RESULTS FOR YEAR ENDING JUNE 30, 2010**

Nexbis Limited (ASX:NBS) today reported financial results for the financial year ending June 30, 2010.

The Company reported a normalised cash loss of \$10.5M with a net loss after tax of \$49.6M. The net loss was due mainly to non-cash items including write down of intangibles, provisions for impairments, depreciation and amortisation charges and option income. Significantly, despite a substantial increase in business development activities, prudent cash management delivered a strong cash position of \$10.2M, up 11% from 2009. Net operating cash flow improved to \$23M for the year. Additionally, the Company has maintained its zero bank borrowing profile.

Commenting on NBS's results, Johann Young, Group Chief Executive Officer, said, "The last financial year was without doubt the most challenging in our history for both the Company, and our shareholders. The lack of contribution of revenue from Malaysia and China severely impacted our revenue and reimplementation of those projects has taken longer than anticipated. However, we have made substantial progress on restructuring these ventures, as well as progressing our overall project pipeline."

"The Board has taken a decision to continue with its conservative accounting approach and has impaired the book value of its Nexcode intangible asset by \$22M. The carrying value will be revisited upon recommencement of Nexcode-related contracts with adjustments made accordingly," stated Mr. Young.

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## **Malaysia and China Update**

Mr. Young reported that initial budgetary constraints with the customer in Malaysia have been addressed and NBS has now received in-principle approval for a restructured deal and is on-track to receive final central agency endorsement. “Our negotiations with the government have been extremely fruitful, and ultimately, we are confident that a restructured arrangement, when approved, will yield greater and more sustainable growth over both a broader scope and longer term.”

Substantial progress has also been made in restructuring the China Gas Tank project to facilitate better management of the project. NBS has participated in this restructuring and will be in a much stronger position as a partner in the project with direct control over project scope, implementation rollout and long-term management. A release has been settled and secured on a non-circumvention agreement from the previous project partner to contract directly with the customer. Approval has been received from Chinese authorities for the joint venture to conduct this business with a broadened scope anticipated to include the manufacture and installation of markers, in addition to the rollout of NexCode consumer cards. Nexbis has established a full set up in Beijing to implement the enlarged project with additional project team now hired and operational. “We are extremely pleased with the progress of the restructure of the China venture. An enlarged scope of the project, as well as direct control of implementation with the customer, will lead to better reporting and ultimately, a much better longer-term return for our shareholders,” Mr. Young explained. “We have already developed a new Chinese language national manufacturer marking database system. Manufacturing and testing of marker equipment is expected to commence in November with integration testing expected to follow. We have LPG manufacturers already identified and expect implementation will recommence shortly thereafter.”

## **Project Pipeline Update**

The depth and breadth of potential Nexcode projects includes a pipeline of 37 projects across Europe, U.S.A, Africa & Middle East, South East Asia, Central Asia, and South America. A number of these are in advanced stages of either tender or direct negotiations.

## Trust Defender

One of the highlights for the financial year was the successful acquisition of 50.08% equity interest in TrustDefender completed in March 2010 for total consideration of \$16M. "This acquisition was a key strategic move for NBS in line with our Long-Term Transformation Plan which expands our range of solutions and services and allows us to deliver comprehensive security solutions to an enlarged client base," Mr. Young stated. "It will also permit us to secure shorter sales cycle commercial projects across different sectors and markets compared to the longer sales cycles associated with NexCode."

Key achievements since the acquisition include the appointment of internationally experienced Independent Directors including new Chairman Simon Duffy, former CEO and Executive Vice Chairman of NTL, UK (now known as Virgin Media) and former Group CFO of Orange SA and Donald Andy Purdy who was previously the Director of the National Cyber Security Division (NCSD), Department of Homeland Security, USA as well as the head of the U.S. Computer Emergency Readiness Team (US-CERT). Andy was also a former member of the White House staff that helped draft the U.S. National Strategy to Secure Cyberspace (2003) and also held general and special counsel positions with various federal entities. The recruitment of key personnel in finance, sales, operations and delivery is also now nearing completion.

