# AQUIS ENTERTAINMENT LIMITED

ABN 48 147 411 881

# Annual Report
# for the Period Ended 31 December 2015

# CONTENTS

# AQUIS ENTERTAINMENT LIMITED

ABN 48 147 411 881

# Financial Statements
# for the Financial Year Ended 31 December 2015

The Directors present their report together with the consolidated financial statements for the financial year ended 31 December 2015. The consolidated financial statements comprise the financial statements of Aquis Entertainment Limited (“Aquis” or “Company”) and its controlled entities (together referred to as the “Group” or “Consolidated Entity”).

On 25 August 2015, the Company advised the ASX that it had changed its accounting year end from June to December. Accordingly, except where otherwise stated, this report considers the activities of the Group from the end of the previous financial year (30 June 2015) to 31 December 2015.

## DIRECTORS

The names and details of the Company’s Directors in office during the financial year and until the date of this report are set out below:

| | |
|---|---|
| Tony Fung | Chairman (Appointed 7 Aug 2015) |
| Raymond Or Ching Fai | Vice Chairman (Appointed 7 Aug 2015) |
| Justin Fung | Non-Executive Director (Appointed 7 Aug 2015) |
| Alex Chow | Non-Executive Director (Appointed 7 Sept 2015) |
| Russell Shields | Non-Executive Director (Appointed 7 Aug 2015) |
| Dr Ken Chapman | Non-Executive Director (Appointed 14 Aug 2015) |
| Jessica Mellor | Executive Director (Appointed 14 Aug 2015) |
| Geoff Andres | Executive Director and CEO (Appointed 7 Aug 2015 – Resigned 13 Nov 2015) |
| Tony Adcock | Non-Executive Chairman (Resigned 7 Aug 2015) |
| Josh Puckridge | Executive Director/Chief Executive Officer (Resigned 7 Aug 2015) |
| Tom Pickett | Non-Executive Director (Resigned 7 Aug 2015) |

### *Current Directors*

### Tony Fung (Chairman)

Mr Tony Fung is the ultimate owner and controller of the Aquis Group. He has significant experience in corporate finance and company administration, including running Sun Hung Kai & Co. Ltd, a leading Hong Kong-based non-bank financial and securities holding company. Mr Fung has significant property investments in Hong Kong and also in Australia.

### Raymond Or Ching-Fai (Deputy Chairman)

Mr Or Ching-Fai is Chairman and Chief Executive of China Strategic Holdings Limited. Mr Or has had a long career in banking and insurance including as the Chairman of HSBC Insurance Limited, Vice-Chairman and Chief Executive of Hang Seng Bank, Chairman of Hang Seng Insurance Co Limited and currently he is a director of Industrial and Commercial Bank of China Limited. Mr Or was previously a director of Cathay Pacific Airways Limited and Hutchison Whampoa Limited. He was (among other roles) the Vice President and a Council Member of the Hong Kong Institute of Bankers. He has a bachelor’s degree in economics and psychology from the University of Hong Kong.

Mr Or is a member of the Remuneration and Nomination Committee.

### Justin Fung (non-Executive Director)

Mr Justin Fung is Mr Tony Fung’s son. He is an Australian resident and represents the Fung family’s interests in Australia. He plays a lead role in day to day operational, management and strategic decisions of the Aquis Group. Mr Fung has an arts degree from Duke University, North Carolina and a law degree from Loyola University, Los Angeles and has previously worked in the Fung family’s property/development businesses.

### Alex Chow (Independent Non-Executive Director)

Mr Chow Yu Chun, Alexander, is a senior non-executive director with over 35 years of experience in commercial, financial and investment management in Hong Kong and Mainland China. He has served as an Independent Non-executive Director of Top Form International Limited since February 1993 and is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Chow is also currently an independent non-executive director of Playmates Toys Limited, China Strategic Holdings Limited and Symphony Holdings Ltd, each of which are listed on the Hong Kong Stock Exchange. Mr. Chow was previously a non-executive director of New World China Land Limited (also Hong Kong Stock Exchange listed), until his resignation in December 2012.

Alex is the Chair of the Audit and Risk Committee.

