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| SYNERGY GROUP LIMITED | ACN 613 927 361

PROSPECTUS

For an offer of up to 40,000,000 Shares at an issue price of \$0.20 each to raise up to \$8,000,000 before costs, with a minimum subscription requirement to raise at least \$5,000,000 before costs.



AFS Licence No: 238168

Important notice: This document is important and it should be read in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay. The Shares offered by this Prospectus should be considered highly speculative.

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IMPORTANT INFORMATION

IMPORTANT INFORMATION

NOTICE

This Prospectus is issued by I Synergy Group Limited ACN 613 927 361 (**Company**).

This Prospectus is dated 20 October 2016 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on ASX.

No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offer must do so using the Application Form attached to or accompanying this Prospectus. Before applying for Shares investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Shares, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investment in the Company should be considered highly speculative. Applicants should read this Prospectus in its entirety and persons considering applying for Shares pursuant to this Prospectus should obtain professional advice.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

FOREIGN INVESTOR RESTRICTIONS

The offers of Shares under this Prospectus do not constitute offers in any jurisdiction outside Australia. The offers are not made to persons or places to which, or in which, it would not be lawful to make such offers of securities. Any persons in such places who come into possession of this Prospectus should seek advice on and comply with any legal restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions.

Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any regulatory or other consents are required or whether any other formalities need to be considered and followed. For information on selling restrictions that apply to the Shares in certain jurisdictions outside Australia, see Section 8.13.

PROSPECTUS AVAILABILITY

ASIC has confirmed that the Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the I Synergy Website. There is no facility for online applications. Any person accessing an electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company's sponsoring broker, Novus Capital, on +61 3 8602 1700.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Investors should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

NO COOLING OFF RIGHTS

Applicants have no cooling off rights in relation to Shares for which they apply. This means that an applicant is not permitted or entitled to withdraw its application once submitted, other than in certain specified circumstances as detailed in the Corporations Act.

RISKS

Before deciding to invest in the Company, investors should read the entire Prospectus and in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered highly speculative. Refer to Section 5 for details relating to risk factors.

DISCLAIMER

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

Certain statements in this Prospectus constitute forward looking statements. These forward looking statements are identified by words such as "may", "could", "believes", "expects", "intends", and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

This Prospectus uses market data and third party estimates and projections. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 5.

FINANCIAL AMOUNTS

All references in this Prospectus to "\$", "AUD", "dollars" or "cents" are references to Australian currency unless otherwise stated.

All references to "MYR" or "Malaysian Ringgit" are references to Malaysian currency.

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

EXCHANGE RATE

Unless otherwise stated (e.g. in Section 3), all amounts in MYR that have been converted to AUD in this Prospectus have been converted using the Reserve Bank of Australia's foreign currency exchange rate on 12 October 2016 of AUD\$1 = MYR 3.1706. The Company notes that exchange rates are subject to change. Investors are advised to take this into consideration when considering historical figures in MYR that have been converted into AUD using the exchange rate as at 12 October 2016.

PHOTOGRAPHS

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorsed this Prospectus or its contents, or that the assets shown in them are owned by the Company.

DEFINITIONS AND TIME

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 10.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

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CORPORATE DIRECTORY



CORPORATE DIRECTORY

DIRECTORS

Richard Symon
Non-Executive Chairman

Dato Teo Chee Hong
Managing Director

Eng Guo Miao
Executive Director
(Chief Financial Officer)

Ilmars Draudins
Non-Executive Director

COMPANY SECRETARY

Joel Ives

REGISTERED OFFICE

Ground Floor, 16 Ord Street
West Perth, WA 6872

Telephone: +618 9482 0585
Facsimile: +618 9482 0505

MALAYSIAN OFFICE

Unit 20-10, Tower A Vertical Business Suite,
Avenue 3 Bangsar South, No.8 Jalan Kerinchi,
Kuala Lumpur 59200, Malaysia

Telephone: +603 2242 1333
Facsimile: +603 2242 1331

WEBSITE

www.isynergy.my

ASX CODE

IS3

SHARE REGISTRY

Boardroom Pty Limited
Level 12, 25 George Street
Sydney NSW 2000

SPONSORING BROKER

Novus Capital Limited
Level 8, 330 Collins Street
Melbourne VIC 3000

CORPORATE ADVISER

Ventnor Capital
Ground Floor, 16 Ord Street
West Perth, WA 6872

AUDITOR

Crowe Horwath Perth
Level 5, 45 St Georges Terrace
Perth WA 6000

INVESTIGATING ACCOUNTANT

Crowe Horwath Perth
Level 5, 45 St Georges Terrace
Perth WA 6000

AUSTRALIAN LEGAL ADVISER

Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
Perth WA 6000

MALAYSIAN LEGAL ADVISER

Syarikat Rodziah Advocates & Solicitors
Suite A-8-3, Menara Atlas, Plaza Pantai,
No.5, Jalan 4/83A, Off Jalan Pantai Baru,
Kuala Lumpur 59200, Malaysia

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LETTER FROM THE CHAIRMAN

LETTER FROM THE CHAIRMAN

20 October 2016

Dear Investor,

On behalf of the board of Directors, I am delighted to present this Prospectus to you and offer you the opportunity to become a Shareholder of I Synergy Group Limited (**Company**).

The Company's wholly owned subsidiary, I Synergy International (M) Sdn Bhd (**ISI**), owns and operates an affiliate marketing business called 'I Synergy'. Established in 2008, I Synergy has grown to become one of Malaysia's leading affiliate marketing enterprises.

The Company also has a 70% shareholding interest in I Synergy Universal Sdn Bhd (**ISU**) which owns and develops the proprietary affiliate marketing platform used and offered by I Synergy called 'Affiliate Junction'.

In the affiliate marketing industry, advertisers engage with affiliates by incentivising them to promote their products and services. The Affiliate Junction platform offered by ISI is a technology which essentially allows these advertisers and affiliates to connect. Affiliates pay a subscription fee to the Company to use Affiliate Junction which tracks the affiliate's performance and facilitates commission payments from the advertiser to the affiliate, of which the Company also receives a commission.

Through Affiliate Junction, I Synergy has over 20,000 affiliates from whom it has leveraged sales to over 2,000,000 users or customers. This reach has in turn created significant interest from advertisers seeking advertising and marketing reach for new products and services, targeted sales campaigns and end of season sales.

Further information on the Company and its business is set out in Section 2.

This Prospectus contains an offer to the public of up to 40,000,000 Shares at an issue price of \$0.20 each to raise up to \$8,000,000 (**Offer**). The minimum subscription requirement for the Offer to proceed is \$5,000,000.

Funds raised will primarily be used to grow the Company's business by implementing its international expansion plans, developing its existing and new technologies, and funding sales and marketing measures. The Company has established a representative office in Jakarta with the intention of launching Affiliate Junction in Indonesia following listing.

The Company is committed to listing on the ASX as it offers a sophisticated capital market and an internationally recognised corporate governance environment, which the Directors believe will provide a suitable platform for the Company's growth.

An investment in the Company is subject to risks, including company specific risks and general risks. Detailed information about these risks is set out in Section 5, which I encourage you to read carefully. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

On behalf of my fellow Directors, I look forward to welcoming you as a Shareholder of I Synergy Group Limited.

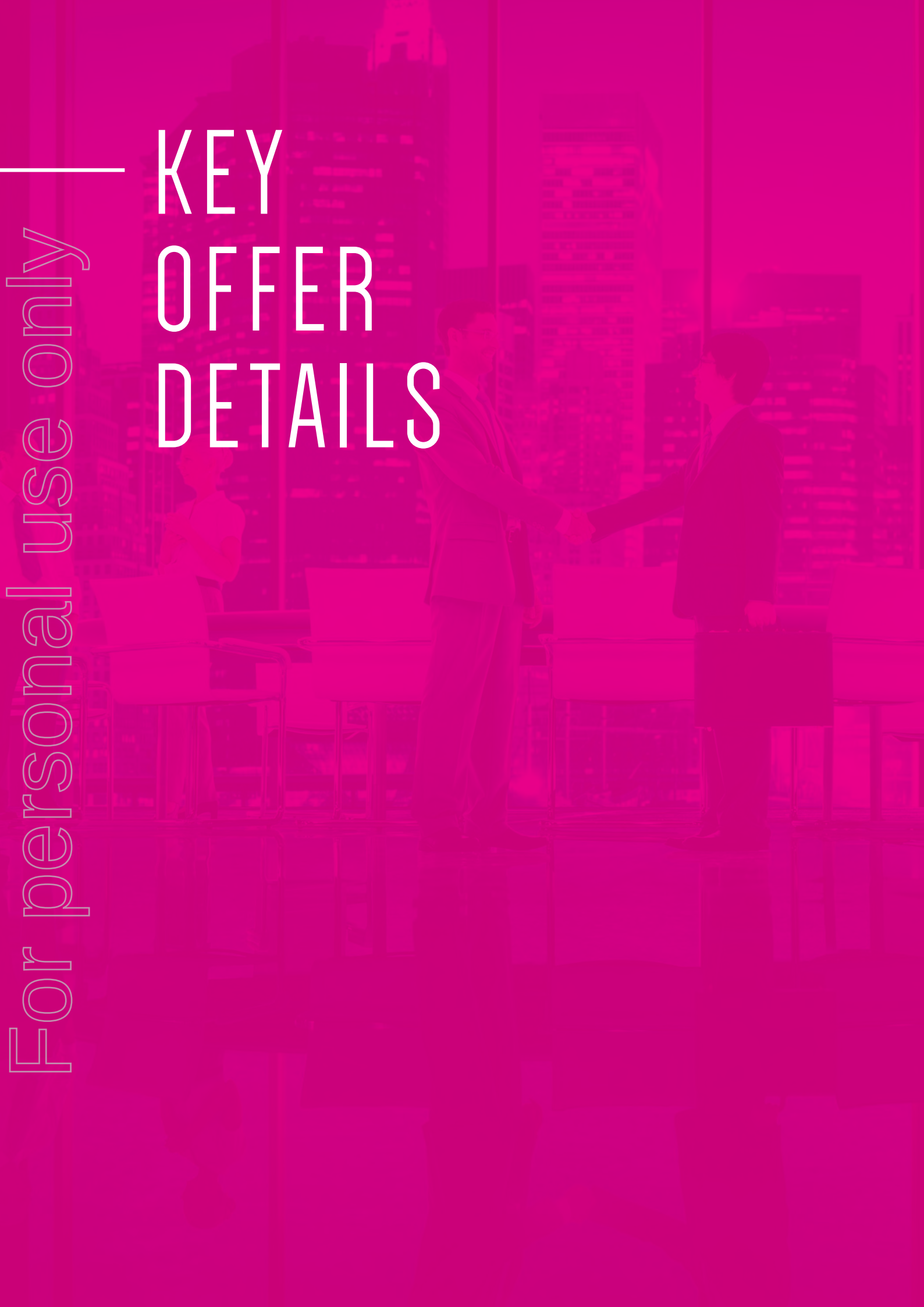
Yours faithfully



Richard Symon
Chairman

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KEY OFFER DETAILS



KEY OFFER DETAILS

KEY FINANCIAL INFORMATION	MINIMUM SUBSCRIPTION	FULL SUBSCRIPTION
Issue price per Share	\$0.20	\$0.20
Existing Shares on issue	16,556,292	16,556,292
Shares being offered under the Offer	25,000,000	40,000,000
Amount to be raised under the Offer (before costs)	\$5,000,000	\$8,000,000
Shares to be issued to ISH Shareholders	150,000,000	150,000,000
Shares to be issued to sponsoring broker	957,781	1,032,781
Shares on issue upon completion of the Offer	192,514,073	207,589,073
Indicative market capitalisation upon completion of the Offer ¹	\$38,502,815	\$41,517,815

Notes:

1. Market capitalisation is determined by multiplying the total number of Shares on issue by the price at which the Shares trade on the ASX from time to time. In the table above, the market capitalisation is calculated at the issue price of each Share under the Offer, being \$0.20. Please note that there is no guarantee that the Shares will be trading at \$0.20 upon the Company listing.

2. Please refer to Section 1.6 for further details relating to the proposed capital structure of the Company.

IMPORTANT DATES	
Lodgement of this Prospectus with ASIC	20 October 2016
Opening Date	28 October 2016
Closing Date	8 December 2016
Issue of new Shares	15 December 2016
Holding statements sent to Shareholders	18 December 2016
Expected date for Shares to commence trading on ASX	22 December 2016

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their application forms as soon as possible after the Opening Date if they wish to invest in the Company.

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INVESTMENT OVERVIEW



INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Shares offered under this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or their future value.

TOPIC	SUMMARY	MORE INFORMATION
The Company		
Who is the issuer of this Prospectus?	I Synergy Group Limited ACN 613 927 361 (Company).	Section 2.1
Who is the Company and what does it do?	The Company, through its Subsidiaries, owns and operates I Synergy, a leading Malaysian affiliate marketing business (I Synergy). I Synergy provides affiliate marketing solutions to advertisers (merchants) and affiliates (publishers) throughout Malaysia.	Section 2.1
What is affiliate marketing?	Affiliate marketing connects the advertiser and the affiliate with the target audience in a cost effective and timely manner. Firstly, an advertiser determines a campaign, its objectives and its target audience. Next, the advertiser connects with affiliates through the relevant affiliate platform. The affiliate is then notified that the advertiser is commencing its new campaign. The advertiser then connects with the affiliate and provides relevant materials, information and content. The affiliate commences audience targeting and is incentivised for achieving the specific pre-determined result, typically by way of payment of a commission from the advertiser. The affiliate marketing company tracks campaign results and facilitates commission payments to the affiliate on behalf of the advertiser, typically taking a commission for doing so.	Section 2.6
What is the Company's flagship product?	The Company's flagship product is the proprietary affiliate marketing platform called 'Affiliate Junction', in which it has a 70% interest through its subsidiary, I Synergy Universal Sdn Bhd (ISU). Affiliate Junction is offered by I Synergy to advertisers and affiliates as a core part of its business. Affiliate Junction is a full service system that swiftly and simply manages all affiliate and advertiser activities using the platform. It has been developed over a period of 6 years and includes a number of capabilities including: • real-tracking and insight; • effective communication tools; • payment management; • effective advertiser targeting; and • database analysis.	Section 2.4.1

TOPIC	SUMMARY	MORE INFORMATION
How does the Company generate income?	I Synergy's business model includes two key revenue streams: • Subscription fees from affiliates: Each affiliate pays a subscription fee to access Affiliate Junction. • Commissions from advertisers: Advertisers use Affiliate Junction to connect with affiliates who can assist in the promotion of their products or services. Affiliate Junction tracks the affiliate's performance and facilitates commission payments from the advertiser to the affiliate. The Company is paid a commission for providing this service.	Section 2.5
What are the Company's key strengths?	Some of the Company's key strengths include its: • scalable business model; • 70% owned Affiliate Junction technology; • favourable value proposition; • customer base; and • Multimedia Super Corridor Malaysia Status.	Section 2.7
What are the Company's key business strategies?	Some of the Company's key strategies are to: • expand its business operations into Indonesia, Philippines and Australia and, if Full Subscription is achieved, into Vietnam and Thailand; • further develop and market its existing technology and programs; and • develop new programs.	Section 2.8
How has the Group performed financially?	For the financial periods ended on the following dates, the net profit attributable to the parent (i.e. the Company) was as follows: • half year to 30 June 2016 - \$1,683,000 (reviewed); • financial year ended 31 Dec 2015 - \$4,109,000 (audited); • financial year ended 31 Dec 2014 - \$2,787,000 (audited); • financial year ended 31 Dec 2013 - \$1,353,000 (audited). The above financial information is based on the financial statements of the Group using the relevant exchange rate set out in in Section 3.3 (B). Further financial information regarding the Group is set out in Section 3 and is considered in the Investigating Accountant's Report included in Section 4. Investors should note that past performance is not a reliable indicator of future performance.	Sections 3 & 4

TOPIC	SUMMARY	MORE INFORMATION
Offer		
What is the Offer?	The Company is offering up to 40,000,000 Shares to the general public at an issue price of \$0.20 each to raise up to \$8,000,000 before costs (Offer). There is no allowance for oversubscriptions.	Section 1.1
What is the Minimum Subscription?	The minimum subscription requirement for the Offer is \$5,00,000, representing the subscription of 25,000,000 Shares at an issue price of \$0.20 each (Minimum Subscription).	Section 1.3
Why is the Offer being conducted?	The principal purposes of the Offer are to: • comply with ASX's requirements for listing the Company on the ASX; • provide funds for the purposes set out in Section 1.5; • provide the Company with access to equity capital markets for future funding needs; and • enhance the public and financial profile of the Company to facilitate further growth of the Company's business, including into the Australian market.	Section 1.4
How will funds raised under the Offer be used?	Depending on how much is raised, it is proposed that funds raised under the Offer will be applied towards: • expenses of the Offer; • international expansion; • development of existing technology and programs; • development of new programs; • sale and marketing; and • working capital.	Section 1.5
What is the effect of the Offer on the capital structure of the Company?	The effect of the Offer on the capital structure of the Company will depend on the amount raised under the Offer. For example, the Company's Share capital will enlarge by the following percentages based on the following levels of subscription under the Offer: • Minimum Subscription – 15%; and • Full Subscription – 24%.	Section 1.6
Key Risk Factors		
Investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 5, and other general risks applicable to all investments in listed shares, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 5 for a more detailed summary of the risks.		
Tax exempt status	On 2 December 2011, the Company's subsidiary, ISU, was awarded Pioneer Multimedia Super Corridor Malaysia Status entitling ISU to, among other things, a 100% tax exemption for up to 10 years on statutory business income from the Affiliate Junction platform, with eligibility to be reassessed after the first 5 years. Accordingly, on 2 December 2016, ISU will be reassessed by Multimedia Development Corporation to determine whether it remains eligible for a 100% tax exemption for a further 5 years. In FY 2015, ISU saved RM5,329,129 (approximately AU\$1,819,685) in business income tax from this status.	Section 5.1.1

TOPIC	SUMMARY	MORE INFORMATION
	Renewal largely depends on the discretion of the authority and the Company cannot guarantee that a renewal will be obtained. If a renewal is not obtained, ISU will no longer benefit from the tax exemption and its bottom line profitability will therefore be adversely affected.	
Future profitability of ISI	Although the Group on a consolidated basis has made a profit in each of the past 3 financial years, ISI itself has recorded losses since its foundation in 2013 which are set out in Section 3.4 (A). ISI's future profitability may be impacted by, among other things, the success of its business strategies, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the future profitability of ISI, and its impact on the financial performance of the Group as a whole, cannot be readily predicted.	Section 5.1.2
Growth and expansion risks	One of the Company's strategies moving forward is to grow and expand, with an initial focus on Malaysia, Indonesia, Philippines and Australia. This expansion plan may place significant strain on the Company's managerial, operational and financial resources. Although the Company is confident about its prospects in these markets, there is no guarantee that the Company's growth and expansion strategies will be successful in any or all of these markets. The capacity of management to properly implement and manage the strategic direction of the Company will affect the Company's financial performance.	Section 5.1.3
Competition and new technologies	The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Company.	Section 5.1.4
Sales and marketing success	The Company intends to continue to use some of the funds raised under the Offer on sales and marketing measures to continue to grow its business. By their nature, there is no guarantee that the Company's sales and marketing campaigns will be successful. In the event that they are not, the Company may encounter difficulty in creating market awareness of the I Synergy and Affiliate Junction brands, which would likely have an adverse impact on the Company's sales and profitability.	Section 5.1.5

TOPIC	SUMMARY	MORE INFORMATION
Research and development risk	In order to maintain the Company's competitive position in the market, the Company will undertake research and development from time to time, including on Affiliate Junction and new products. The Company considers R&D to be a key means by which it will sustain its market position and grow its business. There is a risk that despite significant time and expenditure being applied to R&D projects, certain projects may not result in an advancement of the Company's technology and products. There is no guarantee that the Company's R&D projects will be successful or prove to be commercially viable. The failure of an R&D project could have a materially adverse impact on the Company's operations and financial performance.	Section 5.1.6
Faults with products and services	Because the Company's products are technologically complex, errors or defects may be identified by the Company or its customers which could harm the Company's reputation and business. Technology-based products often contain undetected errors when first introduced or when new versions or enhancements are released. Though the Company provides support to clients and is continuously updating and improving its products, there is a risk that the products provided are faulty or do not perform as intended. The Company has a strategy in place to ensure that such faults are resolved prior to being provided to the customer, but in instances where a fault still occurs it could adversely impact the Company's brand and reputation.	Section 5.1.7
Shared ownership of ISU	Through its wholly owned subsidiary, I Synergy Consolidated Sdn Bhd (ISC), the Company has a 70% shareholding in I Synergy Universal Sdn Bhd, which owns the Affiliate Junction platform. The remaining 30% of the issued capital in ISU is held by Beyond Affluence Limited (Company No. 71678) (Beyond Affluence), a company registered in Samoa, who is a founding shareholder but is otherwise not related to the Company and has no active role in the administration of ISU. The relationship between ISC and Beyond Affluence with respect to ISU is governed by the ISU Shareholders Agreement which is summarised in Section 7.4. There is an inherent risk of default under or breach of the ISU Shareholders Agreement which may impact on the Company's business.	Sections 5.1.9 & 7.4
Concentration of ownership of Shares	Upon completion of the Offer, the Managing Director, Dato' Teo Chee Hong, will hold 145,083,592 Shares representing 75.4% (assuming Minimum Subscription) to 69.9% (assuming Full Subscription) of the Shares and voting rights in the Company. Further, Dato' Teo will hold 600,000 Incentive Options and 600,000 Performance Rights. Therefore, where he is not excluded from voting, Dato' will have significant influence over matters requiring the approval of Shareholders, including the election of	Section 5.1.20