In the EMEA market, TrustDefender is delivering on pilot projects with 2 Tier 1 Top 10 financial institutions with full rollout anticipated in H2 FY11 and the recent signing of 1 Tier 3 financial institution for TrustDefender Labs monthly support and reports.

TrustDefender's expansion into the USA is now delivering concrete results with pilot project agreements signed with:

- 1 x Tier 1 Top 10 financial institution with full rollout anticipated in H2 FY11
- 2 x Tier 3 financial institutions with full rollout anticipated in H2 FY11

Partnerships with Core Banking Service Providers are expected to assist in sales to a wide range of new financial institutions and non-financial organisations across Australia and New Zealand. Leading Australian Credit Unions continue to adopt TrustDefender's solutions including :

- Macquarie Credit Union ([www.macquariecu.com.au](http://www.macquariecu.com.au))
- Bankstown City Credit Union ([www.bccu.com.au](http://www.bccu.com.au))
- Orange Credit Union ([www.orangecu.com.au](http://www.orangecu.com.au))

"The tough decisions we have made this year, our prudent cash management coupled with our conservative accounting approach have enabled us to navigate through what has been a difficult year and positioned us well for a return to profitability in the 2011 financial year.

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In addition to delivering on the Malaysia and China projects, we expect to convert a number of advanced opportunities in the project pipeline and achieve good growth from the TrustDefender acquisition, ultimately generating significant positive cash flow in the year ahead," Mr. Young concluded.

All investor relation enquiries should be directed to David Mair or Liza-Jayne Loch of Republic Consulting on 02 9640 0905.

Yours Faithfully,

A handwritten signature in black ink, appearing to be 'PD', with a long horizontal flourish extending to the right.

Peter Dykes  
Director

# NEXBIS LIMITED

ABN 81 071 275 253

## Preliminary Final Report

For The Year Ended 30 June 2010



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# APPENDIX 4E

## Preliminary Final Report

Reporting Period (Year Ended) 30 June 2010  
Previous Corresponding Period 30 June 2009

### Results for Announcement to the Market

	% change	2010 \$ '000	2009 \$ '000
Revenue from ordinary activities	(96%)	2,438	65,712
Net (Loss)/Profit after tax for the year	(208%)	(49,574)	45,785
Net (Loss)/Profit for the year attributable to members	(208%)	(49,574)	45,896

### Dividends

No dividends were paid or made payable during or since the twelve month period to 30 June 2010.

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record Date	N/A	N/A

### Net Tangible Asset Backing (NTA)

	30 June 2010 (cents)	30 June 2009 (cents)
Net Tangible Asset Backing Per Ordinary Security	2.1	12.6

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## Statements of Comprehensive Income

For The Year Ended 30 June 2010

	Note	Consolidated	
		2010 \$ '000	2009 \$ '000
<b>Revenue</b>	2	<b>2,438</b>	<b>65,712</b>
<b>Expenses</b>			
Employee expenses		(3,736)	(5,874)
Marketing expenses		(3,961)	(1,112)
Administration expenses		(4,229)	(3,192)
Write down of intangibles		(300)	(764)
Provision for impairment		(22,041)	-
Write off of doubtful debts		(4,724)	-
Amortisation		(11,841)	(3,768)
Depreciation		(295)	(54)
Option income/(expense)		125	(4,879)
Share of loss of associate		(181)	-
Other expenses		(829)	(284)
<b>(Loss)/Profit before income tax</b>		<b>(49,574)</b>	<b>45,785</b>
Income tax expense		-	-
<b>(Loss)/Profit after income tax</b>		<b>(49,574)</b>	<b>45,785</b>
<b>Net (Loss)/Profit for the year</b>		<b>(49,574)</b>	<b>45,785</b>
<b>Net (Loss)/Profit for the year attributable to:</b>			
Non-controlling interest		-	(111)
Owners of the parent		<b>(49,574)</b>	<b>45,896</b>
		<b>(49,574)</b>	<b>45,785</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		(3,547)	32
<b>Other comprehensive (losses)/income for the year, net of tax</b>		<b>(3,547)</b>	<b>32</b>
<b>Total comprehensive (losses)/income for the year, net of tax</b>		<b>(53,121)</b>	<b>45,817</b>
<b>Total comprehensive (losses)/income for the year attributable to:</b>			
Non-controlling interest		-	(111)
Owners of the parent		(53,121)	45,928
		<b>(53,121)</b>	<b>45,817</b>
<b>(LOSS)/EARNINGS PER SHARE</b>			
Basic (loss)/earnings per share (cents per share)	3	(10.9)	11.0
Diluted (loss)/earnings per share (cents per share)	3	(10.9)	10.9