**Russell Shields (Independent Non-Executive Director)**

Russell Shields is a senior non-executive director with more than 35 years' experience in the financial services industry. He was Chairman Queensland and Northern Territory of ANZ Bank for 6 years. Prior to joining ANZ, Mr Shields held senior executive roles with HSBC including Managing Director Asia Pacific – Transport, Construction and Infrastructure and State Manager Queensland, HSBC Bank Australia. He is currently also a non-executive director of ASX-listed companies; Eclipx Group Limited and Retail Food Group Limited. Russell is a member of both the Remuneration and Nomination and Audit and Risk Committees

**Dr Kenneth Chapman (Independent Non-Executive Director)**

Ken is a respected company director with diverse business and community interests across tourism, property development and agribusiness. Ken's well recognised skills and experience add great depth to complement the existing composition of the Board, and he will play a vital role as lead independent. Ken is the current Chair of the Far North Queensland Hospital Foundation, vice president of the Far North Queensland Youth Assistance Fund, Inc. and a Non-executive Director of Event Hospitality and Entertainment Limited (ASX:EVT).

Ken's previous roles include Chairman - Far North Queensland Ports Corporation Ltd, Founding Director and Deputy Chairman - Queensland Tourism Industry Council (QTIC), Director - Australian Tourism Commission, Director - Cowboys Leagues Club Ltd

Ken is a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Management and is also an Associate Fellow of the Royal Australasian College of Medical Administrators. He remains a registered medical practitioner.

Ken is the Chair of the Remuneration Committee, a member of the Audit and Risk Committee and is the lead independent Director.

**Jessica Mellor (Executive Director)**

Jessica is a seasoned project manager with experience spanning major infrastructure projects, residential and commercial development and funds management Jess is responsible for Strategy and Project Development for the Company.

Jessica was involved in major infrastructure projects with Leighton Contractors in Queensland before moving into residential development and later funds management. Jessica joined the greater Aquis Group in 2013 where she a played key leadership role in the groups' ambitious Yorkeys Knob project in Cairns and following the acquisition of Casino Canberra was appointed as Executive Director, Strategy and Project Development with responsibility for new projects strategy and growth.

***Company Secretary***

The Company Secretary in office at the end of the reporting period was Garry Gill. Garry was appointed Company Secretary on 7 August 2014 and was also appointed as Chief Financial Officer in September 2014. He has more than 30 years' experience in all facets of corporate financial and administrative functions and has served in Chief Financial Officer and Company Secretarial positions at a number of listed and unlisted public companies, private companies and statutory authorities. Garry is a member of Chartered Accountants Australia and New Zealand, a Fellow of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators and a member of the Australian Institute of Company Directors.

## INTERESTS IN SHARES AND OPTIONS

As at the date of this report, the interests of the Directors in the ordinary shares of Aquis were:

| Directors | Ordinary Shares held in Aquis | Unlisted Options held in Aquis |
|---|---:|---:|
| T Fung | 153,871,874 | 5,000,000 |
| R Or Ching Fai | - | - |
| J Fung[1] | 153,871,874 | 5,000,000 |
| A Chow | - | - |
| R Shields | - | - |
| K Chapman | 10,000 | - |
| J Mellor | - | - |

[1] *Interest held as related party to Mr T Fung*

## NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

From 7 August 2015 the principal activities of the Consolidated Entity consisted of entertainment, gaming and leisure activities initially through the ownership of Canberra Casino.

## OPERATING AND FINANCIAL REVIEW

### Operating Results for the Year

The operating result of the consolidated entity for the year to 31 December 2015 was a loss of $6,019,882 (2014: profit $3,150,288). The 2014 profit included $3,190,517 in other income being the difference between the fair value of the assets and liabilities of Casino Canberra Limited acquired and the purchase price paid for the shares of that company.

### Background

On 23 December 2014, Aquis Canberra Pty Ltd acquired all of the shares in Casino Canberra Limited, the owner and operator of Casino Canberra for $6,000,000.

On 10 July 2015, shareholders of Aquis Entertainment Limited (then named Discovery Resources Limited) voted to change the Company's focus from its mineral exploration projects to become an entertainment, gaming and leisure company which would initially own the Casino Canberra business operated by Aquis Canberra Pty Ltd. On 7 August 2015 ("the Transaction Date") the Company completed the acquisition of Aquis Canberra Pty Ltd (ACPL) and its wholly owned subsidiary Casino Canberra Limited (CCL).

### Strategy

Aquis has a clear strategy to develop and manage quality destination integrated resorts in underserved areas of Australia. The Canberra Casino is the first such investment and has been used to demonstrate the Company's ability to significantly improve an underperforming operation by a combination of leadership and targeted investment in the business.

### Operations

Since acquiring Casino Canberra, Aquis has focussed on improving the performance of the business by identifying the existing weaknesses and putting in place plans and action needed to turn the business around. The key areas of focus to date have been:

- Improving operating and service standards to the level expected by our patrons
- Implementing a new marketing focus and
- Refurbishing the property which will include replacing old gaming and other equipment and introducing Live Terminal games

Within the casino a series of initiatives were implemented to attract local and interstate VIP players including increasing maximum bet amounts on baccarat and roulette tables, increasing operating hours and hiring additional dealers to accommodate the increased demand. Poker**,** blackjack and baccarat tournaments also proved popular in attracting additional patrons to the casino. Targeted marketing programs aimed at promoting existing customers and attracting new patrons were successful with increased numbers of patrons and level of play seen over the year.