TOPIC	SUMMARY	MORE INFORMATION												
	Directors, and in doing so may not vote in the interests of other minority Shareholders. It should be noted, however, that of the Shares Dato’ will have a relevant interest in, 66,000,000 Shares will be held via an entity called Capz Venture Sdn Bhd. Dato’ only holds a 51% shareholding interest in this entity.													
Other Key Offer Details														
What are the important dates of the Offer?	IMPORTANT DATES<table><tr><td>Prospectus lodged</td><td>20 October 2016</td></tr><tr><td>Opening Date</td><td>28 October 2016</td></tr><tr><td>Closing Date</td><td>8 December 2016</td></tr><tr><td>New Shares issued</td><td>15 December 2016</td></tr><tr><td>Holding statements sent</td><td>18 December 2016</td></tr><tr><td>Trading commences</td><td>22 December 2016</td></tr></table> <i>The above dates are indicative only and may change without notice.</i>	Prospectus lodged	20 October 2016	Opening Date	28 October 2016	Closing Date	8 December 2016	New Shares issued	15 December 2016	Holding statements sent	18 December 2016	Trading commences	22 December 2016	Key Offer Details
Prospectus lodged	20 October 2016													
Opening Date	28 October 2016													
Closing Date	8 December 2016													
New Shares issued	15 December 2016													
Holding statements sent	18 December 2016													
Trading commences	22 December 2016													
How do I apply for Shares under the Offer?	All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the application being \$0.20 per Share. Cheques must be made payable to “I Synergy Group Limited – Subscription Account” and should be crossed “Not Negotiable”. Applications under the Offer must be for a minimum of 10,000 Shares (i.e. \$2,000).	Section 1.2												
What rights and liabilities attach to the Shares being offered?	The rights and liabilities attaching to the Shares are described in Section 8.1.	Section 8.1												
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 1.8												
Will any capital raising fees be payable in respect of the Offer?	The Company has engaged Novus Capital Pty Ltd (Novus Capital) as sponsoring broker to the Offer. Novus Capital will receive a capital raising fee of 6.5% (plus GST) in respect of funds it raises under the Offer, a success fee of \$150,000 (plus GST), Shares equal to 0.5% of the Share capital on listing, and other benefits.	Sections 1.9 & 7.5												
Will the Shares issued under the Offer be quoted?	The Company will apply to ASX no later than 7 days from the date of this Prospectus for admission of the Company to the official list of ASX, and official quotation of the Shares offered under this Prospectus under the code, “IS3”.	Section 1.12												
When will I know if my application was successful?	Holding statements confirming allocations under the Offer will be sent to successful applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 18 December 2016.	Section 1.16												
Can I speak to a representative about the Offer?	Questions relating to the Offer and completion of Application Forms can be directed to the Company’s sponsoring broker, Novus Capital, on +61 3 8602 1700.	Section 1.20												

TOPIC	SUMMARY	MORE INFORMATION
Key Persons		
Who are the Company's Directors?	The Directors of the Company are: • Richard Symon – Non-Executive Chairman; • Dato' Teo Chee Hong – Managing Director; • Eng Guo Miao – Executive Director (Chief Financial Officer); and • Ilmars Draudins – Non-Executive Director.	Section 6.2
Who comprises the senior management team of the Company?	The Company's senior management team is comprised of: • Dato' Teo Chee Hong – Managing Director; • Eng Guo Miao – Executive Director (Chief Financial Officer); • Ong Han Keong – Chief Business Officer; and • Chu Chung Piow – Chief Operating Officer.	Section 6.3
What are the significant interests of the Directors?	From admission to the ASX, the Directors will be remunerated as follows: • as Non-Executive Chairman, Richard Symon will receive director's fees of \$48,000 per annum (plus statutory superannuation), 120,000 Shares and 600,000 Incentive Options; • as Managing Director, Dato' Teo Chee Hong will receive approximately \$216,800 per annum (plus statutory superannuation), 600,000 Incentive Options and 600,000 Performance Rights; • as Executive Director (Chief Financial Officer), Eng Guo Miao will receive approximately \$54,700 per annum (plus statutory superannuation) and 450,000 Incentive Options; and • as a Non-Executive Director, Ilmars Draudins will receive director's fees of \$36,000 per annum (plus statutory superannuation), 90,000 Shares and 300,000 Incentive Options. More information on the security holdings, interests and remuneration of the Directors is set out in Section 6.6.	Section 6.6
What related party arrangements is the Company party to?	The Company is party to 2 lease agreements for the use of business premises in Kuala Lumpur, Malaysia with Tripple Gem Sdn Bhd, which is controlled by Dato' Teo Chee Hong, who is the Managing Director of the Company.	Section 6.7
Miscellaneous matters		
What material contracts is the Company a party to?	The material contracts of the Company include: • executive agreements with its Managing Director, Dato' Teo Chee Hong, and its Executive Director (Chief Financial Officer), Eng Guo Miao; • the Sale Agreements to implement the corporate restructure; • the Platform Licence Deed; • the ISU Shareholders Agreement; • the broker mandate with Novus Capital Pty Ltd; and • deeds of access, indemnity and insurance with each Director.	Section 7

TOPIC	SUMMARY	MORE INFORMATION
Will any Shares be subject to escrow?	None of the Shares issued under the Offer will be subject to escrow, and the Company does not anticipate that ASX will impose mandatory escrow on any other securities of the Company.	Section 1.7
Will the Company pay dividends?	The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the time.	Section 1.19
What are the tax implications of investing in Shares under the Offer?	The tax consequences of any investment in Shares will depend upon each applicant's particular circumstances. Investors should obtain their own tax advice before deciding to invest.	Section 8.12

1. DETAILS OF THE OFFER

1. DETAILS OF THE OFFER

1.1 OVERVIEW

PUBLIC OFFER

Under this Prospectus, the Company is offering up to 40,000,000 Shares at an issue price of \$0.20 each to raise up to \$8,000,000 before costs (**Offer**). The Offer has a minimum subscription requirement of \$5,000,000. There is no allowance for oversubscriptions.

The Offer is open to the general public however non-Australian resident investors should consider the statements and restrictions set out in Sections 1.10 and 8.13 before applying for Shares.

The Shares to be issued under the Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in Section 8.1.

Applications for Shares under the Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to Section 1.2 and the Application Form for further details and instructions.

VENDOR OFFER

In addition, the Company is offering 150,000,000 Shares to ISH as consideration for its shares in ISI pursuant to the ISI Sale Agreement, which is summarised in 7.2. Prior to listing, ISH will direct the Company to issue these Shares to the ISH Shareholders to give effect to the in-specie distribution approved by the ISH Shareholders in general meeting on 28 July 2016.

The reason for issuing the Shares under this Prospectus is so that they are issued with disclosure and therefore will not be subject to the 12 month on-sale restrictions in section 707(3) of the Corporations Act. The Company notes, however, that some or all of these Shares may be subject to ASX imposed escrow for 12 to 24 months from admission. See Section 1.7 for further details on potential escrow arrangements.

The Company is not offering Shares under the Vendor Offer for the purpose of ISH Shareholders selling or transferring their Shares. However, the Company considers that such persons should be entitled, if they wish, to on-sell their Shares prior to the expiry of 12 months, subject to any escrow restrictions.

The Shares to be issued under the Vendor Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in Section 8.1. Shares will be issued under the Vendor Offer at the same time as Shares are issued under the Offer.

An application for Shares under the Vendor Offer must be made on the Vendor Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. An application may only be made by ISH for 150,000,000 Shares. Further details and instructions are set out on the Vendor Application Form. No additional funds or consideration are payable under the Vendor Offer.

1.2 APPLICATIONS AND PAYMENT

Applications for Shares under the Offer can only be made using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications under the Offer must be for a minimum of 10,000 Shares (\$2,000). No brokerage, stamp duty or other costs are payable by applicants. Cheques must be made payable to "I Synergy Group Limited – Subscription Account" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account.

Completed Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date by being posted to the following address:

I Synergy Group Limited
c/- Novus Capital Limited
Level 8, 330 Collins Street
Melbourne VIC 3000

Applicants are urged to lodge their Application Forms as soon as possible as the Offer may close early without notice.

An original, completed and lodged Application Form together with a cheque for the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Board's decision as to whether to treat an application as valid and how to construe, amend or complete the Application Form is final.

It is the responsibility of applicants outside Australia to obtain all necessary approvals in order to be issued Shares under the Offer. The return of an Application Form or otherwise applying for Shares under the Offer will be taken by the Company to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;
- makes the representations and warranties in Section 8.13 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of Shares under the Offer;
- declares that all details and statements in the Application Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- acknowledges that once the Application Form is returned or payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of new Shares it applies for at \$0.20 each (or such other number issued in accordance with this Prospectus);
- authorises the Company to register it as the holder(s) of the Shares issued to it under the Offer;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the new Shares to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Application Form.

1.3 MINIMUM SUBSCRIPTION

The minimum subscription requirement for the Offer is \$5,000,000, representing the subscription of 25,000,000 Shares at an issue price of \$0.20 each (**Minimum Subscription**). No Shares will be issued until the Offer has reached the Minimum Subscription. Subject to any extension, if the Minimum Subscription has not been achieved within 4 months of the date of this Prospectus, all Application Monies will be refunded without interest in accordance with the Corporations Act.

1.4 PURPOSES OF THE OFFER

The principal purposes of the Offer are to:

- (a) comply with ASX's requirements for listing the Company on the ASX;
- (b) provide funds for the purposes set out in Section 1.5;
- (c) provide the Company with access to equity capital markets for future funding needs; and
- (d) enhance the public and financial profile of the Company to facilitate further growth of the Company's business, including into the Australian market.

1.5 PROPOSED USE OF FUNDS

The Company intends to use the funds raised under the Offer as follows:

USE OF FUNDS	MINIMUM SUBSCRIPTION		FULL SUBSCRIPTION	
	AMOUNT	%	AMOUNT	%
Expenses of the Offer ¹	\$910,000	18.20%	\$1,108,000	13.85%
International expansion ²	\$2,000,000	40.00%	\$3,000,000	37.50%
Development of existing technology and programs ³	\$1,000,000	20.00%	\$1,500,000	18.75%
Development of new programs ⁴	\$500,000	10.00%	\$1,000,000	12.50%
Sales and marketing ⁵	\$400,000	8.00%	\$1,000,000	12.50%
Working capital ⁶	\$190,000	3.80%	\$392,000	4.90%
Total	\$5,000,000	100%	\$8,000,000	100%

Notes:

1. Additional expenses of the Offer have been paid using the Company's existing cash reserves. See Section 8.10 for more information.

2. See Section 2.8(a) for further information.

3. See Section 2.8(b) for further information.

4. See Section 2.8(c) for further information.

5. See Section 2.8(d) for further information.

6. Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with any project such as investments and acquisitions, or in connection with any other item in the table above, as determined by the Board at the relevant time.

7. If the proceeds from the Offer are between the Minimum Subscription and the Full Subscription, the Company intends to allocate the funds between each item on a pro-rata basis, other than fixed expenses of the Offer.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the success of the Company's expansion into new markets, the development of its technology and marketing campaigns, as well as any regulatory developments and economic conditions generally. In light of this, the Board reserves the right to alter the way the funds are applied.

If the Full Subscription is not raised then this may have an effect on the rate at which any plans are undertaken by the Company, such as product development and expansion. Additional funding through debt or equity may be considered by the Board where it is appropriate to accelerate a specific project or transaction.

If the Company decides to make any significant acquisitions such as competitor businesses or other assets, then it is possible that such acquisitions would be funded by additional financing through debt or equity (subject to any necessary Shareholder approvals).

The Board is satisfied that, upon completion of the Offer, the Company will have sufficient capital to meet its stated objectives.

1.6 CAPITAL STRUCTURE

The table below provides a summary of the capital structure of the Company as at the date of this Prospectus and upon completion of the Offer.

CAPITAL STRUCTURE	MINIMUM SUBSCRIPTION	FULL SUBSCRIPTION
Existing Shares ¹	16,556,292	16,556,292
Shares to ISH Shareholders ²	150,000,000	150,000,000
Shares under the Offer ³	25,000,000	40,000,000
Shares to sponsoring broker ⁴	957,781	1,032,781
Total Shares	192,514,073	207,589,073
Incentive Options ⁵	1,950,000	1,950,000
Adviser Options ⁶	5,746,688	6,196,688
Performance Rights ⁷	600,000	600,000
Fully Diluted Share Capital	20,810,761	216,335,761

Notes:

1. Shares issued to Dato' Teo Chee Hong in consideration of his shares in ISU under the ISU Sale Agreement. See Section 7.2 for a summary of the ISU Sale Agreement.

2. Shares to be issued to the ISH Shareholders (as the nominees of ISH) in consideration of ISH's shares in ISI under the ISI Sale Agreement. See Section 7.2 for a summary of the ISI Sale Agreement.

3. See Section 1.1 for an overview of the Offer.

4. Shares to be issued to the sponsoring broker, Novus Capital (and/or its nominees). See Section 7.5 for a summary of the Company's agreement with Novus Capital.

5. Incentive Options are to be issued to the Directors under the Employee Incentive Scheme as part of their remuneration and to incentivise their performance. The Options have an exercise price of \$0.30, an expiry date 5 years from issue, and will vest over time. See Section 8.2 for full terms and conditions of the Incentive Options.

6. Adviser Options are to be issued to certain advisers of the Company. The Options have an exercise price of \$0.30 and expire 3 years from issue. See Section 8.3 for full terms and conditions of the Adviser Options.

7. Performance Rights are to be issued to Dato' Teo Chee Hong under the Employee Incentive Scheme as part of his remuneration and to incentivise his performance. See Section 8.4 for full terms and conditions of the Performance Rights.

1.7 ESCROW ARRANGEMENTS

Under the Listing Rules, ASX may determine that securities issued to promoters, seed capital investors and vendors of classified assets have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months from quotation of the Company's Shares, during which time they must not be transferred, assigned or otherwise disposed of.

However, the Company does not consider that ASX will impose escrow on any of its securities as the Company is seeking to list under the 'profits test' under the Listing Rules. If the Company is unable to list under the profits test, then it will seek to list under the 'assets test' under the Listing Rules. If the Company lists under the assets test then it anticipates that ASX will use its discretion not to impose mandatory escrow.

In the event that ASX does impose mandatory escrow under the Listing Rules, it is possible that all Shares held or to be held by Dato' Teo Chee Hong and Novus Capital, and all Incentive Options, Adviser Options and Performance Rights, will be subject to escrow. In these circumstances, prior to admission to the official list of ASX, the Company will enter into escrow agreements with the relevant holders in relation to any securities subject to mandatory escrow in accordance with the Listing Rules.

The Company will announce final escrow arrangements (if any) to ASX prior to quotation of its Shares.

1.8 UNDERWRITING

The Offer is not underwritten.

1.9 SPONSORING BROKER

The Company has engaged Novus Capital Pty Ltd (**Novus Capital**) as sponsoring broker to the Offer. Novus Capital will receive a capital raising fee of 6.5% (plus GST) in respect of funds it raises under the Offer, a success fee of \$150,000 (plus GST), Shares equal to 0.5% of the Share capital on listing, and other benefits. The Company's agreement with Novus Capital is summarised in Section 7.5.

1.10 FOREIGN INVESTOR RESTRICTIONS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise permit a public offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained. See Section 8.13 for information on selling restrictions that apply to the Shares in certain jurisdictions outside Australia.

1.11 RISK FACTORS

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 5 of this Prospectus. The Shares on offer under this Prospectus should be considered highly speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety, consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.12 EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement with ASIC. The Exposure Period may be extended by ASIC by a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. During the Exposure Period, this Prospectus can be viewed online on the I Synergy Website and hard copies of this Prospectus will be made available upon request to the Company. Applications received during the Exposure Period will not be processed until after expiration of the Exposure Period. No preference will be conferred on applications received during the Exposure Period and all such applications will be treated as if they were simultaneously received on the Opening Date.

1.14 APPLICATION MONIES HELD IN TRUST

The Board reserves the right to reject any application or to issue a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the Shares, the issue of Shares will occur as soon as practicable after the Offer closes. All Shares issued under the Offer will rank equally in all respects with existing Shares on issue. Holding statements will be sent to successful applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statement will do so at their own risk.

1.15 ASX LISTING AND QUOTATION

The Company will apply to ASX no later than 7 days from the date of this Prospectus for admission of the Company to the official list of ASX, and official quotation of the Shares offered under this Prospectus. Subject to any extension, if the Shares are not admitted to quotation within 3 months of the date of this Prospectus, no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant admission of the Company to the official list and official quotation of the Shares being offered is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

1.16 CHESS AND ISSUER SPONSORSHIP

The Company will apply to CHESS. All trading on the ASX in Shares will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The 2 sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after Shares are issued. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares issued under this Prospectus, and provide details of a Shareholder's Holder Identification Number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder

Reference Number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

1.17 PRIVACY DISCLOSURE

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company on +61 8 9482 0585, or the Share Registry, Boardroom Pty Limited, on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

1.18 FINANCIAL FORECASTS

After considering ASIC Regulatory Guide 170, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings of the Company and, accordingly, financial forecasts are not included in this Prospectus. Factors considered by the Directors include the following:

- the difficulty of reliably forecasting future revenues given that the Company's agency agreements are short-term in nature;
- the inherent uncertainty regarding the speed and success of the Company's expansion plans post-listing on the ASX;
- the difficulty of reliably forecasting future performance in light of the Company's significant growth over the last 3 financial years; and
- uncertainty in relation to the general economic conditions that the Company will encounter in the future.

1.19 DIVIDENDS

The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the relevant time.

1.20 ENQUIRIES

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

Questions relating to the Offer and completion of Application Forms can be directed to the Company's sponsoring broker, Novus Capital, on +61 3 8602 1700.

2. COMPANY AND BUSINESS OVERVIEW

2. INDUSTRY OVERVIEW

Information contained in this Section 2 reflects estimates of market conditions based on publicly available sources. The Directors believe that the sources of information contained in this Section are appropriate sources for such information and have taken reasonable care in reproducing such information. The Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading.

2.1 COMPANY OVERVIEW

The Company owns and operates the 'I Synergy' affiliate marketing business (I Synergy) via its wholly owned operating subsidiary, I Synergy International (M) Sdn Bhd (ISI). I Synergy was founded in 2008 by the Company's Managing Director, Dato' Teo Chee Hong, and has grown to become one of Malaysia's leading affiliate marketing enterprises with business centres operating throughout Malaysia. I Synergy provides online and offline affiliate marketing solutions to advertisers and affiliates.

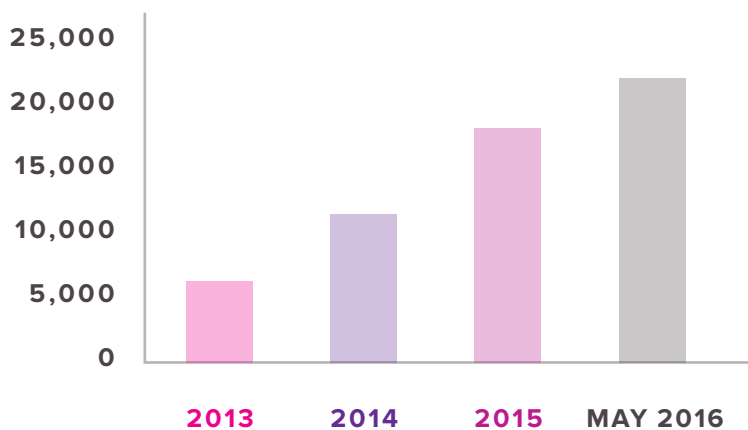
I Synergy was previously owned and operated by I Synergy Holdings Berhad (ISH) (NSX:ISY), which has been listed on the National Stock Exchange of Australia since 31 August 2015. Following approval of the ISH Shareholders at its general meeting on 28 July 2016, ISH's management implemented a corporate restructure with the ultimate aim of listing I Synergy on the ASX. Among other reasons, the Company is issuing this Prospectus to undertake the Offer and seek admission to the official list of ASX.

The Company also has a 70% shareholding interest in I Synergy Universal Sdn Bhd (ISU), which owns and develops the proprietary affiliate marketing platform offered by ISI called 'Affiliate Junction'.

Advertisers offer affiliates incentives for promoting their products and services, and Affiliate Junction provides a platform through which these advertisers can connect with affiliates. I Synergy offers the Affiliate Junction platform which tracks the affiliate's performance and facilitates commission payments to the affiliates on behalf of the advertisers. I Synergy receives a commission on these payments, and affiliates also pay I Synergy a subscription fee to join Affiliate Junction.