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

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**Statements of Financial Performance**

As at 30 June 2010

		Consolidated	
	Note	2010 \$ '000	2009 \$ '000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	10,196	9,207
Trade receivables	4	97	42,009
Other current assets		721	514
<b>Total Current Assets</b>		<b>11,014</b>	<b>51,730</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,879	1,715
Intangible assets	5	66,436	66,136
Investment in associate		14,826	-
Other non-current assets		-	6,157
<b>Total Non-Current Assets</b>		<b>83,141</b>	<b>74,008</b>
<b>TOTAL ASSETS</b>		<b>94,155</b>	<b>125,738</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		824	5,273
Loan – short term portion	6	9,639	-
Other current liabilities		2,925	-
<b>Total Current Liabilities</b>		<b>13,388</b>	<b>5,273</b>
<b>NON-CURRENT LIABILITIES</b>			
Loan – long term portion	6	3,612	-
<b>Total Non-Current Liabilities</b>		<b>3,612</b>	-
<b>TOTAL LIABILITIES</b>		<b>17,000</b>	<b>5,273</b>
<b>NET ASSETS</b>		<b>77,155</b>	<b>120,465</b>
<b>EQUITY</b>			
Contributed equity	7	91,197	81,260
(Accumulated losses)/Retained profits		(11,977)	37,597
Option reserve		4,281	4,407
Foreign currency translation reserve		(6,346)	(2,799)
<b>TOTAL EQUITY</b>		<b>77,155</b>	<b>120,465</b>

The above Statements of Financial Performance should be read in conjunction with the accompanying notes.

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## Statements of Changes in Equity

For The Year Ended 30 June 2010

### Attributable to the members of Nexbis Limited

Consolidated Entity 2010	Ordinary Shares	Retained Profits/ (Accumulated Losses)	Foreign Currency Translation Reserve	Option Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
	<b>Balance at 1 July 2009</b>	<b>81,260</b>	<b>37,597</b>	<b>(2,799)</b>	<b>4,407</b>
Loss for the year	-	(49,574)	-	-	(49,574)
Exchange differences on translation of foreign operations recognised directly in equity	-	-	(3,547)	-	(3,547)
Total comprehensive income for the half year	-	(49,574)	(3,547)	-	(53,121)
Contributed equity	9,937	-	-	-	9,937
Transactions with owners in their capacity as owners:					
Adjustment for expired options	-	-	-	(163)	(163)
Employee share options – value of services	-	-	-	37	37
	9,937	-	-	(126)	9,811
<b>Balance at 30 June 2010</b>	<b>91,197</b>	<b>(11,977)</b>	<b>(6,346)</b>	<b>4,281</b>	<b>77,155</b>