In September 2015, the restaurant was rebranded as Natural 9 and relaunched with a new Head Chef, exciting new menu and most importantly, substantially improved quality of food and levels of service.

These initial programs have seen considerable success with record levels of casino revenue being generated in the second half of the calendar year. In October casino revenue was $2.4 million, the highest level of revenue in over 10 years. Revenue from table games for the twelve months to 31 December 2015 was $19.96 million compared with 15.88 million for the previous corresponding period.

In addition to the improvements in the operations, the Board also took the decision to refurbish the casino and to replace old equipment to increase player comfort and the general appeal of the property. The project which will cost $13.6 million will include private gaming and dining areas for VIP players, a brighter and more contemporary casino and new modern gaming tables. On completion it will raise Casino Canberra to the standard of facility provided by its Australian competitors. The refurbishment activity commenced in February and is expected to be completed in June 2016.

In September 2015, Aquis lodged a proposal with the ACT Government for a $330 million redevelopment of Casino Canberra. The proposed redevelopment features a two-stage venture which seeks to rejuvenate and transform the area into a truly world class destination. The redevelopment will include new accommodation buildings, dining, entertainment. The proposal is subject to further discussions with the ACT Government, financing, regulatory approvals and consultation with community stakeholders.

**Financial Position**

At 31 December 2015, the Group held cash of $6.8 million, net assets of $1.3 million and unused borrowing facilities of $19.1 million. Directors are confident that the improved operating performance which has already occurred since Aquis' acquisition of Casino Canberra will continue and will be further enhanced by the capital investment program which has now commenced.

On 25 August 2015, the Company advised the ASX that it had changed its accounting year end from June to December. The first financial statements of the Company following the change are for the financial year to 31 December 2015.

Following the receipt of approval from its shareholders at the Annual General Meeting on 26 November 2015 and from ASIC on 23 November 2015, the Company changed its auditors to RSM Australia Pty Ltd.

**Employees**

The number of people employed by the Consolidated Entity at the reporting date was 254.

**DIVIDENDS**

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

## Directors' and Committee Meetings

The number of meetings of the Company's Board of Directors held during the period and the number of meetings attended by each Director was:

| **Director** | **2015** | |
|---|---|---|
| | **Eligible to Attend** | **Attended** |
| T Fung | 6 | 6 |
| R Or Ching Fai | 6 | 6 |
| J Fung | 6 | 6 |
| A Chow | 4 | 4 |
| R Shields | 6 | 5 |
| K Chapman | 5 | 5 |
| J Mellor | 5 | 5 |
| G Andres | 4 | 4 |

The Audit and Risk Committee and the Remuneration Committee did not formally meet during the period from the Transaction Date until the end of the financial year.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

On 10 July 2015, shareholders of Aquis (then named Discovery Resources Limited) voted to change the Company's principal activity from mineral exploration to entertainment, gaming and leisure through the acquisition of a casino group then owned by Aquis Canberra Holdings Pty Ltd (ACHPL). On 7 August 2015 ("the Transaction Date") the Company completed the acquisition of ACHPL subsidiary, Aquis Canberra Pty Ltd (ACPL) and its wholly owned subsidiary Casino Canberra Limited (CCL) the owner of the Canberra Casino.

**SIGNIFICANT EVENTS AFTER BALANCE DATE**

Other than as set out in this report and the attached financial statements, no matters or circumstances have arisen since 31 December 2015, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

**INDEMNIFICATION OF OFFICERS**

The Company is required to indemnify Directors, and other officers of the Company against certain liabilities which they may incur as a result of or by reason of (whether solely or in part) being or acting as an officer of the Company.

During the financial year, the Company paid a premium to insure the Directors against potential liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Director of the Company other than conduct involving wilful breach of duty in relation to the Company. The amount of the premium is not disclosed as it is considered confidential.

The Company provides no indemnity to any auditor.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity or any part of those proceedings.

## ENVIRONMENTAL REGULATIONS

The Directors are mindful of the regulatory regime in relation to the impact of the organisation’s activities on the environment.

There have been no known breaches of any environmental regulation by the Consolidated Entity during the financial period.

## FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Aquis is an entertainment, gaming and leisure company which currently operates a casino business in Canberra.