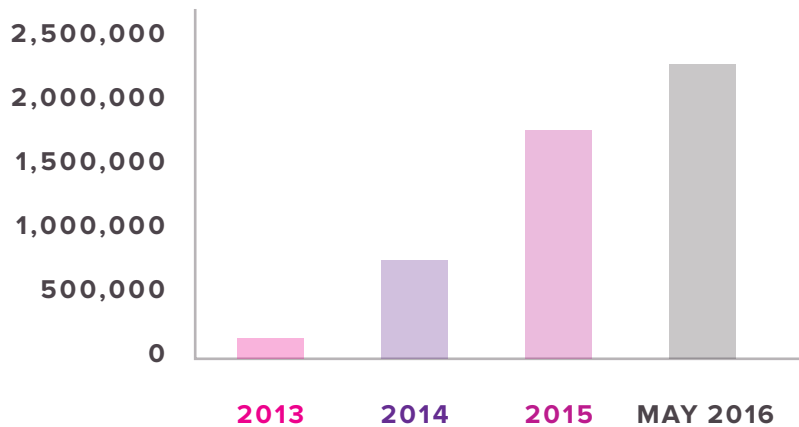
Since 2013, I Synergy's affiliate base has grown by approximately 110% each year on average to more than 20,000 affiliates today. The diagram below illustrates the growth in I Synergy's affiliate base since 2013.

NO. OF AFFILIATES



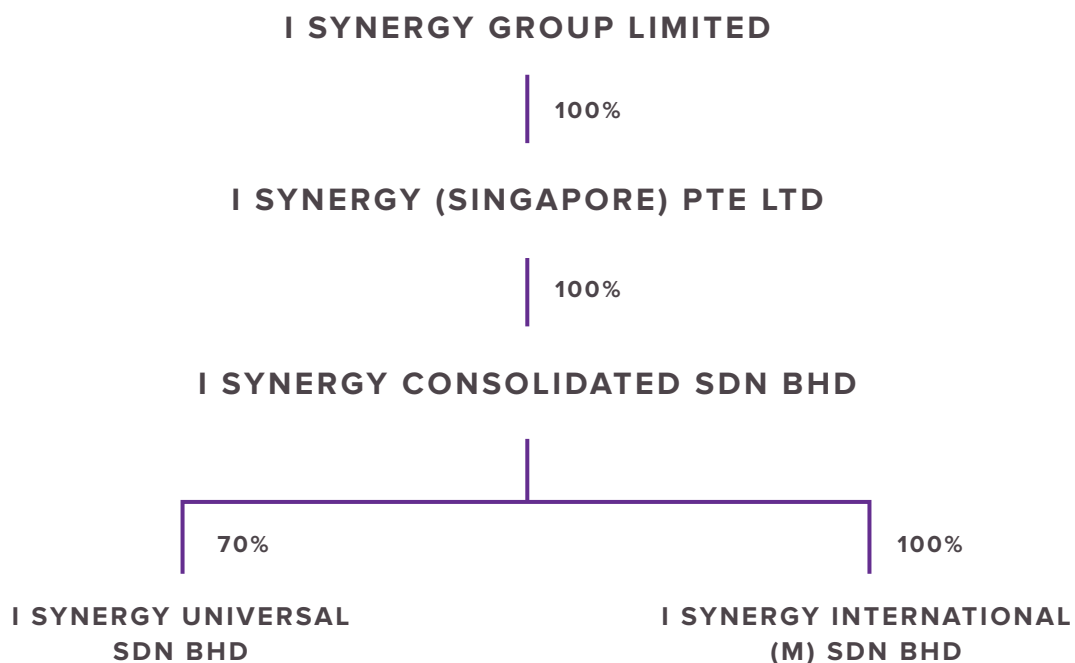
The number of Affiliate Junction users or customers has grown at a rate of approximately 180% on average each year since 2013, with the total now exceeding 2 million. The diagram below illustrates the growth in Affiliate Junction users since 2013.

NO. OF USERS



2.2 CORPORATE STRUCTURE

In preparation for the Company's listing on the ASX, a corporate restructure was implemented whereby I Synergy Group Limited was registered in Australia and became the ultimate parent company of I Synergy Universal Sdn Bhd and I Synergy International (M) Sdn Bhd. As a result, the corporate structure of the Group is now as follows:



I Synergy Group Limited ACN 613 927 361 (Company) was registered in Australia on 28 July 2016 for the purposes of this Offer and proposed listing on the ASX. Other than in its capacity as the parent company of the Group, the Company is not currently involved in any material business activities and does not have any material assets or liabilities.

I Synergy (Singapore) Pte Ltd (Registration No. 201622884R) (ISS) was registered in Singapore on 22 August 2016. Other than in its capacity as a holding company, ISS is not involved in any material business activities and does not have any material assets or liabilities.

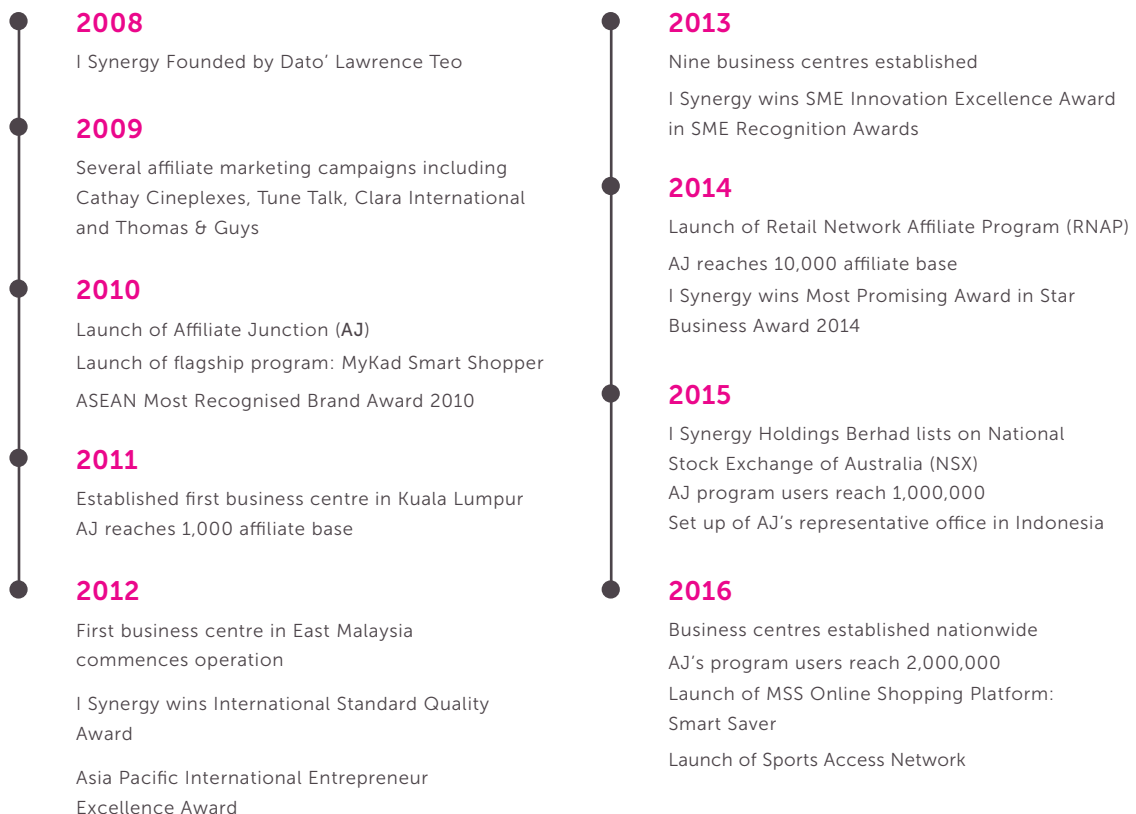
I Synergy Consolidated Sdn Bhd (Company No. 1199581-T) (ISC) was registered in Malaysia on 24 August 2016. Other than in its capacity as a holding company, and as a party to the ISU Shareholders Agreement, ISC is not involved in any material business activities and does not have any material assets or liabilities.

I Synergy Universal Sdn Bhd (Company No. 812120-V) (ISU) was registered in Malaysia on 2 April 2008. ISU owns the proprietary affiliate marketing platform known as Affiliate Junction. ISC owns 70% of the issued capital in ISU. The remaining 30% of the issued capital in ISU is held by Beyond Affluence Limited (Company No. 71678) (**Beyond Affluence**), a company registered in Samoa, who is a founding shareholder of ISU but is otherwise not related to the Company and has no active role in the administration of ISU. Please see Section 7.4 for a summary of the ISU Shareholders Agreement which governs the relationship between ISC and Beyond Affluence with respect to ISU. ISU licences use of Affiliate Junction to ISI for the purposes of operating its affiliate marketing business, I Synergy. ISU charges ISI a fee for this licence in accordance with the Platform Licence Deed summarised in Section 7.3.

I Synergy International (M) Sdn Bhd (Company No. 1062594-W) (**ISI**) was registered in Malaysia on 18 September 2013. ISU licences use of Affiliate Junction to ISI for the purposes of operating its affiliate marketing business. ISU charges ISI a fee for this licence in accordance with the Platform Licence Deed summarised in Section 7.3. Prior to the corporate restructure, ISI was a wholly owned subsidiary of I Synergy Holdings Berhad, a company listed on the National Stock Exchange of Australia.

2.3 KEY MILESTONES OF THE COMPANY

I Synergy was founded in 2008. I Synergy launched its flagship affiliate marketing solution, Affiliate Junction, in 2010. I Synergy established its first business centre in Kuala Lumpur in 2011. A brief description of the key milestones that the Company has achieved over the years is set out below.



2.4 PRODUCTS AND SERVICES

2.4.1 AFFILIATE JUNCTION

Affiliate Junction is the proprietary affiliate marketing platform offered by I Synergy and is 70% owned by the Company. Launched in 2010, Affiliate Junction offers affiliate marketing solutions to advertisers and affiliates through a single platform.

Advertisers offer affiliates commissions via Affiliate Junction in exchange for promoting their products and services to consumers. Advertisers can access a range of online and offline affiliate programs to connect with affiliates in order to effectively target consumers. Affiliate Junction automatically tracks and reports on each campaign's success providing powerful insights to the advertiser. Each affiliate receives structured training and support to help them maximise their performance.

Affiliate Junction is a full service system that swiftly and simply manages all affiliate and advertiser activities using the platform. Affiliate Junction has been developed over a period of 6 years and includes a number of capabilities set out below.



REAL-TIME TRACKING AND INSIGHT

Affiliates can view all activities in real time. When a transaction occurs, it is securely recorded in the system and the affiliate is provided instant insight into its progress and performance through its own portal and dashboard.



EFFECTIVE COMMUNICATION TOOLS

Affiliate Junction is equipped with software that allows affiliates to effectively and efficiently connect with advertisers and consumers.



EFFECTIVE ADVERTISER TARGETING

Advertisers using Affiliate Junction are categorised by their industry while consumers using Affiliate Junction are categorised by their demography. Through filtering options and sophisticated search capabilities, affiliates are able to effectively target consumers and participate in campaigns that are suited to their areas of expertise.



PAYMENT MANAGEMENT

Successful affiliate promotional activities are incentivised by advertisers and I Synergy provides a secure tool to manage the entire process. The system incorporates a payment capability to enable advertisers to efficiently reward affiliates for successful transactions.

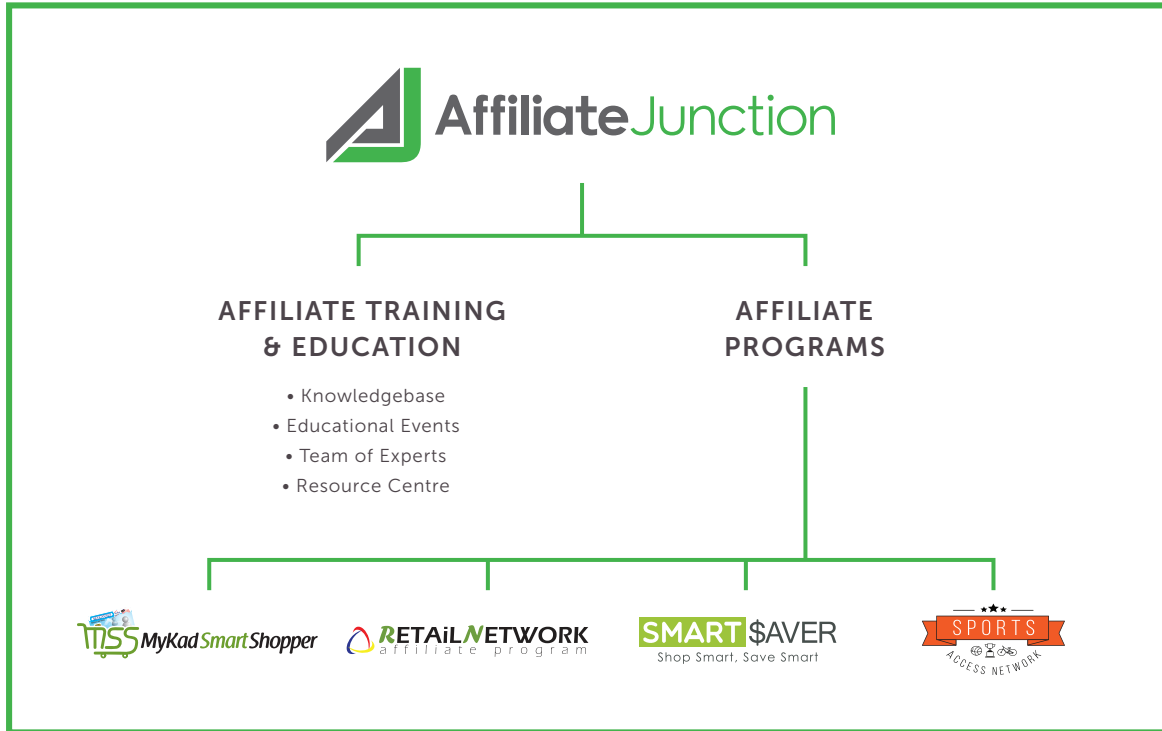


DATABASE ANALYSIS

All data procured by affiliates on advertisers and consumers is systematically and securely documented on a centralised database. Affiliates are then provided with the functionality to analyse previous campaigns to improve their services and inform future business decisions.

2.4.2 AFFILIATE PROGRAMS

I Synergy offers a number of affiliate programs that can be accessed via Affiliate Junction. Each program connects consumers and advertisers, and enables advertisers to access valuable consumer purchasing data, adding real value to their marketing strategy. The diagram below illustrates the structure of Affiliate Junction.



MYKAD SMART SHOPPER (MSS)

MyKad Smart Shopper (**MSS**) was the first offline retail program offered via Affiliate Junction. MSS enables registered Malaysian identity cardholders to enjoy a range of rewards and offers at participating advertisers' businesses, and in turn, affiliates are rewarded with incentives for successfully promoting the advertisers campaign.



SMARTSAVER

In 2016, MSS was expanded to include an online shopping platform, SmartSaver. SmartSaver is a online retail program that enables MSS registered cardholders to enjoy retail privileges at the online participating advertisers, including Lazada, Zalora, Groupon and Agoda. Affiliates are rewarded with incentives for driving results to the advertisers.



RETAIL NETWORK AFFILIATE PROGRAM (RNAP)

I Synergy launched its Retail Network Affiliate Program (**RNAP**) on Affiliate Junction in 2014. RNAP offers retailers a network of affiliates to promote their brands and help recruit new partners. The launch of RNAP helped build Affiliate Junction's affiliate base to 10,000 affiliates by the end of 2014.



SPORTS ACCESS NETWORK (SAN)

I Synergy launched its Sports Access Network (**SAN**) in 2016. SAN is a sports and recreational hub which enables subscribers to sign up for a sports event or create their own sport event. Affiliates are then incentivised for their efforts in referring individuals and event organisers to participate in the relevant sport event.

2.4.3 TRAINING AND EDUCATION

Affiliates are provided with training, education and coaching from I Synergy's team. Set out below are I Synergy's training and education programs offered to affiliates to help improve their performance.

KNOWLEDGEBASE

Knowledgebase is accessed through Affiliate Junction and is home to extensive and comprehensive resources for affiliates. Resources include program guidelines, brochures, training modules and manuals. These resources serve as the primary guide for any affiliate looking to kick-start their career on Affiliate Junction. Knowledgebase is constantly updated with new information, guidelines and trends in order to ensure each affiliate stays abreast of market trends and continues to offer advertisers the premium service they expect.

TEAM OF EXPERTS

Affiliate Junction is home to some of Malaysia's leading and most experienced performance-based marketing experts, with I Synergy having formed a leadership team of Affiliate Junction's top performers. Highly successful affiliates are invited by the Company to become an I Synergy expert and to share their knowledge and provide guidance to all affiliates to assist them in their strategies to achieve their business targets. I Synergy currently has more than 200 experts to serve its base of over 20,000 affiliates.

EDUCATIONAL EVENTS

I Synergy organises educational events for affiliates. These events aim to strengthen relationships within the affiliate community and provide a forum for affiliates to share their expertise. Educational talks and training are provided during these events by I Synergy's team to equip affiliates with the right skills to achieve success.

RESOURCE CENTRE

Through the online portal, affiliates are provided access to a resource centre which gives affiliates access to the right information and tools. I Synergy's resources are designed to elevate affiliates' skills and ultimately to deliver better results across advertising campaigns, increasing their ability to earn commissions.

2.5 BUSINESS MODEL

I Synergy offers affiliate program solutions for advertisers and affiliates through a single platform – Affiliate Junction. Advertisers offer affiliates commissions via Affiliate Junction as a reward for promoting their products and services to consumers. The diagram below illustrates I Synergy's business model.



I Synergy's business model uses two key revenue streams in order to generate revenue:

- (i) **Subscription fees from affiliates:** Affiliates pay a subscription fee to access Affiliate Junction. Subscription to Affiliate Junction entitles affiliates to the various training and educational resources along with the allowing affiliates to be part of earn income for successful affiliate marketing activities they engage in as part of an advertiser's campaign.
- (ii) **Income from Advertisers:** Advertisers use I Synergy's network to connect with affiliates who can assist in targeting their desired audience in order to drive sales of their product or service. Advertisers offer AJ affiliates' monetary incentives as a reward for promoting their products and services to consumers and driving leads and/or sales to their businesses via online and/or offline promotions. I Synergy is responsible for the tracking of these results and facilitating incentives payments.

The Company expects that its expenses will largely comprise of the following:

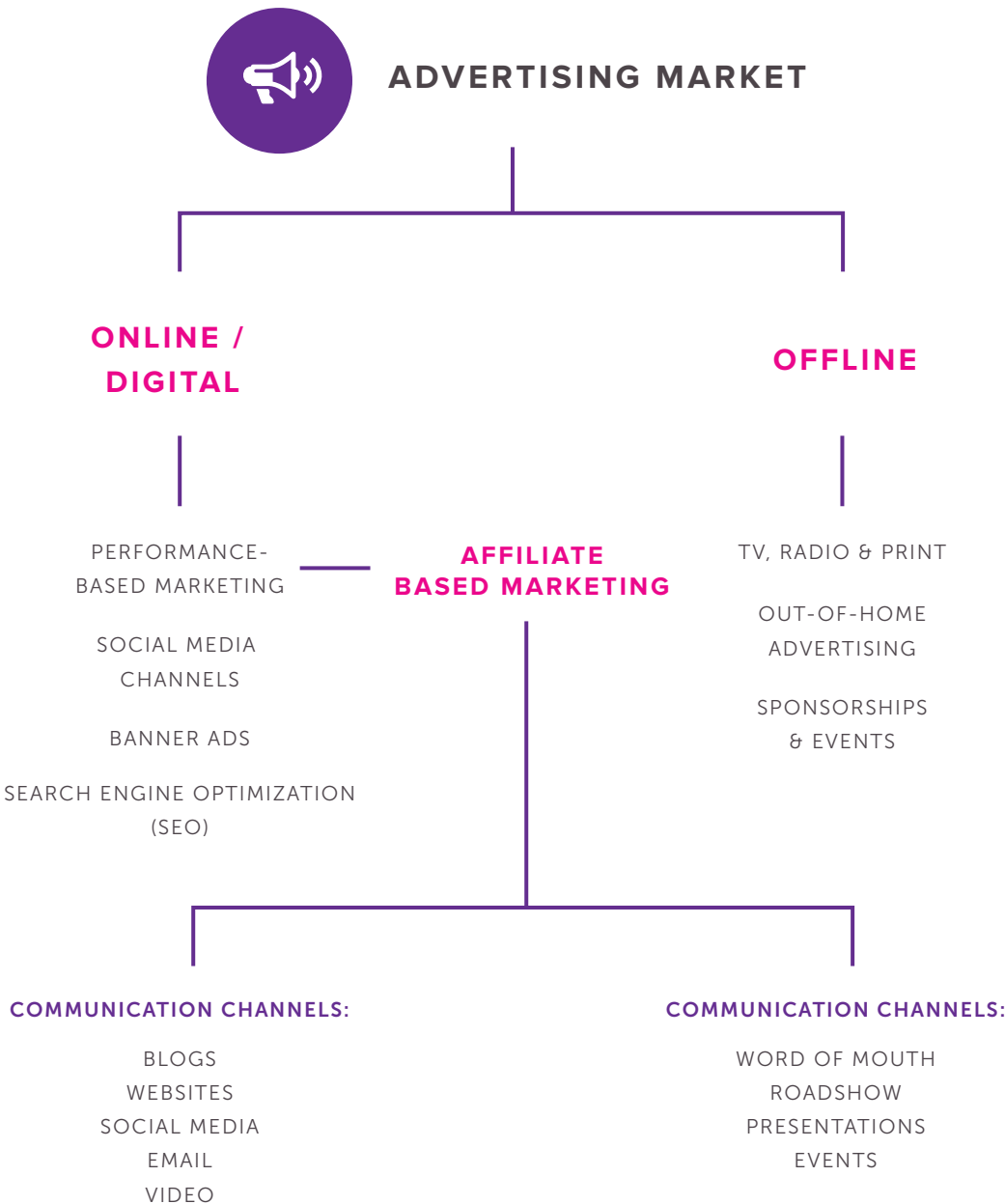
- licence fees to ISU (of which the Company owns 70%) under the Platform Licence Deed;
- employee remuneration and benefits;
- recruitment and training of affiliates;
- direct payments to affiliates;
- marketing and promotion;
- overheads and other indirect expenses; and
- technology and software development.