### Attributable to the members of Nexbis Limited

Consolidated Entity 2009	Ordinary Shares	Retained Profits/ (Accumulated Losses)	Foreign Currency Translation Reserve	Option Reserve	Option – Other	Total	Minority Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	<b>Balance at 1 July 2008</b>	<b>59,735</b>	<b>(8,417)</b>	<b>(2,831)</b>	<b>201</b>	<b>(5,471)</b>	<b>43,217</b>	<b>1,565</b>
Exchange differences on translation of foreign operations recognised directly in equity	-	-	32	-	-	32	-	32
Profit for the year	-	45,896	-	-	-	45,896	(111)	45,785
Total recognised income and expense for the year	-	45,896	32	-	-	45,928	(111)	45,817
Contributed equity	22,180	-	-	-	-	22,180	-	22,180
Disposal of interest by Minority Interests	-	-	-	-	-	-	(1,454)	(1,454)
Employee share options – value of services	-	-	-	4,879	-	4,879	-	4,879
Adjustment for expired options	-	118	-	(118)	-	-	-	-
Options exercised	555	-	-	(555)	5,471	5,471	-	5,471
Transaction costs	(1,210)	-	-	-	-	(1,210)	-	(1,210)
	21,525	118	-	4,206	5,471	31,320	(1,454)	29,866
<b>Balance at 30 June 2009</b>	<b>81,260</b>	<b>37,597</b>	<b>(2,799)</b>	<b>4,407</b>	<b>-</b>	<b>120,465</b>	<b>-</b>	<b>120,465</b>

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

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## Statements of Cash Flows

For the year ended 30 June 2010

Note	Consolidated		
	2010 \$ '000	2009 \$ '000	
<b>Cash flows from operating activities</b>			
	Receipts from customers	39,421	20,875
	Payments to suppliers and employees	(16,625)	(9,062)
	Interest received	204	54
	<b>Net cash provided by operating activities</b>	<b>23,000</b>	<b>11,867</b>
<b>Cash flows from investing activities</b>			
	Payment for purchase of intangible assets	(34,481)	(48)
	Payment of deposit for purchase of Nexbis Sdn Bhd	-	(13,220)
	Payment of initial purchase consideration for investment in associate	(2,000)	-
	Payment for property, plant and equipment	(459)	(1,398)
	Loan repaid by/(granted to) other entity	6,312	(6,157)
	Others	-	5
	<b>Net cash used in investing activities</b>	<b>(30,628)</b>	<b>(20,818)</b>
<b>Cash flows from financing activities</b>			
	Proceeds from the issue of ordinary shares	8,745	14,764
	<b>Net cash provided by financing activities</b>	<b>8,745</b>	<b>14,764</b>
	<b>Net increase in cash held</b>	<b>1,117</b>	<b>5,813</b>
	Effect of exchange rates on cash and cash equivalents	(128)	118
	Cash at beginning of the year	9,207	3,276
	<b>Cash at end of the year</b>	<b>10,196</b>	<b>9,207</b>

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

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**Commentary on results as disclosed above**

Revenue from ordinary activities was \$2.4M, a decrease of 96% from \$65.7M in the corresponding period to 30 June 2009. The net loss after income tax was \$49.6M, a 208% decrease in profit from the previous corresponding period profit of \$45.9M.

The net loss after tax of \$49.6M was mainly due to non-cash items including the provision for impairment of the NexCode Proprietary Technology and Contract Rights of \$22.0M, amortization of \$11.8M and write off of doubtful debts of \$4.7M. These non-cash items totaled \$38.5M resulting in operating loss before these non-cash items of \$11.1M.

**Other Information****Control gained over entities having material effect**

Not applicable.

**Loss of control over entities having material effect**

Not applicable.

**Dividend or distribution reinvestment plans**

During and since the twelve month period to 30 June 2010 there has not been any dividend or distribution reinvestment plan in operation.

**Associates and joint venture entities**

During and since the twelve month period to 30 June 2010 the Group acquired a 50.08% interest in an associate entity, Symbiotic Technologies Pty Limited. Nexbis Limited does not have control of the entity, as defined, but has significant influence. As such the associate has been equity accounted.

**Audit/Review status**

This report is based on \*accounts to which one of the following applies.

(Tick one)

The \*accounts have been audited.

The \*accounts have been subject to review.

The \*accounts are in the process of being audited or subject to review.

The \*accounts have not yet been audited or reviewed.

**Attachments forming part of Appendix 4E**

- Notes to and forming part of the financial statements.



Signed:  
**Peter Dykes**  
Director  
Dated this 31<sup>st</sup> August 2010

## Notes to the and forming part of the financial statements

### Note 1. Basis of preparation

The consolidated preliminary financial statements do not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The consolidated preliminary financial statements have been prepared on an accruals basis and are based on historical costs as modified by the revaluation of certain non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### Significant accounting policies

The consolidated preliminary financial statements have been prepared using the same accounting policies as used in the Annual Financial Report of Nexbis Limited for the year ended 30 June 2009.