As at the date of this report, the Company has commenced a $13.6 million refurbishment and equipment replacement program under which outdated gaming equipment would be replaced, new LT gaming terminals will be installed and the casino will be renovated to create a luxuriously contemporary setting including private gaming and dining facilities for VIP guests.

On 31 August 2015, the Company lodged its confidential proposal for a significant redevelopment of the Casino Canberra site (Proposed Redevelopment).

It is currently contemplated that the Proposed Redevelopment will be undertaken in two phases. The first phase would see the completion of matters such as the new casino (including new street access), new 6 star accommodation and a new forecourt featuring dining and beverage options. Under stage 2, additional developments such as a new 5 star boutique hotel and further expanded entertainment and bar/dining options will be completed.

The Company will require funding in addition to its current cash at hand and funding facilities in order to complete the Proposed Redevelopment.

The Company will continue to focus on the implementation of a number of initiatives including undertaking the Proposed Redevelopment.

## SHARE OPTIONS

As at the date of this report, there were 5,000,000 (30 June 2015: 5,000,000) unissued ordinary Aquis shares under option.

No options have been issued in the period since year end to the date of this report.

## INDEPENDENT PROFESSIONAL ADVICE

Directors of the Company are expected to exercise considered and independent judgement on matters before them and may need to seek independent professional advice. A director with prior written approval from the Chairman may, at the Company’s expense obtain independent professional advice to properly discharge their responsibilities.

## NON-AUDIT SERVICES

There were no non-audit services provided by the entity’s auditors, Moore Stephens, Perth, and RSM Australia Pty Ltd during the financial year.

## AUDITOR INDEPENDENCE

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is attached.

## REMUNERATION REPORT (AUDITED)

This Remuneration Report forms part of the Directors' Report and has been prepared in accordance with Section 300A of the *Corporations Act 2001*and has been audited as required by Section 308(3C) of that Act.

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

- A Introduction
- B Principles used to determine the nature and amount of remuneration
- C Remuneration details
- D Service agreements
- E Other KMP disclosures

### A. Introduction

The Remuneration Report sets out information relating to the remuneration of the non-executive Directors, executive Directors and senior management of the Company - collectively termed Key Management Personnel (KMP). The KMP are the persons primarily accountable for planning, directing and controlling the affairs of the Company. For the purposes of this report the executive Directors and senior management are referred to as Executives.

Details of KMP for whom remuneration disclosures are included in this Report are as follows:

***Current Non-Executive Directors***

| Name | Current and Previous Roles | Relevant Dates |
|---|---|---|
| T Fung | Chairman | Appointed 7 Aug 2015 |
| R Or Ching Fai | Vice Chairman | Appointed 7 Aug 2015 |
| J Fung | Managing Director CCL<br>Managing Director Aquis<br>Non-Executive Director | to 25 Aug 2015<br>7 Aug 2015 - 25 Aug 2015<br>From 25 Aug 2015 |
| A Chow | Non-Executive Director | Appointed 7 Sept 2015 |
| R Shields | Non-Executive Director | Appointed 7 Aug 2015 |
| K Chapman | Non-Executive Director | Appointed 14 Aug 2015 |

***Current Executives***

| Name | Role | Relevant Dates |
|---|---|---|
| A Gomes | CEO | Appointed 16 Nov 2015 |
| J Mellor | Senior Executive CCL<br>Executive Director CCL<br>Executive Director Aquis | to 14 July 2015<br>Appointed 14 July 2015<br>Appointed 7 August 2015 |
| G Gill | Company Secretary CCL<br>Company Secretary AQS<br>Chief Financial Officer | Appointed 14 July 2015<br>Appointed 7 Aug 2015<br>Appointed 14 Sept 2015 |
| R Bach | Vice President & General Manager | Appointed 2 July 2015 |

***Previous Directors and Executives***

| **Name** | **Role** | **Relevant Dates** |
|---|---|---|
| G Andres | CEO and Exec Director CCL and Aquis | Resigned 13 Nov 2015 |
| T Adcock | Non-Executive Chairman | Resigned 7 Aug 2015 |
| J Puckridge | Executive Director and CEO | Resigned 7 Aug 2015 |
| T Pickett | Non-Executive Director | Resigned 7 Aug 2015 |
| A Wilbers | Company Secretary | Resigned 7 Aug 2015 |

Except where otherwise stated, KMP held office from the commencement of the period under review (1 July 2015).

## B. Principles used to determine the nature and amount of remuneration

Aquis' corporate goal is to develop and manage quality integrated resorts in Australia. To achieve this, the Group has sought to engage and retain experienced and talented Directors and Executives. The Group therefore aims to offer Directors and Executives a competitive remuneration package which reflects individual duties and responsibilities. The remuneration approach seeks to align Executive reward with the achievement of strategic objectives and the creation of value for shareholders.