The Company considers that its key strengths in Section 2.7, and business strategies in Section 2.8, are integral to its ability to generate income and ultimately achieve capital growth for Shareholders.

2.6 AFFILIATE MARKETING INDUSTRY

2.6.1 ADVERTISING IN MALAYSIA

The Malaysian advertising industry is a multi-billion dollar industry with approximately \$2.8 billion spent on advertising in Malaysia in 2013 (Source: Statista, 2016). The Malaysian advertising industry consists of both online and offline mediums. Online advertising mediums include performance-based marketing, social media channels and online advertisements. Offline advertising mediums include television, radio, print, sponsorship and events. The chart below broadly illustrates the Malaysian advertising industry.



2.6.2 AFFILIATE MARKETING INDUSTRY IN MALAYSIA

I Synergy operates in the Malaysian affiliate marketing industry. Although still relatively young, the Malaysian affiliate marketing industry is increasingly being used by mainstream media publishers. The industry has continued to grow and comprised of approximately 1.4% of Malaysia's total advertising spend in 2013 (Source: Statista, 2016).

Affiliate marketing, also commonly referred to as performance-based marketing, differs from traditional advertising methods in that the advertiser is only charged a fee when an actual, pre-defined result is achieved.

The Malaysian affiliate marketing industry has 4 core groups of participants:

ADVERTISER

An advertiser can be a merchant or brand owner. Advertisers pay other people to help sell products and promote their business.

AFFILIATE

An affiliate or publisher is an individual or company that promotes an advertiser's product or service in exchange for earning an incentive, such as a commission. Advertisers agree to work with an affiliate, then provide the affiliate with creative content that the affiliate incorporates into its website.

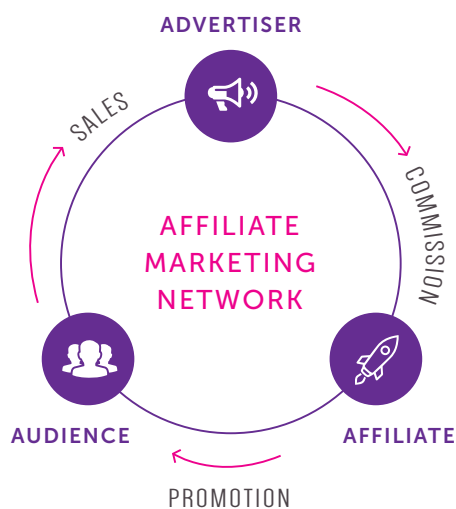
AUDIENCE

The audience or consumer sees the advertisements before deciding whether to purchase the good or service from the advertiser.

AFFILIATE MARKETING NETWORK

The affiliate marketing network acts as an intermediary between the advertiser, affiliate and audience. Typically, the affiliate marketing network will track each affiliate marketing campaign and facilitate payment of incentives from the advertiser to the affiliate.

The diagram below illustrates the 4 core groups of participants in Malaysian affiliate marketing industry.



Affiliate marketing connects the advertiser and the affiliate with the target audience in a cost effective and timely manner. Firstly, an advertiser determines a campaign, its objectives and its target audience. Next, the advertiser connects with affiliates through the relevant affiliate platform. The affiliate is then notified that the advertiser is commencing its new campaign.

The advertiser then connects with the affiliate and provides relevant materials, information and content. The affiliate commences audience targeting and is incentivised for achieving the specific pre-determined result, typically by way of payment of a commission from the advertiser. The affiliate marketing company tracks campaign results and facilitates commission payments to the affiliate on behalf of the advertiser, typically taking a commission for doing so.

Set out below are the common methods used to measure the performance of an affiliate marketing campaign:

- **Cost-per-click** – the advertiser pays per number of clicks on a specific advertisement.
- **Cost-per-lead** – the advertiser pays per lead generated.
- **Cost-per-acquisition** – the advertiser pays per achievement of desired outcome.
- **Cost-per-mile** – the advertiser pays per number of impressions.

2.6.3 KEY TRENDS AND GROWTH DRIVERS

A number of key trends and growth drivers relevant to the Malaysian affiliate marketing industry have been identified, including the following:

COST EFFECTIVENESS

Affiliate marketing can be more cost effective than traditional marketing methods as the advertiser is only required to pay advertising costs if and when a desired outcome is achieved. For example, an advertiser is only required to pay once an affiliate has assisted in the sale of the advertiser's product.

HIGHLY TARGETED

Affiliates have existing exposure with the advertiser's target audience. Through the use of affiliates, advertisers can successfully reach their intended audience with precision.

HIGHLY QUANTIFIABLE

Affiliate marketing platforms track and monitor the target audience accurately and in real time providing powerful insights to advertisers. An advertiser can receive updates in relation to its affiliate marketing campaign allowing it to accurately measure the success of its campaign.

MUTUALLY BENEFICIAL

Affiliate marketing not only benefits the advertiser by being more cost effective, it also rewards the affiliate through performance based incentives such as commission payments. As a result, there is strong demand for affiliate marketing platforms amongst affiliates and advertisers alike.

EASE OF IMPLEMENTING NEW CAMPAIGNS

The advertiser's objectives are delivered to a wide range of affiliates who can opt to take up the campaign. Each affiliate can then publish the relevant content on its own platform or website.

REACH

Affiliate marketing allows the advertiser to place its products or services on a high number of affiliate sites across an affiliate marketing network, reaching a broader audience than traditional marketing methods.

2.6.4 COMPETITIVE LANDSCAPE

Key competitors to I Synergy include the following marketing and advertising providers:

INTERNATIONAL SPECIALIST FIRMS

These firms operate international performance marketing networks to premium brands worldwide.

LOCAL SPECIALIST FIRMS

These competitors are smaller, specialist firms that have been established to solely focus on affiliate marketing solutions within Malaysia.

GLOBAL MARKETING FIRMS

Despite the benefits of affiliate marketing, traditional marketing methods remain effective and as such, large global marketing firms will continue to remain popular.

LOCAL MARKETING FIRMS

Malaysia has a high number of small marketing firms that continue to offer traditional marketing methods.

2.6.5 BARRIERS TO ENTRY

A number of barriers to entry relevant to the Malaysian affiliate marketing industry have been identified, including the following:

ACCESS TO CAPITAL

Substantial capital is required to develop a large and effective affiliate network because of the cost of developing the required technology and building the affiliate and advertiser base. ISU's proprietary affiliate marketing platform, Affiliate Junction, has been developed in-house over a period of 6 years.

AFFILIATE LOYALTY

Through its extensive training and educational programs and resources, I Synergy has developed loyalty amongst its affiliate base.

EARLY-MOVER ADVANTAGE

Affiliates are more likely to join larger, more established affiliate networks. I Synergy has grown its network of affiliates to over 20,000 since being launched in 2010.

ADVERTISER LOYALTY

Having a leading platform ensures that advertisers continue to use I Synergy's services. I Synergy has developed loyalty amongst its advertiser base by delivering results and providing training programs.

2.7 KEY STRENGTHS

SCALABLE BUSINESS MODEL

I Synergy's business model is scalable allowing it to be deployed into new markets at minimum cost. Whilst the Company's current focus is on the consumer market, its business model is agnostic and potentially applicable to a broad range of sectors. This scalability has allowed I Synergy to accelerate sales and network adoption in its core market of Malaysia with minimal additional spend.

FAVOURABLE VALUE PROPOSITION

I Synergy's business model has been designed to deliver advertisers an increased return on their advertising expenditure as they only pay when desired, pre-determined results are achieved.

PROPRIETARY TECHNOLOGY

ISU's Affiliate Junction technology has been designed and tested in-house making any replication by third parties difficult. This proprietary technology affords I Synergy an early mover advantage.

CUSTOMER BASE

I Synergy has built a user base of more than 2 million who have signed up to its affiliate programs via Affiliate Junction. Through I Synergy's reward programs and partnerships with advertisers, users are offered regular access to new offers and rewards. This large base of users has helped I Synergy amass more than 20,000 affiliates through Affiliate Junction, making it one of the leading affiliate networks in Malaysia.

MULTIMEDIA SUPER CORRIDOR MALAYSIA STATUS

On 2 December 2011, ISU was awarded Pioneer Multimedia Super Corridor Malaysia Status. Established by the Malaysian Government and administered by the Multimedia Development Corporation, the Multimedia Super Corridor is Malaysia's Information, Communication and Technology initiative designed to attract world-class technology companies to Malaysia by providing participants with a number of incentives, including an investment tax allowance; 100% tax exemption for up to 10 years or an investment allowance for up to 5 years; exemption from duty on imports of multimedia equipment; assistance in the recruitment of foreign knowledge workers; and access to research and development commercialisation grants.

Pioneer MSC Malaysia Status is only awarded to companies which meet selected government criteria. Pioneer MSC Malaysia Status recognises ISU's capability to develop world class affiliate marketing technology.

Please note, however, that the company may lose access to this status and the benefits that come with it. Please refer to section 5.1.1 further information on this risk.

2.8 KEY STRATEGIES

INTERNATIONAL EXPANSION

I Synergy intends to replicate its business model internationally, including Indonesia, Philippines and Australia, and potentially Vietnam and Thailand.

In March 2015, I Synergy established an office in Jakarta, Indonesia. The office has since gathered market feedback and I Synergy intends to launch its business there in December 2016. I Synergy also intends to launch its business model in Australia in March 2017 and the Philippines in December 2017. If Full Subscription is achieved, I Synergy intends to launch its business model in Vietnam and Thailand in 2018.

DEVELOPMENT OF EXISTING TECHNOLOGY AND PROGRAMS

I Synergy intends to increase the number of personnel with core competency in technology development to further enhance Affiliate Junction through the introduction of additional features in order to provide faster and more efficient connectivity between affiliates and advertisers. Affiliate Junction is currently accessed online. The Company intends to develop Affiliate Junction so that it can also be accessed seamlessly on mobile devices through the integration of mobile technology. By further developing its proprietary technology, the Company intends to enhance the speed and efficiency of its operations.

The Company also intends to augment its platform with big data analytics componentry. This augmentation would provide tremendous insights from data accumulated to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful business information for I Synergy, advertisers and affiliates. In doing so, this may enhance the speed and efficiency in formulating effective marketing strategies and identifying new business opportunities.

DEVELOPMENT OF NEW PROGRAMS

I Synergy intends to expand its business model into new sectors. Specifically, I Synergy intends to enter the finance, property and healthcare industries through additional product programs. The versatility of Affiliate Junction allows it to be adapted across various sectors. I Synergy intends to expand its business model through the formation of strategic partnerships with key industry participants. The establishment of these partnerships would foster the development of new product programs which employ the affiliate marketing performance based model and the generation of synergistic relationships that leverage on each other's core competencies and product portfolios.

SALES AND MARKETING

The Company will apply funds raised under the Offer towards sales and marketing, with a particular focus on increased direct and digital marketing, direct and indirect sales initiatives and direct sales and account management in its target expansion markets.

3. **FINANCIAL INFORMATION**

3. FINANCIAL INFORMATION

3.1 INTRODUCTION

This Section sets out the Historical Financial Information and Pro Forma Financial Information. The Financial Information has been prepared by management and adopted by the Directors of the Company. The Financial Information comprises the Combined Group. The Combined Group refers to companies which were under the common control, either directly or indirectly by Dato Teo Chee Hong and his associates, which comprise the following companies (**Group Operating Companies**):

- I Synergy Group Limited (incorporated 28 July 2016)
- I Synergy (Singapore) Pte Ltd (incorporated 22 August 2016)
- I Synergy Consolidated Sdn Bhd (incorporated 24 August 2016)
- I Synergy International (M) Sdn.Bhd.
- I Synergy Universal Sdn.Bhd

The basis for preparation and presentation is set out below.

The Historical Financial Information includes:

- The statements of comprehensive income and statements of cashflow of the Combined Group for the financial years ended 31 December 2013, 2014 and 2015 and the financial period ended 30 June 2016; and
- the historical statement of financial position of the Combined Group as at 30 June 2016.

The Pro Forma Financial Information includes:

- the pro forma statement of financial position of the Combined Group as at 30 June 2016.

The historical financial statements of the Combined Group reflect the economic substance of the Combined Group, which were under common control throughout the financial years/periods ended 31 December 2013, 2014, 2015 and 30 June 2016 (**Relevant Financial Periods**) presented as a single economic enterprise.

For the Relevant Financial Periods the financial statements of the Combined Group are a combination or aggregation of the financial statements of the entities in the Combined Group.

Crowe Horwath Perth audited the financial statements of the Combined Group for the financial years ended 31 December 2013, 2014 and 2015 and reviewed the financial statements of the Combined Group for the six month period ended 30 June 2016. Unmodified audit opinions were issued for the Combined Group for each financial year and an unmodified review opinion was issued for the six month period ended 30 June 2016.

The Directors are responsible for the inclusion of all Financial Information in the Prospectus. Crowe Horwath Perth has prepared an Investigating Accountant's Report in respect of the Historical and Pro Forma Financial Information. A copy of this report is set out in Section 4 of the Prospectus.

I Synergy Group Limited is a holding company registered in Australia on 28 July 2016, which will wholly own a new Singapore registered company, I Synergy (Singapore) Pte Ltd. I Synergy (Singapore) Pte Ltd in turn will wholly own a new Malaysian registered company, I Synergy Consolidated Sdn Bhd. I Synergy Consolidated Sdn Bhd in turn will own 100% in I Synergy International (M) Sdn Bhd and 70% in I Synergy Universal Sdn Bhd. Please refer to the diagram of corporate structure in Section 2.2.

(A) BASIS OF PREPARATION

The Historical Financial Information and Pro Forma Financial Information has been prepared for illustrative purposes and has been prepared in accordance with the measurement and recognition criteria of Australian Financial Accounting Standards (and International Financial Reporting Standards) and the significant accounting policies of the Combined Group.

The Historical Financial Information has been extracted from the audited financial statements of the Combined Group.

The accounting policies comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. They also comply with International Financial Reporting Standards. The Historical and Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements, comparative information and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

The Directors of the Combined Group have early adopted AASB 15 (IFRS 15) – Revenue from Contracts with Customers for the Relevant Financial Periods. The Combined Group has not applied in advance any other Australian Accounting Standards (**AASB**) or Interpretations issued by the Australian Accounting Standards Board (**IAASB**) for the Relevant Financial Periods. The Directors anticipate that the adoption of such future applicable AASB's and IAASB's will not have a material financial impact on the financial results or financial position of the Combined Group.

The accounting policies of the Combined Group have been consistently applied throughout the Relevant Financial Periods. Significant accounting policies relevant to the Financial Information are set out in this Section. The Financial Information set out in this Prospectus is in abbreviated form and does not contain all of the disclosures provided in an annual report.

The information in Section 3.2 (b) is presented on a Pro Forma basis only, and as a result it is likely that this information will differ from the actual financial information for the Combined Group as at completion of the Offer.

3.2 HISTORICAL FINANCIAL INFORMATION

(A) SUMMARY OF HISTORICAL STATEMENTS OF COMPREHENSIVE INCOME

Set out in the table below (Table 1) is a summary of the Combined Group's Comprehensive Income for the Relevant Financial Periods. Please note that as the Company only owns 70% of ISU, the net profit attributable to the parent entity (i.e. the Company) is less than total net profit for the year.

Table 1

	REVIEWED PERIOD ENDED 30 JUNE 2016 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2015 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2014 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2013 \$'000
REVENUE	9,839	22,264	15,497	4,325
COSTS OF SALE	(6,441)	(14,680)	(10,273)	(2,038)
GROSS PROFIT	3,398	7,584	5,224	2,287
OTHER INCOME	183	240	22	6
SELLING & DISTRIBUTION EXPENSES	(42)	(105)	(23)	(4)
ADMINISTRATIVE EXPENSES	(878)	(1,403)	(955)	(248)
FINANCE COST	(1)	(14)	(8)	(2)
PROFIT BEFORE TAX	2,660	6,302	4,260	2,039
TAX EXPENSE	(24)	-	(2)	-
NET PROFIT FOR THE YEAR	2,636	6,302	4,258	2,039
<i>Net Profit Attributable To:</i>				
MEMBERS OF THE PARENT ENTITY	1,683	4,109	2,787	1,353
NON-CONTROLLING INTEREST	953	2,193	1,471	686
NET PROFIT FOR THE YEAR	2,636	6,302	4,258	2,039

(B) UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

The following unaudited Pro Forma Statement of Financial Position has been prepared based on the entities in the Combined Group's historical reviewed financial statements for the six month period ended 30 June 2016. The unaudited Pro Forma Statement of Financial Position has been reviewed by Crowe Horwath Perth and adjusted to reflect the impact of material matters that have arisen in the Combined Group since 30 June 2016, and the impact of the Offer as if they had occurred as at 30 June 2016. The unaudited Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being indicative of the Combined Group's view on the future financial position.

Table 2

	HISTORICAL REVIEWED AS AT 30 JUNE 2016 \$'000	PRO-FORMA	
		MINIMUM CAPITAL RAISING \$'000	MAXIMUM CAPITAL RAISING \$'000
ASSETS			
CURRENT ASSETS			
CASH & CASH EQUIVALENTS	7,658	11,748	14,550
INVENTORIES	6	6	6
TRADE RECEIVABLES	314	314	314
OTHER RECEIVABLES, DEPOSITS & PREPAYMENTS	470	470	470
AMOUNT OWING BY RELATED PARTIES	336	336	336
	8,784	12,874	15,676
NON-CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT	1,009	1,009	1,009
TOTAL ASSETS	9,793	13,883	16,685
LIABILITIES			
CURRENT LIABILITIES			
TRADE PAYABLES	27	27	27
OTHER PAYABLES & ACCRUALS	1,666	1,666	1,666
HIRE PURCHASE PAYABLES	18	18	18
NON-CURRENT LIABILITIES			
HIRE-PURCHASE PAYABLES	59	59	59
DEFERRED INCOME	6,463	6,463	6,463
TOTAL LIABILITIES	8,233	8,233	8,233
EQUITY			
SHARE CAPITAL	64	4,384	7,189
RESERVE	339	(390)	(432)
OPTION RESERVES	-	499	538
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	403	4,493	7,295
NON-CONTROLLING INTEREST	1,157	1,157	1,157
TOTAL EQUITY	1,560	5,650	8,452
TOTAL EQUITY & LIABILITIES	9,793	13,883	16,685

The bases and assumptions made by the Combined Group in preparing the unaudited Pro Forma Statement of Financial Position are as follows:

- On 22 September 2016, I Synergy Group Limited and I Synergy Consolidated Sdn Bhd completed an agreement to acquire 70% of the issued capital in I Synergy Universal Sdn Bhd from Dato Teo Chee Hong for 16,556,292 shares in I Synergy Group Limited.
- On 22 September 2016, I Synergy Group Limited and I Synergy Consolidated Sdn Bhd completed an agreement to acquire all of the issued capital in I Synergy International (M) Sdn Bhd, from its holding company, I Synergy Holdings Berhad, for 150,000,000 shares in I Synergy Group Limited.
- The Offer issue by the Company pursuant to this Prospectus of 25,000,000 fully paid ordinary shares ("**Minimum Subscription**") to 40,000,000 fully paid ordinary shares ("**Maximum Subscription**") at \$0.20 each to raise \$5,000,000 to \$8,000,000 before expenses of the issue.
- Cash costs of undertaking the Offer of \$910,000 ("**Minimum Subscription**") to \$1,108,000 ("**Maximum Subscription**"). Please refer to Section 8.10 in the Prospectus.
- The issue of 957,781 fully paid shares ("**Minimum Subscription**") to 1,032,781 fully paid shares ("**Maximum Subscription**") to sponsoring broker, shown as share issue costs.
- The issue of 5,746,688 options ("**Minimum Subscription**") to 6,196,688 ("**Maximum Subscription**") exercisable at 30 cents (50% premium to issue price) on or before the date that is three years from the date of issue.