### New accounting standards and interpretations

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply for the year ended 30 June 2010. Disclosures required by these Standards that are deemed material have been included in this Financial Report on the basis that they represent a significant change in information from that previously made available.

#### - Presentation of financial statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this Financial Report include:

- the replacement of Income Statement with Statements of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of "Other Comprehensive Income". In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the single statement approach to the presentation of the Statements of Comprehensive Income; and
- other financial statements are renamed in accordance with the Standard.

#### - Operating segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's Chief Operating Decision Maker which, for the Group, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the Statements of Comprehensive Income and Statements of Financial Performance.

Reconciliations of such management information to the statutory information contained in the financial report have been included.

### Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed by the Board of Directors (Chief Operating Decision Maker) in assessing performance and determining the allocation of resources.

The Group is managed primarily on a geographic basis. A geographical segment is engaged in providing products or services within a particular economic environment and is

subject to risks and returns that are different from those segments operating in other economic environments. Operating segments are therefore determined on the same basis.

### Basis of consolidation

The consolidated preliminary financial statements comprise the abridged financial statements of Nexbis Limited and its subsidiaries as at 30 June 2010 ("the Group").

### Note 2. Revenue

	2010 \$ '000	2009 \$ '000
Consulting revenue	550	18,525
NexCode revenue	1,684	47,033
	<b>2,234</b>	<b>65,558</b>
Interest income	204	116
Other income	-	38
<b>Total revenue</b>	<b>2,438</b>	<b>65,712</b>

### Note 3. (Loss)/Earnings per share (EPS)

	2010 \$ '000	2009 \$ '000
Basic (loss)/earnings per share (cents per share)	(10.9)	11.0
Diluted (loss)/earnings per share (cents per share) <sup>(i)</sup>	(10.9)	10.9
<b>Number of ordinary shares</b>	<b>498,972,940</b>	<b>432,730,096</b>
<b>Weighted average number of ordinary shares used in the calculation of basic earnings per share</b>	<b>452,783,856</b>	<b>418,256,973</b>

<sup>(i)</sup> The options on issue have no material impact on diluted EPS

### Note 4.

#### Trade Receivables

	2010 \$ '000	2009 \$ '000
Current	97	38,280
Past due not impaired		
▪ Up to 3 months	-	3,728
▪ Over 3 months	-	1
	-	3,729
<b>Total trade receivables</b>	<b>97</b>	<b>42,009</b>

**Note 5.****Intangible Assets**

	Goodwill	NexCode Proprietary Technology Rights	NexCode Contract Rights	China National Gas Tank Rights	Patents and Intellectual Property	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance at 1 July 2009</b>						
Cost	312	63,089	6,121	-	92	69,614
Accumulated amortisation	-	(3,172)	(306)	-	-	(3,478)
Net book value at 30 June 2009	<b>312</b>	<b>59,917</b>	<b>5,815</b>	<b>-</b>	<b>92</b>	<b>66,136</b>
<b>Movement during the year</b>						
Additions	-	-	-	35,103	53	35,156
Amortisation	-	(11,226)	(582)	-	(33)	(11,841)
Impairment	-	(17,192)	(4,849)	-	-	(22,041)
Goodwill write down	(300)	-	-	-	-	(300)
Effect of foreign exchange movements	(12)	(280)	(384)	-	2	(674)
<b>Closing net book value at 30 June 2010</b>	<b>-</b>	<b>31,219</b>	<b>-</b>	<b>35,103</b>	<b>114</b>	<b>66,436</b>

**Note 6.****Loan**

	2010	2009
	\$ '000	\$ '000
Symbiotic Technologies Pty Limited	<b>13,251</b>	-
Reconciled as:		
Current	<b>9,639</b>	-
Non-current	<b>3,612</b>	-
<b>Total loan</b>	<b>13,251</b>	-

The loan is for the remainder of the purchase consideration owed to the associate and is repayable quarterly in installments of \$2.0M. The loan bears interest at 7.5% p.a. and collateral as per Note 8 has been provided.