The Remuneration Committee will be responsible for determining and reviewing on-going remuneration arrangements for its Directors and Executives. This Committee may seek advice of external remuneration consultants in conducting its duties. Further information regarding the Committee is set out in the Corporate Governance Statement.

The Group has established differing remuneration structures for Non-Executive Directors and Executives.

### *Non-Executive Directors*

Fees and payments to the Non-Executive Directors reflect the demands which are made on, and the responsibilities of, these Directors. Non-Executive Director fees comprise a base salary plus statutory superannuation. Non-Executive Directors are not entitled to receive share based payments or other performance based incentives.

ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 26 November 2015, where the shareholders approved an aggregate remuneration pool of $600,000.

### *Executives*

Aquis aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

*Fixed remuneration*

Fixed remuneration aims to provide a base level of remuneration and is determined with reference to available market data, the scope of the executive's responsibilities and their experience and qualifications.

Fixed remuneration, consists of base salary, superannuation and complementary privileges at Canberra Casino, and may include other benefits where Executives may elect to sacrifice part of their salary to be contributed towards any non-cash benefit including motor vehicles, accommodation costs etc.

Fixed remuneration for Executives is reviewed annually and approved by the Remuneration Committee.

*Performance based remuneration*

The performance based component of Executive remuneration aligns the strategies set by the Board with the individual targets of the Executives responsible for implementing those strategies.

With the exception of the CEO, Executives are entitled to receive short term incentives based on service and on the achievement of Key Performance Indicators.

*Consolidated entity performance and link to remuneration*

Remuneration for certain individuals is directly linked to performance of the consolidated entity. A portion of short term incentive payments are dependent on achieving defined KPI. For the 2015 year, the KPI's were set by the Board and related to the achievement of revenue outcomes. These outcomes were to be driven by the Board's strategy to improve the overall product offered to customers including service standards and marketing programs. The improved revenue generating capability will form the basis of providing long term earnings growth for the Canberra Casino and consequently for shareholder value growth.

*Use of remuneration consultants*

During the period ended 31 December 2015, the consolidated entity did not engage remuneration consultants.

### C. Details of Remuneration

Remuneration received or receivable by Key Management Personnel during the reporting period was as follows. Due to the change in the nature of the business and the change to the financial year, comparative results have not been included.

| Key Management Personnel | Short-term Benefits | | | Post-Employment Benefits Super - annuation | Share Based Payment | Total | Performance based remuneration | Remun-eration at Risk - STI |
|---|---|---|---|---|---|---|---|---|
| | Fees and/or Salary | Cash, Profit Sharing / Other Bonuses | Other Benefits | | | | | |
| | $ | $ | $ | $ | $ | $ | % | % |
| **2015** | | | | | | | | |
| T Fung | - | - | - | - | - | - | - | - |
| R Or Ching Fai | - | - | - | - | - | - | - | - |
| J Fung[1] | 51,560 | | 4,898 | - | - | 56,458 | - | - |
| A Chow | 31,667 | | 3,008 | - | - | 34,675 | - | - |
| R Shields | 36,048 | | 3,425 | - | - | 39,473 | - | - |
| K Chapman | 40,081 | | 3,808 | - | - | 43,888 | - | - |
| J Mellor | 118,462 | 84,063 | 11,254 | - | - | 213,778 | 39% | 39% |
| A Gomes | 82,083 | | 7,798 | - | - | 89,881 | - | - |
| R Bach | 102,525 | 39,148 | 9,740 | - | - | 151,413 | 26% | 26% |
| G Gill[2] | 78,768 | 17,918 | 6,577 | - | - | 103,263 | 17% | 17% |
| G Andres[3] | 328,932 | - | 31,249 | - | - | 360,181 | - | - |
| T Adcock[4, 5] | 2,083 | - | - | - | - | 2,083 | - | - |
| J Puckridge[4,5] | 16,660 | - | - | - | - | 16,660 | - | - |
| T Pickett[4, 5] | 2,083 | - | - | - | - | 2,083 | - | - |
| A Wilbers[4] | 7,000 | - | - | - | - | 7,000 | - | - |
| **Totals** | **870,126** | **141,128** | **81,756** | **-** | **-** | **1,093,010** | | |

[1] *Represents salary and benefits received as Managing Director from 1 July 2015 to 25 August 2015. Mr Fung receives no salary as a non-executive Director.*

[2] *Includes fees received as Company Secretary prior to being engaged as an employee*