(C) SUMMARY OF HISTORICAL STATEMENTS OF CASH FLOW

Set out in the table below (Table 3) is a summary of the Combined Group's historical Statements Cash Flow for the Relevant Financial Periods:

Table 3

	REVIEWED PERIOD ENDED 30 JUNE 2016 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2015 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2014 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
SALE FROM CUSTOMERS	11,006	24,415	18,084	4,684
PAYMENTS TO SUPPLIERS & EMPLOYEES	(7,332)	(15,268)	(12,191)	(723)
INTEREST PAID	(34)	(13)	(7)	(2)
INCOME TAX (PAID) / REFUNDED	(1)	-	(1)	1
	3,639	9,134	5,885	3,960
CASH FLOW FROM INVESTING ACTIVITIES				
INTEREST INCOME RECEIVED	113	110	22	1
PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	-	40	-	-
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(542)	(399)	(168)	(51)
	(429)	(248)	(146)	(50)
CASH FLOW FROM FINANCING ACTIVITIES				
(REPAYMENT TO) / ADVANCES FROM A DIRECTOR	(20)	(11)	2,369	(1,598)
(ADVANCES TO) / REPAYMENT FROM A RELATED PARTY	(186)	587	253	(384)
DIVIDEND PAID	(332)	(9,533)	(4,995)	(65)
ISSUANCE OF SHARES	-	-	34	-
REPAYMENT OF HIRE PURCHASE PAYABLES	(11)	(78)	(22)	(9)
	(549)	(9,035)	(2,361)	(2,056)
NET (DECREASE) / INCREASE IN CASH & CASH EQUIVALENT	2,661	(149)	3,378	1,854
CASH & CASH EQUIVALENT AT BEGINNING OF THE YEAR	5,056	5,703	2,164	219
EFFECT OF FOREIGN EXCHANGE DIFFERENCE	(59)	(498)	161	91
CASH AND CASH EQUIVALENT AT END OF THE YEAR	7,658	5,056	5,703	2,164

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Combined Group in preparing the Financial Information are summarised below:

(A) BASIS OF CONSOLIDATION

The Combined Financial Statements comprise the financial statements of the entities comprising the Combined Group. Consistent accounting policies are applied for like transactions and events in similar circumstances. All significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

The Historical and Pro Forma Financial Information for the Relevant Financial Periods have been prepared in accordance with the principles of the pooling of interests method. This method has been used on the basis that the business combination involving the entities combining the Combined Group involves entities under common control. Consequently, the requirement of AASB 3 (IFRS 3) – *Business Combinations*, has not been applied.

Under the pooling of interests method, the acquirer accounts for the combination as follows:

- The assets and liabilities of the combining entities are recorded at their carrying amounts reported in the combined financial statements and not at fair value.
- Intangible assets and contingent liabilities are only recognised to the extent that they were recognised by the acquiree in accordance with applicable AASB's.
- No goodwill is recorded. The difference between the acquirer's cost of investment and the acquiree's equity is presented separately as a reserve.
- Any expenses of the combination are written off immediately in the statement of comprehensive income.
- Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place.

(B) FUNCTIONAL AND PRESENTATION CURRENCY

The individual financial statements of each entity in the Combined Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency. The Combined Groups functional currency is the Malaysian Ringgit.

For the purposes of the Prospectus, the presentation currency used is Australian Dollars. The financial results and the financial position of foreign entities whose functional currency is different to the presentation currency are translated as follows:

- Assets and liabilities are translated at period end exchange rates prevailing at reporting date. At 30 June 2016, the exchange rate used was \$1= RM3.1177; and
- Income and expenses and items appearing in the Historical Statements of Comprehensive income are translated at the average exchange rate for the period. The average exchange rates used were:
 - o Period ended 30 June 2016 \$1= RM3.0118
 - o Year ended 31 December 2015 \$1 = RM2.9286
 - o Year ended 31 December 2014 \$1 = RM2.9515
 - o Year ended 31 December 2013 \$1 = RM3.0535

(C) REVENUE AND OTHER INCOME

Revenue from Contracts with Customers

Revenue which represents income arising in the course of the Combined Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with the customer when or as the Combined Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with the customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with a customer exists when the contract has commercial substance, the Combined Group and its customer has approved the contract and intend to perform their respective obligations, the Combined Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Combined Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

Recognition and Measurement

At the inception of each contract with a customer, the Combined Group assesses the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with the customer is recognised. A performance obligation is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and/or implied in the Combined Group's customary business practices. A good or service is distinct if:-

- the customer can either benefit from the good or service on its own or together with other readily available resources; and
- the good or service is separately identifiable from other promises in the contract (e.g the good or service is not integrated with, or significantly modify, or highly interrelated with, other goods or services promised in the contract).

If a good or service is not distinct, the Combined Group combines it with other promised goods or services until the Combined Group identifies a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured at the amount of consideration to which the Combined Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Combined Group estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract. If a standalone selling price is not directly observable, the Group will need to estimate it using adjusted market assessment approach, expected cost plus a margin approach and residual approach.

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with the customer, the Combined Group determines whether control of the goods or services for each performance obligation is transferred over time or at a point in time.

Control over the goods or services are transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Combined Group's performance as the Combined Group performs;
- the Combined Group's performance creates or enhances a customer-controlled asset; or
- the Combined Group's performance does not create an asset with alternative use and the Combined Group has a right to payment for performance completed to date.

Revenue for a performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Specific revenue recognition criteria for each of the Group's activities are as described below.

(i) Revenue from software platform activation

Revenue from software platform activation is recognised upon the deployment of the platform's software and technology for the customer, namely the affiliate marketers who conduct offline and online marketing business. The deployment process is all of the activities undertaken to customise the software platform according to specific characteristics of the program performance incentives as stipulated in the contract with affiliates and to activate some form of command relating to software component for affiliates execution when using the software platform. The performance obligation is satisfied at a point in time upon completion of the software deployment process.

(ii) Revenue from training and business support tool kit and related material

Revenue is recognised upon provision of training and training materials to the new affiliates.

The performance obligation is satisfied at a point in time upon completion of the training course.

(iii) Revenue from licence right to access

The licence arrangement gives the affiliates the right to access the platform services as it exists over certain period of time granted under the contract. The Combined Group's performance obligation during the licensed period is provision of affiliate management services such as monitoring of transaction traffic conducted by referred customer and coordination and execution of compensation payment of program fee to affiliate based on affiliates' program performance incentive terms and to customer based on affiliate program incentive.

The revenue from licence right to access is recognised over time when the Combined Group met all the following criteria:-

- a. The Combined Group will undertake either contractually or based on customary business practices activities that significantly affect the software platform to which the affiliate has rights.
- b. The Combined Group's activities do not otherwise transfer a good or services to the affiliates as they occur.
- c. The rights granted by the licence directly expose the affiliates to both positive and negative effects of the activities on the software platform and the affiliates entered into the contract with the intent of being exposed to those effects.

Deferred revenue is licence fees received upfront and allocated to performance obligations in respect of software platform licences that are unsatisfied as at the end of the reporting period. Licences that provide access are performance obligations satisfied over time and, therefore, deferred revenue is recognised over the licence period.

(iv) Revenue from affiliate program

Revenue from affiliate programs is determined based on total discount rate allocated by the customer, namely the merchant (also known as retailer or brand) computed based on each successful sale transaction referred.

Sale of Goods

Revenue is measured at fair value of the consideration received and receivable and is recognised upon delivery of goods and customers' acceptance and, where applicable, net of returns and trade discounts.

Seminar and Event Activity Income

Seminar and event activity income is recognised upon rendering of services and when the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(D) FINANCIAL ASSETS

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value through Profit or Loss

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) Held-to-maturity Investments

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

As at the end of the reporting period, there were no financial assets classified under this category.

(E) FINANCIAL LIABILITIES

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(F) PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

COMPUTERS, HANDPHONES AND PRINTERS	20%
FURNITURE AND FITTINGS	10%
MERCHANT EQUIPMENT	10%
MOTOR VEHICLES	20%
OFFICE EQUIPMENT	10%
RENOVATION	10%
SIGNAGE	10%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

(G) IMPAIRMENT OF ASSETS

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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 through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Impairment of Non-Financial Assets

The carrying values of non-financial assets are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(H) LEASED ASSETS

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

(I) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

(J) INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(K) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

(L) EMPLOYEE BENEFITS

Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss, in the period in which the associated services are rendered by employees of the Group.

Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(M) SHARE-BASED PAYMENT

The Combined Group has issued share options prior to the listing. The fair value of the options granted is recognised as an expense through the income statement with a corresponding increase in equity. The fair value is measured at the grant date and spread over the vesting period during which the holder becomes unconditionally entitled to the options. The fair value of the options granted is measured using relevant valuation methodology, taking into account the terms and conditions upon which the options were granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant holders become fully entitled to the award ("vesting date"). The amount recognised as an expense is subsequently adjusted to reflect the actual number that vest.

(N) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the Property, plant and equipment is based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its Property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iii) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(iv) Allocation of the Transaction Price to the Performance Obligations

When the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

3.4 NOTES TO FINANCIAL INFORMATION

(A) BREAK DOWN OF NET PROFIT

Set out in the table below is a statement showing the breakdown of net profit of the Combined Group for Relevant Financial Periods and calculation of amount attributable to owners of the parent and non controlling interest:

NET PROFIT ATTRIBUTABLE TO:	REVIEWED PERIOD ENDED 30 JUNE 2016 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2015 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2014 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2013 \$'000
MEMBERS OF THE PARENT ENTITY				
• 100% OF NET LOSS OF I SYNERGY INTERNATIONAL (M) SDN.BHD	(542)	(1,010)	(645)	(249)
• 70% OF NET PROFIT OF I SYNERGY UNIVERSAL SDN.BHD	2,225	5,119	3,432	1,602
	1,683	4,109	2,287	1,353
NON-CONTROLLING INTEREST				
• 30% OF NET PROFIT OF I SYNERGY UNIVERSAL SDN.BHD	953	2,193	1,471	686

(B) RECONCILIATION OF ADJUSTMENTS TO CASH AND CASH EQUIVALENTS

Set out in the table below is a statement showing the reconciliation of the reviewed cash and cash equivalent balance as at 30 June 2016 and the proforma cash and cash equivalent balance:

	UNAUDITED PRO-FORMA MINIMUM \$'000	UNAUDITED PRO-FORMA MAXIMUM \$'000
CASH AT 30 JUNE 2016	7,658	7,658
<i>Adjustments arising in the preparation of the Pro-Forma Financial Statements are summarised as follows:</i>		
PROCEEDS FROM THE ISSUE OF 25,000,000 / 40,000,000 SHARES IN RELATION TO THE OFFER	5,000	8,000
PAYMENT OF SHARE ISSUE COSTS	(910)	(1,108)
	11,748	14,550

(C) RESERVES

	REVIEWED AS AT 30 JUNE 2016 \$'000	UNAUDITED PRO-FORMA CONSOLIDATED MINIMUM \$'000	UNAUDITED PRO-FORMA CONSOLIDATED MAXIMUM \$'000
RESERVES			
MERGER RESERVE	(1,157)	(1,157)	(1,157)
RETAINED EARNINGS	1,496	767	725
	339	(390)	(432)
RESERVES AT 30 JUNE 2016		339	339
<i>Adjustments arising in the preparation of the Pro-Forma Financial Statements are summarised as follows:</i>			
OFFERING EXPENSE		(230)	(233)
ADVISOR OPTION EXPENSE		(499)	(538)
		(390)	(432)
OPTION RESERVES		499	538

Using Black-Scholes option valuation methodology, the fair value of the Advisor Options to be issued has been calculated using the following inputs:

	ASSUMING MINIMUM SUBSCRIPTION	ASSUMING MAXIMUM SUBSCRIPTION
Number of Advisory Options	5,746,688	6,196,688
Value of underlying security	\$0.20	\$0.20
Exercise price	\$0.30	\$0.30
Option tenure (Year)	3	3
Expected volatility	100%	100%
Expected dividend yield	N/A	N/A
Risk free rate	1.58%	1.58%

4. INVESTIGATING ACCOUNTANT'S REPORT

**Crowe Horwath Perth**

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19 October 2016

The Directors**I Synergy Group Limited**

Ground Floor, 16 Ord Street
West Perth WA 6005

Investigating Accountant's Report**Independent Limited Assurance Report on I Synergy Group Limited Historical and Pro Forma Historical Financial Information**

We have been engaged by I Synergy Group Limited (the Company) to report on the historical financial information and pro forma historical financial information of the Company as at 30 June 2016 for inclusion in a Prospectus dated on or about 20 October 2016 in connection with the proposed offer of between 25,000,000 (Minimum Offer) and 40,000,000 (Maximum Offer) shares in the Company to the general public (Public Offer).

The Public Offer will raise a minimum of \$5.0 million and a maximum of \$8.0million (before costs of the Offer).

Expressions and terms defined in the Prospectus have the same meaning in this report.

SCOPE**Historical Financial Information**

You have requested Crowe Horwath Perth to review the following historical financial information included in the Prospectus:

- the reviewed Combined Statement of Comprehensive Income and Combined Statement of Cash Flows for the six month period ended 30 June 2016;
- the audited Combined Statement of Comprehensive Income and Combined Statement of Cash Flows for the years ended 31 December 2013, 31 December 2014 and 31 December 2015; and
- the reviewed Combined Statement of Financial Position as at 30 June 2016

The combined historical financial information is presented by the following entities:

- I Synergy International (M) Sdn Bhd; and
- I Synergy Universal Sdn Bhd.

Together referred to as "the Combined Group"

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The historical financial information for the six month period ended 30 June 2016 has been extracted from the Combined Groups financial statements which were audited by Crowe Horwath Perth in accordance with Australian Auditing Standards, and on which an unmodified opinion was issued.

The historical financial information for the years ended 31 December 2013, 2014 and 2015 has been extracted from the Combined Groups financial statements, which were audited by Crowe Horwath Perth in accordance with Australian Accounting Standards, and on which an unmodified audit opinion was issued.



The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested Crowe Horwath Perth to review the following pro forma historical financial information included in the Prospectus:

- the pro forma Combined Statement of Financial Position as at 30 June 2016.

The combined pro forma financial information is presented by the following entities:

- (a) I Synergy International (M) Sdn Bhd;
- (b) I Synergy Universal Sdn Bhd;
- (c) I Synergy Group Limited (incorporated 28 July 2016);
- (d) I Synergy (Singapore) Pte Ltd (incorporated 22 August 2016);and
- (e) I Synergy Consolidated Sdn Bhd (incorporated 24 August 2016)

Together referred to as "the Combined Group"

The pro forma historical financial information has been derived from the Historical Financial Information of the Combined Group after adjusting for the effects of pro forma adjustments described in Section 3 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the transactions to which the pro forma adjustments relate, as described in section 3 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Combined Group's actual or prospective financial position.

DIRECTORS' RESPONSIBILITY

The directors of the Company are responsible for the preparation of the historical financial information of the Combined Group and pro forma historical financial information, including its basis of preparation and the selection and determination of pro forma adjustments made to the historical financial Information and included in the pro forma historical financial information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement.

OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Our engagement did not involve updating or re-issuing any previously issued review or audit reports on any financial information used as a source of the financial information.

CONCLUSIONS

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information as described in Section 3 of the Prospectus, and comprising:

- the reviewed Combined Statement of Comprehensive Income and Combined Statement of Cash Flows for the six month period ended 30 June 2016;
 - the audited Combined Statement of Comprehensive Income and Combined Statement of Cash Flows for the years ended 31 December 2013, 31 December 2014 and 31 December 2015; and
 - the reviewed Combined Statement of Financial Position as at 30 June 2016.
- is not presented fairly, in all material respects, in accordance with the stated basis of preparation.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information as described in Section 3 of the Prospectus, and comprising the pro forma Combined Statement of Financial Position as at 30 June 2016 is not presented fairly, in all material respects, in accordance with the stated basis of preparation.

RESTRICTION ON USE

Without modifying our conclusions, we draw attention to Section 3 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

CONSENT

Crowe Horwath Perth has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

LIABILITY

The liability of Crowe Horwath Perth is limited to the inclusion of this report in the Prospectus. Crowe Horwath Perth makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

INDEPENDENCE AND DISCLOSURE OF INTEREST

Crowe Horwath Perth does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. Crowe Horwath Perth has been appointed auditors of I Synergy Group Limited.

CROWE HORWATH PERTH

SEAN MCGURK
Partner

5. RISK FACTORS

5. RISK FACTORS

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before deciding whether to apply for Shares.

There are specific risks which relate directly to the Company and its business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section 5, and other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

5.1 SPECIFIC RISKS

5.1.1 TAX EXEMPT STATUS

On 2 December 2011, the Company's subsidiary, ISU, was awarded Pioneer Multimedia Super Corridor Malaysia Status entitling ISU to, among other things, 100% tax exemption for up to 10 years on statutory business income from the Affiliate Junction platform, with eligibility to be reassessed after the first 5 years. Accordingly, on 2 December 2016, ISU will be reassessed by Multimedia Development Corporation to determine whether it remains eligible for a 100% tax exemption for a further 5 years. Renewal largely depends on the discretion of the authority and the Company cannot guarantee that a renewal will be obtained. If a renewal is not obtained, ISU will no longer benefit from the tax exemption and its bottom line profitability will therefore be adversely affected.

The usual tax rate on business income for ISU is 20% for the first RM 500,000, and 25% for any business income in excess of this. Accordingly, ISU has been exempt from the following amounts of tax over the past 3 financial years:

	FY 2013	FY 2014	FY 2015
Business income	RM 6,797,108	RM 14,670,069	RM 21,416,514
20% tax	RM 100,000	RM 100,000	RM 100,000
25% tax	RM 1,574,277	RM 3,542,517	RM 5,229,129
Total Tax Exemption	RM 1,674,277 (AUD\$ 548,314)	RM 3,642,517 (AUD\$ 1,234,124)	RM 5,329,129 (AUD\$ 1,819,685)

Note: The exchange rates used for the total tax exemption are the same as those used in Section 3.3 (B) for items in the Historical Statements of Comprehensive Income.

5.1.2 FUTURE PROFITABILITY OF ISI

Although the Group on a consolidated basis has made a profit in each of the past 3 financial years, ISI itself has recorded losses since its foundation in 2013 which are set out in Section 3.4 (A). ISI's future profitability may be impacted by, among other things, the success of its business strategies, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the future profitability of ISI, and its impact on the financial performance of the Group as a whole, cannot be readily predicted.

5.1.3 GROWTH AND EXPANSION RISKS

One of the Company's strategies moving forward is to continue to grow and expand, with an initial focus on Malaysia, Indonesia, Philippines and Australia. This expansion plan may place significant strain on the Company's managerial, operational and financial resources. Although the Company is confident about its prospects in these markets, there is no guarantee that the Company's growth and expansion strategies will be successful in any or all of these markets. The capacity of management to properly implement and manage the strategic direction of the Company will affect the Company's financial performance.

Further, the Company cannot give assurance that its personnel, systems, procedures and controls will be effectively replicated in new offices or will otherwise be adequate to support growth in new markets. The Company will, however, take steps to mitigate risks associated with growth and expansion, including by undertaking appropriate due diligence.

The Company's ability to retain existing customers will depend upon their satisfaction level with the Company's products and services. As the Company's operations expand, the Company may be unable to meet each and every customer's demands if it does not have adequate resources to do so. The Company intends to manage its growth rate to ensure it has sufficient resources to maintain high levels of customer service.

The Company may seek to develop products and services that allow it to enter into new markets beyond the affiliate market industry. Moving into new markets may require the Company to devote significant resources and incur considerable expenses. The potential demand for the Company's products and services in new markets is unknown and there is a risk that the Company may not be able to successfully commercialise its products and services and meet the needs of customers in these markets.

The Company also considers that the success of its research and development, and sales and marketing programs will impact on its ability to successfully grow and expand into existing and new markets.

5.1.4 COMPETITION AND NEW TECHNOLOGIES

The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Company.

The Company competes with other affiliate marketing companies who may introduce new products and services. While the Directors have no reason to believe that any of the Company's products and services will become obsolete, if these new products and services are superior or perceived to be superior to the Company's products and services, and if the Company is unable to offer these new products and services, then this may impact adversely on the Company's ability to compete in the market. Further expenditure on marketing and development may be required to make the Company's products and services commercially viable.

Competitors may attempt to compete with the Company directly through technological innovation, marketing or price discounting. The Company may fail to anticipate and adapt to technology changes or customer expectations.

5.1.5 SALES AND MARKETING SUCCESS

The Company intends to use some of the funds raised under the Offer on sales and marketing measures to continue to grow its business. By their nature, there is no guarantee that the Company's sales and marketing campaigns will be successful. In the event that they are not, the Company may encounter difficulty in creating market awareness of the I Synergy and Affiliate Junction brands, which would likely have an adverse impact on the Company's sales and profitability.

5.1.6 RESEARCH AND DEVELOPMENT RISK

In order to maintain the Company's competitive position in the market, the Company will undertake research and development from time to time, including on Affiliate Junction and new products. The Company considers R&D to be a key means by which it will sustain its market position and grow its business. There is a risk that despite significant time and expenditure being applied to R&D projects, certain projects may not result in an advancement of the Company's technology and products. There is no guarantee that the Company's R&D projects will be successful or prove to be commercially viable. The failure of an R&D project could have a materially adverse impact on the Company's operations and financial performance.

5.1.7 FAULTS WITH PRODUCTS AND SERVICES

Because the Company's products are technologically complex, errors or defects may be identified by the Company or its customers which could harm the Company's reputation and business. Technology-based products often contain undetected errors when first introduced or when new versions or enhancements are released.

Though the Company provides support to clients and is continuously updating and improving its products, there is a risk that the products provided are faulty or do not perform as intended. The Company has a strategy in place to ensure that such faults are resolved prior to being provided to the customer, but in instances where a fault still occurs it could adversely impact the Company's brand and reputation.

Customers may need to engage with the Company's customer service personnel in certain circumstances, such as if they have a question about its products or if there is a dispute. The Company will continuously need to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If the Company loses key customer service personnel, or fails to provide adequate training and resources for customer service personnel, or if the computer systems relied on by customer service personnel are disrupted by technological failures, this could lead to adverse publicity, litigation, regulatory inquiries or a decrease in customers, all of which may negatively impact on the Company's profitability.