**Note 7.****Contributed Equity**

	2010	2009
	\$ '000	\$ '000
<b>(a) Share Capital</b>		
Opening share capital	<b>81,260</b>	59,735
Issue of shares	<b>9,937</b>	22,735
Transaction costs	-	(1,210)
<b>Total share capital</b>	<b>91,197</b>	81,260
<b>(b) Ordinary Shares</b>		
At 1 July	<b>432,730,096</b>	1,871,000,000
Consolidation of capital (1 for 5)	-	(1,496,799,904)
Issued during the year	<b>66,242,844</b>	58,530,000
<b>At 30 June</b>	<b>498,972,940</b>	432,730,096

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**Note 8.**  
**Cash and Cash Equivalents**

	2010	2009
	\$ '000	\$ '000
<b>Cash and short term deposits</b>	<b>10,196</b>	<b>9,207</b>
<b>Total cash and cash equivalents</b>	<b>10,196</b>	<b>9,207</b>

Included in cash and cash equivalents is an amount of A\$2M (2009: nil) held in escrow for the purchase consideration payable for Symbiotic Technologies Pty Limited.

**Note 9.**  
**Segment Information**

Primary reporting based on geographical segments

Year ended 30 June 2010	Continued Operations					Total \$ '000
	Australia \$ '000	Malaysia \$ '000	Sweden \$ '000	Hong Kong \$ '000	Other \$ '000	
Revenue						
▪ NexCode	-	1,684	-	-	-	1,684
▪ Consulting	-	9	541	-	-	550
Other income - interest	202	2	-	-	-	204
<b>Total Segment Revenue</b>	<b>202</b>	<b>1,695</b>	<b>541</b>	<b>-</b>	<b>-</b>	<b>2,438</b>
Segment result	(4,511)	(44,296)	(604)	(163)	-	(49,574)
Income tax expense	-	-	-	-	-	-
<b>Profit/(Loss) from ordinary activities after income tax</b>	<b>(4,511)</b>	<b>(44,296)</b>	<b>(604)</b>	<b>(163)</b>	<b>-</b>	<b>(49,574)</b>
Segment Assets	20,228	70,419	258	3,132	118	94,155
Segment Liabilities	(13, 601)	(3,213)	(160)	(26)	-	(17,000)
<b>Total Net Assets</b>	<b>6,627</b>	<b>67,206</b>	<b>98</b>	<b>3,106</b>	<b>118</b>	<b>77,155</b>

Year ended 30 June 2009	Continued Operations					Total \$ '000
	Australia \$ '000	Malaysia \$ '000	Sweden \$ '000	Hong Kong \$ '000		
Revenue						
▪ NexCode	-	47,033	-	-	-	47,033
▪ Consulting	-	18,059	466	-	-	18,525
Other income - interest	109	-	45	-	-	154
<b>Total Segment Revenue</b>	<b>109</b>	<b>65,092</b>	<b>511</b>	<b>-</b>	<b>-</b>	<b>65,712</b>
Segment result	(4,375)	50,995	(717)	(7)	-	45,896
Income tax expense	-	-	-	-	-	-
<b>Profit/(Loss) from ordinary activities after income tax</b>	<b>(4,375)</b>	<b>50,995</b>	<b>(717)</b>	<b>(7)</b>	<b>-</b>	<b>45,896</b>
Segment Assets	1,175	124,281	282	-	-	125,738
Segment Liabilities	(2,305)	(2,781)	(187)	-	-	(5,273)
<b>Total Net Assets</b>	<b>(1,130)</b>	<b>121,500</b>	<b>95</b>	<b>-</b>	<b>-</b>	<b>120,465</b>

**Note 10.**  
**Subsequent Events**

Subsequent to year end, the Group entered into a joint venture agreement forming a Joint Venture Entity known as "Beijing Zhong Te Hong Xin Technology Development Co Ltd". The Group has a 70% controlling interest in this entity.