[3] *Resigned 13 November 2015*

[4] *Resigned 7 August 2015*

[5] *At the EGM on 10 July 2015, Shareholders voted to make the following share issues to Messrs Adcock, Pickett and Puckridge:*

- *250,000 shares valued at $50,000 at an issue price of $0.20 each to Messrs Adcock and Pickett in consideration of them resigning as Directors and*
- *1,000,000 shares valued at $200,000 at an issue price of $0.20 each in consideration of his assistance in implementing the acquisition of ACPL / CCL*

*The shares are to be issued within 3 Business Days of*

- *The successful submission of the Redevelopment Proposal, provided the 30 day VWAP as at the date immediately prior to the submission is at least $A0.25 or*
- *Such later date within 12 months of the submission of the Redevelopment Proposal on which the 30 day VWAP as at the date immediately prior to the issue is at least $A0.25.*

### D. Service Agreements

***Non-Executive Directors***

Each Director has signed a letter of appointment which sets out the conditions of the appointment including the remuneration for the position.

The Chairman, Vice Chairman and Mr Justin Fung have each elected to receive no remuneration for performing their Director roles. Mr Justin Fung was paid a salary during the period in which he acted as Managing Director for CCL and Aquis.

The remaining Non-Executive Directors are entitled to the following remuneration:

- A base fee of $80,000 per annum
- $20,000 per annum for acting as the Chair of a Board Committee and
- $5,000 per annum for serving on a Board Committee.
- Statutory superannuation where required by law.

***Executives***

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| Name | **Aaron Gomes** | **Jessica Mellor** | **Rhiannon Bach** | **Garry Gill** |
|---|---|---|---|---|
| Title | CEO | Executive Director | VP and General Manager | Chief Financial Officer and Company Secretary |
| Commencement Date | 16 November 2015 | 23 December 2014 | 23 April 2015 | 14 September 2015 |
| Term of Agreement | 1 year | Open | Open | Open |
| Annual Salary | USD 500,000 paid in AUD | $186,667[1] | $228,000 | $240,000 |
| Superannuation | Statutory superannuation | Statutory superannuation | Statutory superannuation | Statutory superannuation |
| Bonus | nil | Maximum annual bonus = 50% of Remuneration comprising:<br>• Guaranteed amount of 50% of the maximum annual potential bonus and<br>• Amount up to 50% of the maximum annual potential bonus as determined at the absolute discretion of the Board subject to KPI's agreed between the Executive and the Chair of the Remuneration Committee.<br>• No bonus payment if Executive gives notice of termination prior to the payment date of if terminated for cause | | |
| Post-employment restraint | Company may impose restraint for various periods up to 12 months and for various regions | | | |
| Termination Period | None prior to end of contract term | 6 months either party | 3 months either party | 6 months either party |

[1] Reduced from $280,000 per annum from 1 October 2015 to reflect split of employment between Aquis and other members of the greater Aquis group

## E. Other KMP disclosures

### Movements in share holdings

The movement during the year in the number of ordinary shares in the Company held directly, indirectly or beneficially by each key management person, including their related parties, follows:

| Name | Opening Balance[1] | Acquired on Market | Disposed | Closing Balance[2] |
|---|---|---|---|---|
| T Fung | 153,871,874 | - | - | 153,871,874 |
| R Or Ching Fai | - | - | - | - |
| J Fung[3] | 153,871,874 | - | - | 153,871,874 |
| A Chow | - | - | - | - |
| R Shields | - | - | - | - |
| K Chapman | - | 10,000 | - | 10,000 |
| J Mellor | - | - | - | - |
| A Gomes | - | - | - | - |
| R Bach | - | - | - | - |
| G Gill | - | - | - | - |
| G Andres | - | - | - | - |
| T Adcock | - | - | - | - |
| J Puckridge | - | - | - | - |
| T Pickett | - | - | - | - |
| A Wilbers | - | - | - | - |

[1] *Opening balance includes balance at beginning of the period or at date of appointment*
[2] *Closing balance includes balance at end of the period or at date of resignation*
[3] *Interest held as related party to Mr T Fung*

### b) Movement in option holdings

The movement during the year in the number of options over ordinary shares in the Company held directly, indirectly or beneficially by each key management person, including their related parties, was as follows:

| Name | Opening Balance[1] | Acquired | Disposed | Closing Balance[2] |
|---|---|---|---|---|
| T Fung | 5,000,000 | - | - | 5,000,000 |
| R Or Ching Fai | - | - | - | - |
| J Fung[3] | 5,000,000 | - | - | 5,000,000 |
| A Chow | - | - | - | - |
| R Shields | - | - | - | - |
| K Chapman | - | - | - | - |
| J Mellor | - | - | - | - |
| A Gomes | - | - | - | - |
| R Bach | - | - | - | - |
| G Gill | - | - | - | - |
| G Andres | - | - | - | - |
| T Adcock | - | - | - | - |
| J Puckridge | - | - | - | - |
| T Pickett | - | - | - | - |
| A Wilbers | - | - | - | - |

[1] *Opening balance includes balance at beginning of the period or at date of appointment*
[2] *Closing balance includes balance at end of the period or at date of resignation*
[3] *Interest held as related party to Mr T Fung*

### Loans to directors and executives

There were no loans to directors or executives at balance date.