5.1.8 REPUTATIONAL DAMAGE

Like most businesses, the Company's reputation is important for attracting and retaining customers. There is a risk that the Company's reputation could be tarnished by incidents such as negative publicity, negative feedback from customers, data security breaches or unforeseen events that negatively reflect on the Company, any of which may be outside the control of the Company. The Company operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. The occurrence of such incidents may result in the Company losing existing customers and failing to attract new customers, which is likely to adversely affect the Company's financial performance.

Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequentially increased compliance burden in responding to regulatory inquiries. This could negatively impact on the Company's performance.

5.1.9 SHARED OWNERSHIP OF ISU

Through its wholly owned subsidiary, I Synergy Consolidated Sdn Bhd (ISC), the Company has a 70% shareholding in I Synergy Universal Sdn Bhd, which owns the Affiliate Junction platform. The remaining 30% of the issued capital in ISU is held by Beyond Affluence Limited (Company No. 71678) (**Beyond Affluence**), a company registered in Samoa, who is a founding shareholder but is otherwise not related to the Company and has no active role in the administration of ISU. The relationship between ISC and Beyond Affluence with respect to ISU is governed by the ISU Shareholders Agreement which is summarised in Section 7.4.

The ISU Shareholders Agreement grants significant powers to the Company with respect to control of ISU which is reflective of the parties' intention that Beyond Affluence will continue to have a passive role in the affairs of ISU. Despite this, there is an inherent risk of default under or breach of the ISU Shareholders

Agreement which may impact on the Company's business. The Company notes, however, that it has no reason to believe that Beyond Affluence will breach the ISU Shareholders Agreement. The Company further notes that from 22 September 2021 it will have the right to acquire Beyond Affluence's shares in ISU at an agreed or independently determined price.

5.1.10 IT RISK AND HACKER ATTACKS

Any material damage or disruption to the Company's systems including Affiliate Junction may impair its ability to provide its programs and services and result in a significant disruption to its business and that of its customers. The disruption could arise as a result of events which are beyond the Company's control, such as internet network failure, improper or negligent operation of the Company's systems by employees, consultants or service providers, unauthorised physical or electronic access, general network failure or natural disasters. Any material damage to the Company's information technology systems may materially and adversely affect the Company's operations and financial performance.

In addition, the Company may be adversely affected by attacks and other forms of cybercrime, such as attempts by computer hackers to gain access to the Company's systems and databases that may cause its sites to fail and disrupt customers' dealings with the Company. Hacker attacks may also result in the leak of commercially sensitive information or private data (e.g. customer data), which could affect the Company's reputation and business. While the Company employs prevention measures and disaster recovery protocols, no assurance can be given that the Company's servers and production environment will not be adversely affected by malicious viruses and hackers.

5.1.11 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

To an extent, the value of the Company is dependent on the Company's ability to protect its intellectual property rights such as copyright and other rights in source code algorithms and other technology associated with the Affiliate Junction platform. If the Company fails to protect its intellectual property rights adequately, competitors may gain access to its technology which would in turn harm its business.

The Company does not consider that it would be successfully able to register patent protection over Affiliate Junction due to, among other reasons, it having already been commercialised. The Company notes that it decided not to seek patent protection due to the costs and time associated with such a process, and the uncertainty of the potential outcome. This opens the possibility for competitors to reverse engineer or copy the Company's technology, which could increase competition and adversely affect the Company's market share and performance.

Third parties may knowingly or unknowingly infringe on the Company's intellectual property rights. Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain and vary. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which its products are available. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

The Company is in the process of applying for trademark protection of 'I Synergy' and 'Affiliate Junction' in Malaysia. Unauthorised use of the 'I Synergy' or 'Affiliate Junction' brands in counterfeit products or services may not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.

5.1.12 INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS

There is a risk that a third party may allege that the Company has infringed on its intellectual property rights without consent or permission. Resolution of such claims may require protracted negotiation, litigation and the payment of damages. In addition, such claims may increase as the Company grows and expands its business into new markets. If the Company was found to have infringed a third party's intellectual property rights, the Company's operations and financial performance may be adversely affected.

5.1.13 INTERNATIONAL OPERATIONS

The Company currently operates in Malaysia, and intends to commence operations in Indonesia, Philippines and Australia following completion of the Offer. The Company will also consider expanding into other markets internationally in the future. Therefore, the Company will be exposed to risks relating to operating in those countries. Many of these risks are inherent in doing business internationally, and will include, but are not limited to:

- changes in the regulatory environment;
- trade barriers or the imposition of taxes;
- difficulties with staffing or managing any foreign operations;
- issues or restrictions on the free transfer of funds;
- technology export or import restrictions; and
- delays in dealing across borders caused by customers or regulatory authorities.

5.1.14 CONTRACT RISK

The Company is, and intends to be, party to a number of contracts with customers and service providers, under which it either provides products and services, or receives products and services, for the purposes of its operations. If one or more of these contracts were to be terminated as a result of, for example, default by a party, then the Company's operations and financial performance may be adversely impacted. In addition, if one or more of these contracts were not renewed upon expiry, and the Company was unable to enter into a similar contract with another party, then its operations and financial performance may also be adversely affected.

Further, the Company must ensure that its trade payables are aligned with its trade receivables to allow the Company to efficiently maintain its working capital. If customers make payments late or not at all, the Company's working capital will be affected and it may materially impact on the Company's ability to pay its creditors. This could create solvency issues for the Company, or otherwise affect the Company's operations and performance.

The Company is typically engaged by Advertisers on an 'as needed' basis for specific advertising campaigns. In this sense, the Company is involved in short term engagements with advertisers and affiliates are sourced for the specific advertising campaigns. The Company is not party to any specific long term or major contracts with advertisers that provide the Company with a continuing source of ongoing revenue to underpin its operating performance. The Company's ongoing revenue and operating performance is accordingly dependent on continuing to generate new business under advertising contracts, either from existing clients (e.g. for new products or services) or new clients. Failure to continue to enter into new advertising contracts may negatively affect the future financial performance of the Company.

5.1.15 FRAUD

The Company is exposed to the risk that counterparties with which it deals, including customers, may act fraudulently. Potential fraudulent behaviour may include clients conspiring to induce the Company to advance funds to a non-existent or insolvent entity. The Company relies on its internal systems to detect potential fraud. However, any failure of these internal systems to detect fraud could result in losses to the Company which could materially adversely affect the Company's financial and operational performance.

5.1.16 PRIVACY CONCERNS

Regulations in various jurisdictions limit tracking and collection of personal identification and information. If the Company breaches such regulations, the Company's business, reputation, financial position and financial performance may be detrimentally affected. External events may also cause regulators to amend regulations in respect of the collection and use of user information. Any amended regulations may introduce controls which make the operation of certain types of tracking technologies unusable which could damage the Company's financial position and financial performance by adding costs to the Company through the requirement to develop and implement new technologies.

5.1.17 LIMITED TRADING HISTORY

The Company has limited trading history and there is therefore uncertainty in relation to its business, and investors should consider the Company's prospects in light of its limited financial history. In addition, there is no guarantee that the Company will be able to successfully develop or commercialise its products and if it is unable to do so it will not be able to realise significant revenues in the future.

5.1.18 GOVERNMENT POLICY CHANGES AND LEGAL RISK

Government action or policy changes (in particular, by the government of Malaysia) in relation to aspects such as access to intellectual property protection, trade restrictions, and taxation may adversely affect the Company's operations and financial performance.

The Company's operations in Malaysia, and other countries in which it operates, will be governed by a series of laws and regulations in those countries. Breaches or non-compliance with these laws and regulations could result in penalties and other liabilities. These may have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price of the Company.

These laws and regulations may be amended from time to time, which may also have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price for the Company. The legal and political conditions of Malaysia and other countries (as may be or become relevant to the Company) and any changes thereto are outside the control of the Company.

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and the value of its Shares. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

5.1.19 RELIANCE ON KEY PERSONNEL

The Company's success is to a large extent dependent upon the retention of key personnel, in particular, its founder and Managing Director, Dato' Teo Chee Hong, as well as other members of the senior management team and Directors. There is no assurance that engagement contracts for such personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Company would need to replace them which may not be possible if suitable candidates are not available. As a result, the Company's operations and financial performance would likely be adversely affected.

5.1.20 CONCENTRATION OF OWNERSHIP OF SHARES

Upon completion of the Offer, the Managing Director, Dato' Teo Chee Hong, will have a 145,083,592 Shares representing voting power of 75.4% (assuming Minimum Subscription) to 69.9% (assuming Full Subscription) of the Shares and voting rights in the Company. Further, Dato' will hold 600,000 Incentive Options and 600,000 Performance Rights.

Therefore, where he is not excluded from voting, Dato' will have significant influence over matters requiring the approval of Shareholders, including the election of Directors, and in doing so may not vote in the interests of other minority Shareholders. This concentration of ownership could also discourage, delay or prevent a takeover offer for, or other change in control of, the Company which may deprive Shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company.

It should be noted, however, that of the Shares that Dato' will have a relevant interest in, 66,000,000 Shares will be held via an entity called Capz Venture Sdn Bhd. Dato' only holds a 51% shareholding interest in this entity.

5.1.21 TRADE LIQUIDITY AND ESCROW EXPIRY

In the event ASX determines that ASX will impose mandatory escrow on the Company's securities, a high proportion of Shares may be subject to escrow following completion of the Offer. This would reduce liquidity in the market for the Company's Shares, and may affect the ability of a Shareholder to sell some or all of its Shares due to the effect less liquidity may have on demand. An illiquid market for the Company's Shares is likely to have an adverse impact on the Share price.

Following the end of any escrow periods, a significant portion of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price. See Section 1.7 for further information on possible escrow arrangements.

5.1.22 FOREIGN EXCHANGE RISK

The Company's costs and expenses in Malaysia are denominated in MYR. Accordingly, the depreciation of the Australian dollar, or the appreciation of the MYR relative to the Australian dollar, would result in a translation loss on consolidation which is taken directly to shareholder equity. In addition, after listing, the Company's financial reports will be denominated in Australian dollars. Any depreciation of the MYR relative to the Australian dollar may result in lower than anticipated revenues or profits.

The Company will be exposed to foreign exchange risks between the Australian dollar and the MYR on an ongoing basis and, accordingly, it will have to continuously monitor this risk. Any change in the ability to convert the MYR to Australian dollars due to currency control may have an adverse effect on the financial position of the Company from time to time.

5.1.23 INSURANCE COVERAGE

The Company intends to maintain adequate insurance over its operations within the ranges that the Company believes to be consistent with industry practice and having regard to the nature of its activities. However, the Company may not be insured against all risks because, for instance, appropriate cover is not available, or the Directors consider the required premiums to be excessive having regard to the benefits they provide.

5.1.24 ACQUISITIONS

The Company may make acquisitions of, or significant investments in, companies, products, technologies and products that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

5.1.25 LITIGATION

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

5.1.26 UNFORESEEN EXPENDITURE RISK

Expenditure may need to be incurred that has not been taken into account in this Prospectus. Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

5.1.27 FUTURE FUNDING NEEDS

The funds raised under the Offer are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed to develop new and existing products, or acquire complementary businesses and technologies. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

5.2 GENERAL RISKS

5.2.1 INVESTMENT RISK

The Shares to be issued under this Prospectus should be considered highly speculative. There is no guarantee as to the payment of dividends, return of capital or the market value of the Shares from time to time. The price at which an investor is able to trade the Shares may be above or below the price paid for Shares under the Offer. Whilst the Directors commend the Offer, investors must make their own assessment of the risks and determine whether an investment in the Company is appropriate in their own circumstances.

5.2.2 SHARE MARKET

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions may cause the Shares to trade at prices below the price at which the Shares are being offered under this Prospectus. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if the Company's earnings increase. Some factors include, but are not limited to, the following:

- the general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities; and
- other factors beyond the control of the Company.

5.2.3 ECONOMIC AND GOVERNMENT RISKS

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the affiliate marketing industry including, but not limited to, the following:

- general economic conditions in jurisdictions in which the Company operates;
- changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- the strength of equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- natural disasters, social upheaval or war in jurisdictions in which the Company operates.

5.2.4 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

5.2.5 ACCOUNTING STANDARDS

Australian Accounting Standards are set by the Australian Accounting Standards Board (AASB) and are outside the control of the Directors and the Company. Changes to accounting standards issued by AASB could materially adversely affect the financial performance or financial position of the Company.

5.2.6 FORCE MAJEURE

Events may occur within or outside the markets in which the Company operates that could impact upon the global, Australian and Malaysian economies, the operations of the Company and the market price of its Shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labor strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially and adversely affected if any of the events described above occur.

5.3 OTHER RISKS

This list of risk factors above is not an exhaustive list of the risks faced by the Company or by investors in the Company. The risk factors described in this Section 5 as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its Shares. Therefore, the Shares offered under this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares under this Prospectus.

6. KEY PERSONS AND CORPORATE GOVERNANCE



6. KEY PERSONS AND CORPORATE GOVERNANCE

6.1 BOARD OF DIRECTORS

Among other things, the Board is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

Collectively, the Directors have significant experience in the marketing and technology industries. Brief profiles of the Directors are set out in Section 6.2.

6.2 DIRECTOR PROFILES

RICHARD SYMON

NON-EXECUTIVE CHAIRMAN

Richard has over 20 years of experience as a director and chairman of ASX listed companies. He currently acts as Deputy Chairman of Variety the Children's Charity (Vic). Prior to this, Richard acted as executive chairman and director for MDS Financial Group Ltd (now known as Sequoia Financial Group (ASX:SEQ)). Before joining MDS Financial Group, Richard was CEO of the National Stock Exchange of Australia (ASX:NSX).

Richard also co-founded and was CEO of Sharetrade Australian Stockbroking Ltd which was taken over by eCorp, and merged to bring Charles Schwab to Australia in 2000. Richard has previously served as executive director of the Securities and Derivatives Industry Association (now Stockbrokers Association of Australia) and the full service stockbroker Prudential-Bache Securities.

Richard is a fellow of FINSIA, Master Stockbroker (MSAA), Deputy Chairman of Variety the Children's Charity (Vic) and Chairman of the Financial Services Foundation, a Melbourne-based organisation supporting children's charities.

Richard was appointed as a Director on 28 July 2016.

DATO' TEO CHEE HONG

MANAGING DIRECTOR

Dato' is the founder of I Synergy. His innovation in introducing the concept of affiliate marketing in Malaysia marks him as the pioneer of the Malaysian affiliate marketing industry. Dato' has over 13 years of experience in creative and strategic planning where he specialises in the integration of affiliate marketing solution to businesses. As an innovative entrepreneur; Dato' has significant presence in the brick & mortar business industry and he has been featured on various national media outlets to share his expertise and views on the industry.

For his outstanding leadership, achievements and business excellence, Dato' has been awarded with various prestigious awards including being the top nominee for Emerging Entrepreneur category of EY Entrepreneur Of The Year™ (EOY) Malaysia Awards 2014, Global Leadership Awards 2014: Master Class Entrepreneur of the Year, Most Promising Entrepreneurship Award in Asia Pacific Entrepreneurship Award (APEA) 2013 and ASEAN Outstanding Business Award (AOBA) 2013: Master Class Award – Emerging Entrepreneur of the Year.

Dato' is an active member of the Malaysian Retail Chain Association (MRCA), ASEAN Retail-Chains Franchise Federation (ARFF) and has strong networks within the retail industry. Dato' is also an adviser to a prominent Malaysian angel investment platform. Dato' holds a Bachelor of Engineering (Electrical-Instrumentation and Control) from the University of Technology, Malaysia. Dato' was appointed as a Director on 28 July 2016.

ENG GUO MIAO

EXECUTIVE DIRECTOR (CHIEF FINANCIAL OFFICER)

With over 8 years of experience in the finance industry, Eng is responsible for the Company's financial strategies by forecasting capital requirements and developing action plans. Eng specialises in identifying the Company's key growth prospects through his expertise in analysing financial and accounting information, and his comprehensive knowledge of economic trends and revenue opportunities.

Eng is a Chartered Accountant of the Malaysian Institute of Accountants and an Associate Member of the Association of Chartered Certified Accountants. He holds a Bachelor of Science in Applied Accounting from Oxford Brookes University, England.

Eng was appointed as a Director on 28 July 2016.

ILMARS DRAUDINS

NON-EXECUTIVE DIRECTOR

With a career spanning over 25 years in the service and information technology sectors plus another 20 years of investment banking experience, Ilmars has used his expertise to add value to many high growth companies. A particular focus is to develop appropriate strategies which will assist high growth companies to achieve their potential. One key aspect is the ability to raise capital through an extensive network of investors, market participants and alliance partners. Ilmars has a great deal of experience in general management, senior project management, selling, marketing, capital raising, IPOs and strategic consulting.

He has lead numerous teams that have successfully conducted IPOs, private placements, capital raisings, M&A project work, commercialisation strategies and involvement in the strategic growth of companies and realising value for shareholders. He also has involvement with Asian companies and assisting them with their strategies and their Australian presence.

Ilmars is a director and chair of a number of private and public companies and uses his experience to assist these companies with their strategic direction and execution. Ilmars is also a NOMAD (i.e. nominated adviser) for the NSX and the Responsible Manager for 2 Australian financial services licencees. The extensive network and range of contacts that Ilmars has developed provide further assistance to these companies and their growth strategies.

He holds a Bachelor of Engineering (University of NSW), a Master of Business Administration (Monash University), a Certificate III in Financial Markets (Securities Institute) and a Certificate in Direct Marketing (Association for Data-driven Marketing and Advertising).

Ilmars was appointed as a Director on 28 July 2016.

6.3 SENIOR MANAGEMENT TEAM

The Board has delegated responsibility for the business operations of the Company to the senior management team. The senior management team, led by the Managing Director, is accountable to the Board. Brief profiles of the persons comprising the senior management team are set out below.

DATO' TEO CHEE HONG

MANAGING DIRECTOR

See Section 6.2.

ENG GUO MIAO

EXECUTIVE DIRECTOR (CHIEF FINANCIAL OFFICER)

See Section 6.2.

ONG HAN KEONG

CHIEF BUSINESS OFFICER

Ong has over 8 years of experience in business operations and project development across various industries. He is responsible for overseeing the Company's planned international expansion into new markets. Ong is also responsible for leading the Company's product development and administration teams.

CHU CHUNG PIOW

CHIEF OPERATING OFFICER

Chu has experience in both technology start-ups and established companies where he has led and built successful sales and marketing teams. Chu also has experience developing and coordinating sales channels. Chu is responsible for managing the Company's relationships with its affiliates and advertisers in order to ensure the highest network standards are maintained.

6.4 COMPANY SECRETARY PROFILE**JOEL IVES**

COMPANY SECRETARY

Joel holds a Bachelor of Commerce from the University of Western Australia and is an associate of the Institute of Chartered Accountants. After graduating from university he started his career in audit and compliance with a mid-tier accounting firm. During this time, Joel developed extensive mining, resources and technology experience from working with a number of junior to medium sized companies. Since 2015, Joel has been involved in a number of ASX-listed junior transactions. Joel is also a joint company secretary of ASX listed company, Latitude Consolidated Limited.

6.5 COMPOSITION OF THE BOARD

The Board currently comprises of 4 members, including two Non-Executive Directors (including the Non-Executive Chairman) and two Executive Directors.

The Board considers an independent Director to be a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that Director's judgment. The Company considers Richard Symon and Ilmars Draudins to be independent Directors.

Although the Chairman is an independent Director, the composition of the Company's Board will not initially be in line with the recommendations of the ASX Corporate Governance Council as a majority of its members will not be independent Directors. The Company has at this stage decided to select directors with the expertise and experience to support the Company's business strategy rather than strictly adhere with this recommendation. The Company will consider ways of restructuring its Board in the future to ensure that a majority of its members are independent.

6.6 INTERESTS OF DIRECTORS

Other than as disclosed in this Prospectus, no existing or proposed Director holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer or Vendor Offer; or
- the Offer or Vendor Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing or proposed Director for services in connection with the formation or promotion of the Company or the Offer or ISH Offer, or to induce them to become, or qualify as, a Director.

6.6.1 SHAREHOLDING REQUIREMENTS

Although all Directors will hold Shares upon completion of the Offer, Directors are not required to hold any Shares under the Constitution of the Company.

6.6.2 DIRECTORS' SECURITY HOLDINGS

Set out below are the anticipated relevant interests of the Directors in the Shares of the Company upon completion of the Offer.

DIRECTOR	SHARES	VOTING POWER	
		MINIMUM SUBSCRIPTION	FULL SUBSCRIPTION
Richard Symon	120,000	0.06%	0.06%
Dato Teo Chee Hong ¹	145,083,592	75.4%	69.9%
Eng Guo Miao ²	395,000	0.2%	0.2%
Ilmars Draudins	90,000	0.05%	0.04%
Total	145,688,592	75.7%	70.2%

Notes:

1. Dato' Teo Chee Hong's interest arises through the 50,746,192 Shares held in his name, his 100% shareholding interest in Time Guardian Ventures Limited (22,337,400 Shares), his 99% shareholding interest in Tripple Gem Sdn Bhd (6,000,000 Shares) and his 51% shareholding interest in Capz Venture Sdn Bhd (66,000,000 Shares).

2. Eng Guo Miao also has a 15% shareholding interest in Capz Venture Sdn Bhd which holds 66,000,000 Shares. This interest is not reflected in the table above as it is less than 20% and Eng is a minority shareholder in that Company.