### Other transactions and balances with directors and executives

There were no other transactions with Directors or executives during the financial year. At the reporting date, the Group had loans outstanding from entities related to Mr Tony Fung totalling $18.01 million.

**End of audited Remuneration Report**

Signed in accordance with a resolution of the directors:

-----------------------------------------
**Director**
Canberra
29 February 2016

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**Director**

# AQUIS ENTERTAINMENT LIMITED

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## for the year ended 31 December 2015

| | Note | Consolidated<br>2015<br>$ | <br>2014<br>$ |
|---|---|---|---|
| **Revenue and Other Income** | | | |
| Revenue | 3 | 19,887,113 | 391,339 |
| Other income | 3 | 236,659 | 3,193,744 |
| **Total Revenue and Other Income** | | **20,123,772** | **3,585,083** |
| **Expenses from Continuing Operations:** | | | |
| Casino taxes | | (2,127,173) | (41,029) |
| Employee benefit expenses | | (16,286,276) | (334,092) |
| Share based payment expense | 20 | (1,119,940) | - |
| Other operating expenses | 4 | (6,784,684) | (71,509) |
| Finance charges | 4 | (672,335) | - |
| Depreciation | 4 | (493,814) | (9,470) |
| Amortisation | 4 | (25,635) | (620) |
| **Loss before income tax expense** | | **(7,386,085)** | **3,128,363** |
| Income tax (expense) / benefit | 5 | **1,366,203** | **21,925** |
| **Loss attributable to members of the consolidated entity** | | **(6,019,882)** | **3,150,288** |
| Other comprehensive income for the year, net of tax | | - | - |
| **Total comprehensive loss for the year attributable to the members of the consolidated entity** | | **(6,019,882)** | **3,150,288** |
| Basic and diluted earnings per share (cents per share) | 6 | (3.66) | 2.11 |

The accompanying notes form part of these financial statements.

# AQUIS ENTERTAINMENT LIMITED

## STATEMENT OF FINANCIAL POSITION

## as at 31 December 2015

| | | Consolidated | |
|---|---|---|---|
| | **Note** | **2015**<br>**$** | **2014**<br>**$** |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 7 | 6,804,470 | 5,071,462 |
| Trade and other receivables | 8 | 34,414 | 29,968 |
| Inventories | 9 | 586,277 | 137,537 |
| Other current assets | 10 | 1,158,886 | 250,476 |
| **Total Current Assets** | | **8,584,047** | **5,489,443** |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 11 | 3,829,220 | 4,102,774 |
| Capital work-in-progress | 12 | 1,590,710 | - |
| Intangible assets | 13 | 1,945,082 | 1,970,717 |
| Available for sale financial asset | 14 | 4,106 | - |
| Deferred tax assets | 5 | 4,435,051 | 3,068,849 |
| Other non-current assets | 10 | 2,749,954 | - |
| **Total Non-Current Assets** | | **14,554,123** | **9,142,340** |
| **TOTAL ASSETS** | | **23,138,170** | **14,631,783** |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 15 | 3,132,978 | 1,565,727 |
| Employee benefit provisions | 16 | 651,492 | 613,421 |
| Loans and borrowings | 17 | 1,630,940 | - |
| **Total Current Liabilities** | | **5,415,410** | **2,179,148** |
| **NON-CURRENT LIABILITIES** | | | |
| Employee benefit provisions | 16 | 43,008 | 52,346 |
| Loans and borrowings | 17 | 16,381,394 | 9,250,000 |
| **Total Non-Current Liabilities** | | **16,424,402** | **9,302,346** |
| **TOTAL LIABILITIES** | | **21,839,812** | **11,481,494** |
| **NET ASSETS** | | **1,298,358** | **3,150,289** |
| **EQUITY** | | | |
| Contributed equity | 18 | 4,167,952 | 1 |
| Accumulated losses | 19 | (2,869,594) | 3,150,288 |
| **TOTAL EQUITY** | | **1,298,358** | **3,150,289** |