3. The table assumes that no Directors apply for Shares under the Offer. The relevant interest of a Director in Shares, and its voting power, will increase to the extent that the Director applies for, and is issued, Shares under the Offer.

Set out below are the anticipated relevant interests of the Directors in other securities of the Company upon completion of the Offer.

DIRECTOR	INCENTIVE OPTIONS ¹	PERFORMANCE RIGHTS ²
Richard Symon	600,000	-
Dato Teo Chee Hong	600,000	600,000
Eng Guo Miao	450,000	-
Ilmars Draudins	300,000	-
Total³	1,950,000	600,000

Notes:

1. See Section 8.2 for full terms and conditions of the Incentive Options.
2. See Section 8.4 for full terms and conditions of the Performance Rights.
3. All Incentive Options and Performance Rights are to be issued under the Employee Incentive Scheme.

6.6.3 DIRECTORS' REMUNERATION

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Directors prior to the first annual general meeting. The aggregate remuneration for all non-executive directors has been set at an amount of \$300,000 per annum by the Directors. The remuneration of the Directors must not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the proposed increase has been given to Shareholders in the notice convening the meeting.

Set out below is the initial remuneration payable by the Company to each Director.

DIRECTOR	ROLE	ANNUAL SALARY (PLUS ANY STATUTORY SUPERANNUATION)	SECURITIES ¹
Richard Symon	Non-Executive Chairman	\$48,000	120,000 Shares 600,000 Incentive Options
Dato Teo Chee Hong ²	Managing Director	\$216,800	600,000 Incentive Options 600,000 Performance Rights
Eng Guo Miao ³	Executive Director (Chief Financial Officer)	\$54,700	450,000 Incentive Options
Ilmars Draudins	Non-Executive Director	\$36,000	90,000 Shares 300,000 Incentive Options

Notes:

1. See Section 8.2 for full terms and conditions of the Incentive Options, and Section 8.3 for full terms and conditions of the Performance Rights.
2. Dato Teo Chee Hong's salary comprises of A\$36,000 in director's fees, and RM 572,400 (approximately A\$180,800) in wages. A summary of the Company's employment agreement with Dato Teo Chee Hong is set out in Section 7.1.
3. Eng Guo Miao's salary comprises of A\$12,000 in director's fees, and RM 135,600 (approximately A\$42,700) in wages. A summary of the Company's employment agreement with Eng Guo Miao is set out in Section 7.1.

6.7 RELATED PARTY ARRANGEMENTS

Leases with Tripple Gem Sdn Bhd

The Group has entered into two lease agreements for the use of business premises in Kuala Lumpur, Malaysia with Tripple Gem Sdn Bhd (Tripple Gem). Tripple Gem is a related party of the Company as it is controlled by Dato' Teo Chee Hong, who is the Managing Director of the Company. The term of both lease agreements will continue up to 30 November 2017, during which the Group will pay Tripple Gem a combined total rent of RM30,900 per month.

6.8 CORPORATE GOVERNANCE

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with the Corporate Governance Principles and Recommendations (3rd Edition) published by ASX Corporate Governance Council (**Recommendations**).

The Board has adopted the following suite of corporate governance policies which are available on the I Synergy Website:

- Board Charter
- Corporate Code of Conduct
- Audit And Risk Committee Charter
- Remuneration Committee Charter
- Nomination Committee Charter
- Continuous Disclosure Policy
- Risk Management Policy
- Remuneration Policy
- Trading Policy
- Diversity Policy
- Shareholder Communications Strategy
- Performance Evaluation Procedures

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

Following admission to the official list of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. As at the date of this Prospectus the Company complies with the Recommendations other than to the extent set out below.

RECOMMENDATION	EXPLANATION FOR NON-COMPLIANCE
2. Structure the Board to Add Value 2.4 A majority of the board of a listed entity should be independent directors.	The Board currently consists of 2 executive directors and 2 non-executive directors, of which 2 are considered by the Board to be independent directors. As a small entity, the Company has at this stage decided to select directors with the expertise and experience to support the Company's business strategy rather than strictly adhere strictly with this recommendation. The Company will consider ways of restructuring its Board in the future to ensure that a majority of its members are independent.
4. Safeguard integrity in Financial Reporting 4.1 The board of a listed entity should: (a) have an audit committee which: (i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of the audit committee are undertaken by the Board. The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the I Synergy Website. When the Board meets as an audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board. The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the I Synergy Website.

RECOMMENDATION	EXPLANATION FOR NON-COMPLIANCE
7. Recognise and Manage Risk	
7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least 3 members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework. When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the I Synergy Website.
7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company does not currently have an internal audit function however, following admission to the Official List of the ASX the Company will consider establishing an internal audit function in the future should the need arise. The Company monitors, evaluates and improves its risk management and internal control processes in line with the processes set out in its Risk Management Policy. A copy of this policy is available at the I Synergy Website.

RECOMMENDATION	EXPLANATION FOR NON-COMPLIANCE
8. Remunerate fairly and responsibly 8.1 The board of a listed entity should: (a) have a remuneration committee which: (i) has at least 3 members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board. The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the I Synergy Website. When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the I Synergy Website.

7. MATERIAL CONTRACTS



7. MATERIAL CONTRACTS

Set out in this Section 7 is a summary of the material contracts to which the Company or another member of the Group is a party that may be material in terms of the Offer or Vendor Offer, for the operation of the business of the Company, or otherwise may be relevant to a potential investor in the Company.

The whole of the provisions of the contracts are not repeated in this Prospectus and any intending applicant who wishes to gain a full knowledge of the content of the material contracts should inspect the same at the registered office of the Company.

7.1 EXECUTIVE AGREEMENTS

DATO' TEO CHEE HONG

MANAGING DIRECTOR

Dato' Teo Chee Hong is engaged as the Company's Managing Director (Chief Executive Officer) pursuant to an employment agreement with the Company.

As the Managing Director, Dato' will not be subject to the usual requirement of directors to stand for re-election in accordance with the rotation of directors requirements.

The employment agreement will commence on the date the Company is listed on the ASX and continue until it is terminated in accordance with its terms.

His annual remuneration package is made up of director's fees of \$36,000 and an annual salary of RM572,400 (together totaling approximately \$216,800), plus any statutory superannuation. Dato' will also receive an initial issue of 600,000 Incentive Options and 600,000 Performance Rights.

As Managing Director, Dato' will, among other things:

- report to the Board;
- be engaged as a full-time employee of the Company and must donate the whole of his time, attention and skill to the duties of his position and the business of the Company;
- be responsible for effectively managing the Company including organisation, planning, leading, motivating and coordinating the activities of the Company to reach pre-set objectives which are determined from time to time by the Board;
- perform his duties in a proper and reasonable manner, with the standard of diligence normally exercised by a person bearing comparable qualifications in the performance of comparable duties, and in accordance with generally accepted practices and standards appropriate to those duties and that industry; and
- obey all reasonable and lawful directions given to him by or under the authority of the Board, and use his best endeavours to promote interests of the Company.

Either party may terminate the agreement without cause by providing the other party with no less than 6 months' notice in writing.

The Company may terminate the agreement by summary notice to Dato' with cause in circumstances considered standard for agreements of this nature in Australia.

Dato' is subject to restrictions in relation to the solicitation of employees and customers, the use of confidential information (including know-how) and being directly involved in competing businesses for a period of 1 year from termination of the agreement.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

ENG GUO MIAO**EXECUTIVE DIRECTOR (CHIEF FINANCIAL OFFICER)**

Eng Guo Miao is engaged as an Executive Director (Chief Financial Officer) pursuant to an employment agreement with the Company.

The employment agreement will commence on the date the Company is listed on the ASX and continue until it is terminated in accordance with its terms.

His annual remuneration package is made up of director's fees of \$12,000 and a salary of RM135,600 (together totaling approximately \$54,700), plus any statutory superannuation. Eng will also receive an initial issue of 450,000 Incentive Options.

In his role as Executive Director (Chief Financial Officer), Eng will, among other things:

- report to the Board and the Chief Executive Officer;
- be engaged as a full-time employee of the Company and must dedicate the whole of his time, attention and skill to the duties of his position and the business of the Company;
- effectively manage the strategic and operational aspects of the Company's financial affairs including management of the Company's financial risks, investments, capital structure, financial planning, financial record keeping, budgeting, financial reporting and day to day financial matters and to communicate information about financial issues, decisions and recommendations to the Board;
- be an integral part of the senior management team of the Company, providing expertise to the chief executive officer, other senior staff and the Board on the financial affairs of the Company;
- perform his duties in a proper and reasonable manner, with the standard of diligence and care normally exercised by a person bearing comparable qualifications in the performance of comparable duties and in accordance with generally accepted practices and standards appropriate to those duties and that industry; and
- obey all reasonable and lawful directions given to him by or under the authority of the Board, and use his best endeavours to promote interest of the Company.

Either party may terminate the agreement without cause by providing the other party with no less than 6 months' notice in writing.

The Company may terminate the agreement by summary notice to Eng Guo Miao with cause in circumstances considered standard for agreements of this nature in Australia.

Eng Guo Miao is subject to restrictions in relation to the solicitation of employees and customers, the use of confidential information (including know-how) and being directly involved in competing businesses for a period of 1 year from termination of the agreement.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

7.2 SALE AGREEMENTS

To implement the corporate restructure referred to in Section 2.2, the Company entered into the ISU Sale Agreement and ISI Sale Agreement.

ISU Sale Agreement

On 22 September 2016, the Company entered into a share purchase agreement with ISC and Dato' Teo Chee Hong, under which ISC acquired 70% of the issued capital in ISU (**ISU Sale Agreement**). The key terms of the ISU Sale Agreement are summarised below.

- (a) Dato' transferred 70,000 ordinary shares in ISU, comprising 70% of the issued capital in ISU, to ISC on 22 September 2016.
- (b) As consideration for transferring 70% of the issued capital in ISU, Dato' was issued 16,556,292 Shares.
- (c) If the Offer does not complete by 31 December 2016 or any other date agreed by the parties, transactions which complete under the agreement are to be unwound.
- (d) The agreement contains other standard provisions, including warranties and indemnities given by Dato' in favour of the Company and ISC.

ISI Sale Agreement

On 22 September 2016, the Company entered into a share purchase agreement with ISC and ISH, under which ISC acquired all of the issued capital in ISI (**ISI Sale Agreement**). The key terms of the ISI Sale Agreement are summarised below.

- (a) ISH transferred 100,000 ordinary shares in ISI, comprising all of the issued capital in ISI, to ISC on 22 September 2016.
- (b) As consideration for transferring all of the issued capital in ISI, ISH (or its nominees) is entitled to be issued 150,000,000 Shares, which is deferred until completion of the Offer. Prior to completion of the Offer, ISH will direct the Company to issue these Shares to the ISH Shareholders to effect an in-specie distribution previously approved by the ISH Shareholders in general meeting. The Shares will be issued under the Vendor Offer which is discussed further in Section 1.1.
- (c) The issue of Shares to the ISH Shareholders is subject to ISH obtaining court approval in Malaysia for the capital reduction being undertaken to effect the in-specie distribution. Approval is anticipated to be received prior to the Company listing on the ASX.
- (d) If the Offer does not complete by 31 December 2016 or any other date agreed by the parties, transactions which complete under the agreement are to be unwound.
- (e) The agreement contains other standard provisions, including warranties and indemnities given by ISH in favour of the Company and ISC.

7.3 PLATFORM LICENCE DEED

On 22 September 2016, ISI and ISU entered into a platform licence deed (**Platform Licence Deed**), under which ISU agrees to grant ISI a non-exclusive worldwide licence to use and exploit Affiliate Junction (**Platform**). The key terms of the Platform Licence Deed are summarised below.

- (a) The Platform Licence Deed commences on the date the Company lists on the ASX, and will continue until terminated in accordance with its terms.
- (b) As consideration for the licence, ISI will pay ISU a monthly licence fee and an annual licence fee.
- (c) The monthly licence fee is calculated in accordance with the following formula:

$$\text{MONTHLY LICENCE FEE} = (M \times 2,850) + (AC \times 600) + (AP \times 1,800) + (AE \times 6,600)$$

Where:

MLF = the Monthly Licence Fee payable in Malaysian Ringgits

M = the number of 'merchant' accounts activated in the relevant calendar month

AC = the number of 'affiliate – classic' accounts activated in the relevant calendar month

AP = the number of 'affiliate – premium' accounts activated in the relevant calendar month

AE = the number of 'affiliate – elite' accounts activated in the relevant calendar month

- (d) The annual licence fee is calculated in accordance with the following formula:

$$\text{ANNUAL LICENCE FEE} = (M \times 120) + (AC \times 50) + (AP \times 50) + (AE \times 50)$$

Where:

ALF = the Annual Licence Fee payable in Malaysian ringgits

M = the total number 'merchant' accounts were active in the relevant calendar year

AC = the number of 'affiliate – classic' accounts active at some stage in the relevant calendar year

AP = the number of 'affiliate – premium' accounts active at some stage in the relevant calendar year

AE = the number of 'affiliate – elite' accounts active at some stage in the relevant calendar year

- (e) The monthly and annual licence fees are to be reviewed on an annual basis.
- (f) ISU is required to maintain and develop the Platform, and provide support and technical assistance to ISI.
- (g) All intellectual property rights in the Platform vest absolutely in ISU.
- (h) ISI can terminate the Platform Licence Deed by giving 20 business days' written notice to ISU.
- (i) ISU can only terminate the Platform Licence Deed by either mutual agreement with ISI or if ISI commits a serious or persistent breach of the Platform Licence Deed and fails to remedy that breach within 40 business days of ISU providing written notice of the breach.
- (j) The deed contains other standard provisions, including warranties and indemnities given by ISI and ISU to one another.

7.4 ISU SHAREHOLDERS AGREEMENT

The two shareholders of ISU, I Synergy Consolidated Sdn Bhd (ISC) and Beyond Affluence Limited (**Beyond Affluence**), entered into a shareholders agreement (**ISU Shareholders Agreement**) on 22 September 2016. ISC holds 70% of the issued shares in ISU whereas Beyond Affluence holds 30%.

The ISU Shareholders Agreement regulates and determines the rights and obligations of the parties as shareholders of ISU. To the extent that it conflicts with the Memorandum and Articles of Association of ISU, the ISU Shareholders Agreement prevails.

The key terms and conditions of the ISU Shareholders Agreement are as follows:

- (a) Written approval by shareholders with an aggregate shareholding percentage in ISU of at least 50% must be obtained for, among other things:
 - (i) any guarantee, bonds, indemnities, securities or borrowings and any other arrangements or transactions not in the ordinary course of business;
 - (ii) approving the annual business plan, including manufacturing, sales, investments and/or raising funds;
 - (iii) amalgamation, consolidation, merger or winding up;
 - (iv) the remuneration of the chairman, directors, company secretary or auditors of ISU;
 - (v) any capital expenditure exceeding RM100,000 not included in the business plans that have been approved by the board, in one transaction or in a series of similar transactions;
 - (vi) any contracts that exceed the value of RM100,000; and
 - (vii) any material changes in the organization or management.
- (b) The board of directors of ISU (ISU Board) will consist of 2 directors, both of whom are nominated by ISC.
- (c) ISC will have control of the management and day to day running of ISU.
- (d) Neither party may sell, assign, transfer, give or otherwise dispose of any shares, beneficially owned by it, nor in any way charge, pledge or otherwise encumber the shares to any third party, unless the other parties to the agreement are given first right of refusal.
- (e) Where shares in ISU Shares are sold the selling price will be determined by the ISU Board.
- (f) Beyond Affluence irrevocably grants to ISC the option to require Beyond Affluence to sell (free from encumbrances) all of Beyond Affluences' shares in ISU to ISC at any time after 22 September 2021. The exercise price of the ISU Option will be determined by mutual agreement between the parties or, failing an agreement, by an independent third party.
- (g) To the extent that ISU's profits are not required for the continuing day to day operations of ISU, profits shall be distributed in the form of dividends as approved by the ISU Board.

- (h) Where a party:
- (i) breaches this Shareholders Agreement and does not remedy such breach within 30 days after the breach;
 - (ii) is subject to a winding up order, or a receiver/manager is appointed over that party's affairs;
 - (iii) becomes unable to pay its debts within the meaning of the Act;
 - (iv) being an individual becomes bankrupt;
 - (v) has a distress or execution or other court order levied upon any of its property, and such order is not satisfied within 7 days from the date of the court order;
 - (vi) has any licence, approval, waiver or authorisation, necessary for the party to enter this Shareholders Agreement or perform its obligations under this Shareholders Agreement, withdrawn or modified, and such withdrawal or modification makes it impossible for that party to perform its obligations under the Agreement; or
 - (vii) is in breach of its confidentiality obligations under this Shareholders Agreement, then the other party may serve a sale request forcing the party in breach to issue a sale notice to forfeit all their shares in ISU. The forfeited shares will be offered to the non-breaching shareholder.
- (i) All information, inventions, processes and other technical knowledge, data and material which ISU invents, makes or discovers in the course of business will belong to ISU.
- (j) The agreement is governed by the laws of Malaysia.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature.

7.5 BROKER MANDATE

The Company has engaged Novus Capital Pty Ltd (**Novus Capital**) as the exclusive sponsoring broker to the Offer.

Under the mandate, Novus Capital will, among other things:

- advise and corporately assist the Company in relation to the Offer and subsequent quotation on the ASX;
- arrange and coordinate the appointment of any additional professional adviser and other book build parties necessary to complete the Offer;
- manage the receipt of funds from the Offer;
- assist with meeting the ASX spread requirements; and
- manage and lead the Offer.

The Company will pay Novus Capital a capital raising fee of 6.5% of the amount it raises under the Offer. In addition, the Company will pay Novus Capital a success fee of \$150,000 plus GST and issue to Novus Capital 0.5% of the Shares issued under the Offer (i.e. between 957,781 and 1,032,781 Shares).

The Company will pay Novus Capital a corporate advisory fee of \$15,000 plus GST for the first month of the engagement (commencing on 20 September 2016) and thereafter \$10,000 plus GST per month.

The Company's engagement with Novus Capital will expire 12 months from the date the Company lists on the ASX unless terminated by either party beforehand. The Company has the right to terminate the engagement any time after 19 December 2016 subject to providing 30 day's written notice to Novus Capital and paying all accrued fees and expenses. In the event the Company terminates the engagement on or before 19 December 2016, the Company will also be liable to pay Novus Capital a break fee of \$100,000. Novus Capital may terminate the engagement at any time by providing 14 days' written notice to the Company.

During the engagement, the Company may not appoint any other financial adviser, sponsoring broker or lead manager without obtaining prior approval of Novus Capital.

The Company indemnifies Novus Capital against, among other things, losses, claims, liabilities or other expenses incurred by it and that are attributable to the services provided by Novus Capital under the engagement.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

7.6 DEEDS OF ACCESS, INDEMNITY AND INSURANCE

The Company has entered into deeds of access, indemnity and insurance with each Director which confirms each Director's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires. The deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Under the deeds, the Company must arrange and maintain directors' and officers' insurance during each Director's period of office and for a period of 7 years after a Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires.

The deeds are otherwise on terms and conditions considered standard for deeds of this nature in Australia.

8. ADDITIONAL INFORMATION

8. ADDITIONAL INFORMATION

8.1 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution. A copy of the Company's Constitution is available upon request by contacting the Company on +61 8 9482 0585.

RANKING OF SHARES

- At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Shares issued pursuant to this Prospectus will rank equally with Existing Shares.

VOTING RIGHTS

- Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

DIVIDEND RIGHTS

- Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

VARIATION OF RIGHTS

- The rights attaching to Shares may only be varied by the consent in writing of the holders of 75% of the Shares, or with the sanction of a special resolution passed at a general meeting.

TRANSFER OF SHARES

- Subject to the Company's Constitution, the Corporations Act, Listing Rules and any other applicable laws. Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Listing Rules require or permit the Company to do so.

GENERAL MEETINGS

- Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

RIGHTS ON WINDING UP

- If the Company is wound up, the liquidator may, with the sanction of a special resolution;
 - divide among the Shareholders the whole or any part of the Company's property; and
 - decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

8.2 TERMS OF INCENTIVE OPTIONS

The Incentive Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) ENTITLEMENT

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) EXPIRY DATE

Each Option will expire at 5.00pm (WST) on the date that is 5 years after the date that the Option is issued (**Expiry Date**).

(c) EXERCISE PRICE

Each Option will have an exercise price equal to \$0.30 (**Exercise Price**).

(d) VESTING, EXERCISE PERIOD AND LAPSING

Of the Options issued to a holder, one-third will vest 1 year after issue, one-third will vest 2 years after issue and one-third will vest 3 years after issue. Subject to the foregoing and clause (i) and this clause, Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse. Further, unless the Board otherwise agrees in its sole discretion, if the holder is a Director and ceases to be a Director for any reason, then any unexercised Options (whether or not they have vested) at the time the holder ceases to be a Director will automatically lapse.

(e) EXERCISE NOTICE AND PAYMENT

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) SHARES ISSUED ON EXERCISE

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(g) QUOTATION OF SHARES

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(h) TIMING OF ISSUE OF SHARES

Subject to clause (i), within 5 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

(i) SHAREHOLDER AND REGULATORY APPROVALS

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) PARTICIPATION IN NEW ISSUES

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) ADJUSTMENT FOR BONUS ISSUES OF SHARES

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) ADJUSTMENT FOR RIGHTS ISSUE

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) ADJUSTMENTS FOR REORGANISATION

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) QUOTATION

The Company will not apply for quotation of the Options on ASX.

(o) TRANSFERABILITY

Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).

8.3 TERMS OF ADVISER OPTIONS

The Adviser Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) ENTITLEMENT

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) EXPIRY DATE

Each Option will expire at 5.00pm (WST) on the date that is 3 years after the date that the Option is issued (**Expiry Date**).

(c) EXERCISE PRICE

Each Option will have an exercise price equal to \$0.30 (**Exercise Price**).

(d) EXERCISE PERIOD AND LAPSING

Subject to clause (i), Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(e) EXERCISE NOTICE AND PAYMENT

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) SHARES ISSUED ON EXERCISE

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(g) QUOTATION OF SHARES

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(h) TIMING OF ISSUE OF SHARES

Subject to clause (i), within 5 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

(i) SHAREHOLDER AND REGULATORY APPROVALS

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) PARTICIPATION IN NEW ISSUES

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) ADJUSTMENT FOR BONUS ISSUES OF SHARES

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment:

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) ADJUSTMENT FOR RIGHTS ISSUE

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) ADJUSTMENTS FOR REORGANISATION

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) QUOTATION

The Company will not apply for quotation of the Options on ASX.

(o) TRANSFERABILITY

Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

8.4 TERMS OF PERFORMANCE RIGHTS

The Performance Rights entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) ENTITLEMENT

Each Performance Right entitles the holder of the Performance Right to be issued one fully paid ordinary share in the Company, for no cash consideration, on these terms of issue including the performance condition(s) set out below.

(b) NO CASH CONSIDERATION

The Performance Rights will be granted for no cash consideration.

(c) VESTING

If the Board determines, in its sole discretion, that the performance conditions for a class of Performance Rights set out below have been satisfied prior to the relevant expiry date then that class of Performance Rights will vest and be exercisable into Shares on a one for one basis.

CLASS	NUMBER	PERFORMANCE CONDITION	EXPIRY DATE
Class A	200,000	The holder remains engaged by the Company for 1 year from listing.	1 year and 1 day from listing
Class B	200,000	The holder remains engaged by the Company for 2 years from listing.	2 years and 1 day from listing
Class C	200,000	The holder remains engaged by the Company for 3 year ² from listing.	3 years and 1 day from listing

(d) LAPSE

If a performance condition is not satisfied by the relevant expiry date, then the relevant class of Performance Rights will automatically lapse.

(e) EXERCISE

Subject to paragraphs (c) and (g), Performance Rights may only be exercised by notice in writing to the Company (**Exercise Notice**). Any Exercise Notice for a Performance Right received by the Company will be deemed to be a notice of the exercise of that Performance Right as at the date of receipt. No exercise price, or share issue price, is payable by the holder and the Company must issue the number of Shares, update the share register and issue and send to the holder an updated holding statement within 5 business days after receiving the notice.

(f) SHARES ISSUED ON EXERCISE

The Share issued upon vesting will rank equally in all respects with the Company's ordinary shares and the Company will apply to the ASX for official quotation of the Shares after they are issued.

(g) SHAREHOLDER AND REGULATORY APPROVALS

Notwithstanding any other provision of these terms and conditions, exercise of Performance Rights into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Performance Rights would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Performance Right that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Performance Rights may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Performance Rights will not result in any person being in contravention of section 606(1) of the Corporations Act.

(h) PARTICIPATION IN NEW ISSUES

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

(i) ADJUSTMENT FOR BONUS ISSUES OF SHARES

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the exercise of an Performance Right will be increased by the number of Shares which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.

(j) ADJUSTMENT FOR RIGHTS ISSUE

If the Company makes a rights issue of Shares pro rata to existing Shareholders there will be no adjustment to these terms and conditions.

(k) ADJUSTMENTS FOR REORGANISATION

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(l) QUOTATION

The Company will not apply for quotation of the Options on ASX.

(m) TRANSFERABILITY

Performance Rights can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

(n) COMPLIANCE WITH LAWS

If the Corporations Act, the Listing Rules or the Constitution conflicts with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, the Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.

8.5 EMPLOYEE INCENTIVE PLAN

The Company adopted an employee incentive plan (Plan) on 22 September 2016. The objective of the Plan is to establish a method by which eligible participants can be involved in the future growth and profitability of the Company. A summary of the rules of the Plan are set out below.

(A) OFFER AND ACCEPTANCE OF AWARDS

Under the Plan, the Board may from time to time offer eligible participants an opportunity to subscribe for options and performance rights (**Awards**) in the Company. Such an offer will be made via an offer document, which will specify, among other things, any vesting conditions relating to the Awards, the final acceptance date of the offer, and any other terms and conditions attaching to the Awards.

The Board will determine prior to an Offer being made, and specify in the Offer, any vesting conditions attaching to the Awards. The Board may apply different vesting conditions to one or more portions of any Awards.

An eligible participant (**Eligible Participant**) of the Plan includes a:

- (i) full-time or part-time employee (including an executive Director);
- (ii) non-executive Director;
- (iii) contractor;
- (iv) casual employee; or
- (v) prospective participant.

(B) OPTIONS

The exercise period for Options will commence when any vesting conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the Plan Rules, and will end on the expiry date, subject to the Plan Rules and the terms of the Company's Securities Trading Policy.

Options are deemed to have vested if and when any vesting conditions applicable to a Participant's Options have been satisfied, waived by the Board, or are deemed to have been satisfied under the Plan rules, and where the Company has issued a vesting notification to the Participant informing it that some or all its Options have vested and are exercisable.

At the sole and absolute discretion of the Board, following the issuing of a vesting notification to a Participant, a vested Option may be exercised by the Participant within the exercise period.

(C) PERFORMANCE RIGHTS

Performance Rights are deemed to have vested if and when any vesting conditions applicable to a Participant's Performance Rights have been satisfied, waived by the Board, or are deemed to have been satisfied under the Plan Rules, and where the Company has issued a vesting notification to the Participant informing them that some or all its Performance Rights have vested and will convert into Shares upon being exercised by the Participant.

At the sole and absolute discretion of the Board, following the issuing of a vesting notification to a Participant, a vested Performance Right may be exercised by the Participant within 6 months of the date the vesting notification is issued (unless otherwise stated in the Vesting Notice or agreed by the Company).

(D) 5% LIMIT

The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order.

(E) CASHLESS EXERCISE FACILITY

Under the terms of the Plan, a Participant may request to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off. Any such request must be expressly made by the Participant in the Exercise Notice. The Board may approve or refuse the request in its sole and absolute discretion.

(F) CHANGE OF CONTROL EVENT

If a change of control event occurs, the Board may in its sole and absolute discretion, and subject to the Listing Rules determine how unvested Options or unvested Performance Rights held by a Participant will be treated.

(G) BREACH, FRAUD OR DISHONESTY

Where, in the opinion of the Board, a Participant:

- (i) acts fraudulently or dishonestly; or
- (ii) is in material breach of his or her duties or obligations to the Company or the Group,

then the Board may in its sole and absolute discretion determine that:

- (iii) all vested or unvested Awards will lapse; and/or
- (iv) where any Plan Shares have been sold by the Participant, require the Participant to pay all or part of the net proceeds of that sale to the Company.

(H) RECONSTRUCTION OF SHARE CAPITAL

If there are variations to the share capital of the Company including a variation or rights issue, sub-division, consolidation, reduction, return or cancellation of share capital, a demerger (in whatever form) or other distribution in specie, the Board may adjust the number of Awards to which a Participant is entitled and the exercise price (if applicable) in accordance with the Listing Rules.

(I) PARTICIPATION RIGHTS

Nothing in the rules of the Plan, participation in the Plan or the terms of any Award:

- (i) confers upon an Eligible Participant a right to a grant or offer of a grant of Awards;
- (ii) confers on an Eligible Participant or a Participant the right to continue as an employee, contractor or officer of the Company or the Group (as the case may be) or participate in the Plan;
- (iii) affects the rights of the Company or the Group to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);
- (iv) affects the rights and obligations of any Eligible Participant or Participant under the terms of its employment, engagement or office with the Company or the Group;
- (v) confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against the Company or the Group in respect of its employment, engagement or office;
- (vi) confers on an Eligible Participant or a Participant any rights to compensation or damages in consequence of the termination of its employment, engagement or office by the Company or the Group for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
- (vii) confers any responsibility or liability on the Company or the Group or its directors, officers, employees, representatives, advisers or agents in respect of any taxation liabilities of the Eligible Participant or Participant.

(J) LISTING RULES

While the Company remains admitted to the ASX, the terms and conditions of the Plan must at all times comply with the Listing Rules. If there is any inconsistency between the terms and conditions of the Plan and the Listing Rules then the Listing Rules will prevail.

8.6 CONTINUOUS DISCLOSURE

The Company will be a 'disclosing entity' for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations which will require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

8.7 SUBSTANTIAL HOLDERS

Assuming that no existing Shareholders apply for Shares under the Offer, the only existing Shareholder who will have a relevant interest in 5% or more of the total Shares on issue upon completion of the Offer is the Managing Director, Dato' Teo Chee Hong, whose voting power will be 75.4% if only the Minimum Subscription is raised, and 69.9% if the Full Subscription is raised.

Dato' Teo Chee Hong's interest arises from 50,746,192 Shares held in his name, his 100% shareholding in Time Guardian Ventures Limited which holds 22,337,400 Shares, his 99% shareholding in Tripple Gem Sdn Bhd which holds 6,000,000 Shares and his 51% shareholding in Capz Venture Sdn Bhd which holds 66,000,000 Shares.

The relevant interests of Dato' Teo in Shares, and his voting power, will increase to the extent that he applies for (if at all), and is issued, Shares under the Offer.

Following completion of the Offer but prior to Shares commencing trading on ASX, the Company will announce to ASX details of its top 20 Shareholders by number of Shares.

8.8 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer or Vendor Offer; or
- the Offer or Vendor Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer or Vendor Offer.

Novus Capital Pty Ltd has acted as sponsoring broker to the Offer. Fees payable to Novus Capital for these services are set out in Section 7.5.

Ventnor Capital Pty Ltd has acted as the corporate adviser to the Company in relation to the Offer. Total fees payable to Ventnor Capital Pty Ltd for these services are approximately \$107,000 plus GST, plus 5,746,688 (assuming Minimum Subscription) to 6,196,688 (assuming Full Subscription) Adviser Options.

Crowe Horwath Perth has prepared the Investigating Accountant's Report which is included in Section 3 of this Prospectus. Fees payable to Crowe Horwath Perth for these services are approximately \$25,000 plus GST.

Price Sierakowski Corporate has acted as the Australian legal adviser to the Company in relation to the Offer. Total fees payable to Price Sierakowski Corporate for these services are approximately \$80,000 plus GST. Price Sierakowski Corporate may receive further fees for additional work done determined on the basis of hours spent at its ordinary hourly rates.

Syarikat Rodziah Advocates & Solicitors has acted as the Malaysian legal adviser to the Company in relation to the Offer. Total fees payable to Syarikat Rodziah Advocates & Solicitors for these services are approximately \$20,000.

8.9 CONSENTS

Each of the parties referred to below:

- does not make the Offer or Vendor Offer;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

Novus Capital Pty Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the sponsoring broker to the Offer in the form and context in which it is named. Novus Capital Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Ventnor Capital Pty Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the corporate adviser to the Company in the form and context in which it is named. Ventnor Capital Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Crowe Horwath has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the investigating accountant in the form and context in which it is named and to the inclusion of the financial information in Section 3 and the Investigating Accountant's Report in the form and context in which it is included. Crowe Horwath has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name, the financial information in Section 3 and the Investigating Accountant's Report.

Price Sierakowski Corporate has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Australian legal adviser to the Company in the form and context in which it is named. Price Sierakowski Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Syarikat Rodziah Advocates & Solicitors has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as Malaysian legal adviser to the Company in the form and context in which it is named. Syarikat Rodziah Advocates & Solicitors has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Boardroom Pty Limited has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Boardroom Pty Limited has had no involvement in the preparation of any part of this Prospectus other than

being named as the Share Registry. Boardroom Pty Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

8.10 EXPENSES OF THE OFFER

The expenses of the Offer and Vendor Offer are expected to comprise the following amounts, which are exclusive of any GST payable by the Company.

EXPENSE	MINIMUM SUBSCRIPTION	FULL SUBSCRIPTION
Adviser fees (corporate, accounting, legal, brokerage, other)	\$797,000	\$992,000
ASX and ASIC fees	\$93,000	\$96,000
Printing, design and miscellaneous	\$20,000	\$20,000
Total	\$910,000	\$1,108,000

As part of their remuneration for services, Novus Capital Pty Ltd will also receive Shares and Ventnor Capital Pty Ltd will also receive Adviser Options. See Section 8.8 for further details.

8.11 LITIGATION

No company within the Group is involved in any litigation that is material for the purposes of this Prospectus, and the Directors are not aware of any circumstances that might reasonably be expected to give rise to such litigation.

8.12 TAXATION

The tax consequences of any investment in Shares will depend upon each applicant's particular circumstances. It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to an investment in Shares under this Prospectus by consulting their own professional tax advisers. Accordingly, the Company strongly recommends that all applicants obtain their own tax advice before deciding on whether or not to invest. Neither the Company nor any of its Directors accepts any liability or responsibility in respect of the taxation consequences of an investment in Shares under the Offer.

8.13 FOREIGN INVESTOR RESTRICTIONS

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. No action has been taken to register or qualify Shares that are offered under this Prospectus or otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

8.13.1 MALAYSIA

No approval from the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Shares. The Shares may not be offered or made available for purchase in Malaysia except in an exemption from the prospectus and approval requirements under the Malaysian Capital Markets and Services Act 2007.

8.13.2 INDONESIA

This Prospectus may not be circulated or distributed in Indonesia and the Shares offered by this Prospectus have not been offered or sold, and will not be offered or sold to any person for re-offering or resale, directly or indirectly, to any resident of Indonesia except pursuant to applicable Indonesian laws and regulations.

The contents of this Prospectus have not been reviewed by any Indonesian regulatory authority. You are advised to exercise caution in relation to an investment under this Prospectus. If you are in any doubt about the contents of this Prospectus, you should obtain independent professional advice.

8.13.3 SINGAPORE

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

9. DIRECTORS' AUTHORISATION

9. DIRECTORS' AUTHORISATION

20 October 2016

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of I Synergy Group Limited.



Dato' Teo Chee Hong
Managing Director

10. DEFINITIONS

10. DEFINITIONS

Affiliate Junction, AJ or Platform means the proprietary affiliate marketing platform owned and developed by ISU called 'Affiliate Junction', as described in Section 2.4.1.

Application Monies means the amount of money in dollars and cents payable for Shares at \$0.20 each pursuant to this Prospectus.

Application Form means the application form in the form accompanying this Prospectus pursuant to which investors may apply for Shares under the Offer.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691, or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

ASX Settlement Operating Rules means the settlement and operating rules of ASX Settlement.

Beyond Affluence means Beyond Affluence Limited (Company No. 71678), a company registered in Samoa.

Board means the board of Directors.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offer and Vendor Offer close which is 5.00pm (WST) on 8 December 2016, or such other time and date as the Board determines.

Company means I Synergy Group Limited ACN 613 927 361.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Employee Incentive Scheme means the employee scheme adopted by the Company, as summarised in Section 8.5.

Exposure Period means the period of 7 days after the date of lodgement of this prospectus which period may be extended by ASIC by up to a further 7 days pursuant to section 727(3) of the Corporations Act.

FY means financial year (1 January to 31 December).

Full Subscription means the subscription of 40,000,000 Shares at an issue price of \$0.20 each to raise \$8,000,000 under the Offer.

GDP means gross domestic product.

Group means the Company and its Subsidiaries.

I Synergy means the affiliate marketing business known as 'I Synergy' owned and operated by the Company's wholly owned subsidiary, ISI.

I Synergy Website means www.isynergy.my.

Incentive Option means an Option on the terms and conditions set out in Section 8.2.

IP means intellectual property.

ISC means I Synergy Consolidated Sdn Bhd (Company No. 1199581-T).

ISH means I Synergy Holdings Berhad (Company No. 1138715-H).

ISH Shareholder means a holder of one or more fully paid ordinary shares in the capital of ISH.

ISI means I Synergy International (M) Sdn Bhd (Company No. 1062594-W).

ISI Sale Agreement means the share purchase agreement between the Company, ISC and the Company in relation to the sale and purchase of all of the issued capital of ISI, as summarised in Section 7.2.

ISS means I Synergy (Singapore) Pte Ltd (Registration No. 201622884R).

ISU means I Synergy Universal (M) Sdn Bhd (Company No. 812120-V).

ISU Sale Agreement means the share purchase agreement between Dato' Teo Chee Hong, ISC and the Company in relation to the sale and purchase of 70% of the issued capital of ISU, as summarised in Section 7.2.

ISU Shareholders Agreement means the shareholders agreement between ISC and Beyond Affluence in relation to ISU, as summarised in Section 7.4.

Listing Rules means the official listing rules of ASX.

Minimum Subscription means the subscription of 25,000,000 Shares at an issue price of \$0.20 each to raise \$5,000,000 under the Offer.

Offer means the offer of up to 40,000,000 Shares under this Prospectus at an issue price of \$0.20 each to raise up to \$8,000,000 before costs.

Opening Date means the date that the Offer opens which is 9:00am WST on 28 October 2016, subject to any extension of the Exposure Period by ASIC.

Option means an option to acquire a Share.

Platform Licence Deed means the licence deed between ISI and ISU in relation to the Platform, as summarised in Section 7.3.

Prospectus means this prospectus dated 20 October 2016.

R&D means research and development.

Sale Agreements means the ISI Sale Agreement and the ISU Sale Agreement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Share Registry means Boardroom Pty Limited ABN 14 003 209 836.

Subsidiaries means ISS, ISC, ISI, ISU or any one or more of those entities, as the context requires.

Vendor Application Form means the Vendor application form in the form accompanying this Prospectus pursuant to which ISH may apply for Shares under the Vendor Offer.

Vendor Offer means the offer of 150,000,000 Shares under this Prospectus to ISH as consideration for its shares in ISI pursuant to the ISI Sale Agreement.

WST means Western Standard Time, being the time in Perth, Western Australia.

For personal use only

APPLICATION FORM



APPLICATION FORM

I SYNERGY GROUP LIMITED ACN 613 927 361

Fill out this Application Form if you wish to apply for Shares in I Synergy Group Limited

- Please read the Prospectus dated 20 October 2016.
- Follow the instructions to complete this Application Form (see reverse).
- Print clearly in capital letters using black or blue pen.

Offer closes at 5.00pm WST on 8 December 2016

A Number of Shares you are applying for

Minimum of 10,000 Shares to be applied for.

B Total amount

C Write the name(s) you wish to register the Shares in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

D Write your postal address here

Number / Street

Suburb/Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)

Important! Please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant 1

Applicant 2

Applicant 3

G Cheque payment details – PIN Cheque(s) Here

Please enter details of the cheque(s) that accompany this Application Form. Make your cheque or bank draft payable to "I Synergy Group Limited – Subscription Account".

Name of drawer of cheque

Cheque No.

Cheque Amount A\$

Name of drawer of cheque	Cheque No.	Cheque Amount A\$

H Contact telephone number (daytime / work / mobile)

By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of I Synergy Group Limited (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

GUIDE TO THE APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BRICK LETTERS. These instructions are cross-referenced to each section of the Application Form.

INSTRUCTIONS

The Board has delegated responsibility for the business operations of the Company to the senior management team. The senior management team, led by the Chief Executive Officer, is accountable to the Board. Brief profiles of the persons comprising the senior management team are set out below.

- A** If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 10,000). Multiply by \$0.20 to calculate the total for Shares and enter the dollar amount at B.

B Write your full name. Initials are not acceptable for first names.

C Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.

D If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.

E Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- F** Complete cheque details as requested. Make your cheque payable to "I Synergy Group Limited – Subscription Account", cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.

G Enter your contact details so we may contact you regarding your Application Form or Application Monies.

H Enter your email address so we may contact you regarding your Application Form or Application Monies or other correspondence.

NB: Your registration details provided must match your CHESS account exactly.

CORRECT FORM OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below:

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<J D Smith Family A/C>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<Est Lte John Smith A/C>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

LODGEMENT

Post your completed Application Form with cheque(s) attached to the following address:

I Synergy Group Limited
c/- Novus Capital Limited
Level 8, 330 Collins Street
Melbourne VIC 3000

It is not necessary to sign or otherwise execute the Application Form. For questions on how to complete the Application Form, please contact Novus Capital Pty Ltd on +61 3 8602 1700.

PRIVACY STATEMENT

Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

IMPORTANT: Only I Synergy Holdings Berhad may apply for Shares under the Vendor Offer

Fill out this Application Form if you wish to apply for Shares in I Synergy Group Limited

- [illegible]

[illegible]

Offer closes at 5.00pm WST on 8 December 2016

Applicant 1

[illegible]

Name of Applicant 2 or < Account Designation >

[illegible]

Name of Applicant 3 or < Account Designation >

[illegible]

Number / Street

[illegible]

Suburb/Town

State

Postcode

[illegible]

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[illegible]

Important! Please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.

Applicant 1

[illegible]

Applicant 3

[illegible]

Applicant 2

[illegible]

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By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of I Synergy Group Limited (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

GUIDE TO THE APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

INSTRUCTIONS

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For personal use only

I Synergy Group Limited

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