The accompanying notes form part of these financial statements

# AQUIS ENTERTAINMENT LIMITED
# STATEMENT OF CHANGES IN EQUITY
## for the year ended 31 December 2015

| | Note | Share Capital | Accumulated Losses | Total |
|---|---|---|---|---|
| | | $ | $ | $ |
| **2014** | | | | |
| Balance at 23 December 2014 | | 1 | - | 1 |
| **Transactions with owners:** | | | | |
| Result attributable to members of the Company | | - | 3,150,288 | 3,150,288 |
| **Balance at 31 December 2014** | | **1** | **3,150,288** | **3,150,289** |
| **2015** | | | | |
| **Transactions with owners:** | | | | |
| Shares issued on acquisition | | 2,167,951 | - | 2,167,951 |
| Shares issued during the period | | 2,000,000 | - | 2,000,000 |
| **Total transactions with owners** | | **4,167,951** | | **4,167,951** |
| Loss attributable to members of the company | | - | (6,019,882) | (6,019,882) |
| **Balance at 31 December 2015** | | **4,167,952** | **(2,869,594)** | **1,298,358** |

The accompanying notes form part of these financial statements

# AQUIS ENTERTAINMENT LIMITED
# STATEMENT OF CASH FLOWS
## for the year ended 31 December 2015

| | | Consolidated | |
|---|---|---|---|
| | | 2015 | 2014 |
| | | $ | $ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers | | 22,046,377 | 1,958,095 |
| Payments to suppliers and employees | | (25,265,891) | (1,996,052) |
| Interest received | | 89,503 | 426 |
| Interest paid | | - | - |
| **Net cash provided by (used in) operating activities** | 21 | **(3,130,011)** | **(37,531)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Plant and equipment | | (220,790) | (358) |
| Proceeds from disposal of plant and equipment | | - | - |
| Payments for capital work-in-progress | | (1,590,710) | - |
| Payments in respect of licenses | | (4,459,385) | - |
| Investments | | (4,106) | - |
| Net proceeds from acquisition of controlled entities | | 1,048,010 | - |
| **Net cash provided by (used in) investing activities** | | **(5,226,981)** | **(358)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares | | 2,000,000 | - |
| Proceeds from borrowings | | 8,090,000 | 250,001 |
| **Net cash provided by (used in) financing activities** | | **10,090,000** | **250,001** |
| **Net increase (decrease) in cash held** | | 1,733,008 | 212,112 |
| **Cash at beginning of the period** | | 5,071,462 | 4,859,350 |
| **Cash at end of the period** | 7 | **6,804,470** | **5,071,462** |

The accompanying notes form part of these financial statements

## 1. Statement of Significant Accounting Policies

The financial report covers the consolidated group of Aquis Entertainment Limited (“Aquis” or “Company”) and its controlled entities (together referred to as the “Consolidated Entity” or “Group). Aquis is a for-profit company limited by shares incorporated and domiciled in Australia. The Company’s shares are publicly traded on the Australian Securities Exchange (AQS).

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### *Basis of Preparation*

This general purpose financial report has been prepared on a going concern basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

*Basis of Accounting*

These financial statements have been prepared on an accruals basis under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgements in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2

*Functional and Presentation Currency*

The Company’s functional and presentation currency is Australian dollars.

### *Capital Restructure*

On 7 August 2015, Aquis acquired all of the shares in Aquis Canberra Pty Limited (ACPL) the owner of Casino Canberra Limited (CCL) by issuing 149,421,874 shares in Aquis to ACPL’s shareholder. The acquisition of Aquis by ACPL cannot be considered to be a business combination, as Aquis could not be considered to be a business under AASB 3 “Business Combinations”. Thus for accounting purposes, the consolidation of the two companies was performed on the basis of the continuation of ACPL with no fair value adjustments, whereby ACPL was deemed to be the accounting parent and Aquis the subsidiary. Accordingly, the comparative information for Aquis is that of ACPL for the period.

The transaction has therefore been treated as a share based payment under AASB 2 “Share Based Payments”, whereby ACPL is deemed to have issued shares in exchange for the net assets and listing status of Aquis. As the deemed acquirer, ACPL has acquisition accounted for Aquis as at the date of the acquisition (7 August 2015 - the “Transaction Date”). Refer note 20 for further details on the acquisition accounting treatment.

### *Comparatives*

ACPL acquired all of the issued shares of CCL on 23 December 2014. Prior to that date, ACPL had no assets or liabilities. Accordingly the comparative financial information in these financial statements is for the period from 23 December 2014 to 31 December 2014.

### *Summary of Accounting Policies*

The following is a summary of the material accounting policies adopted by the Company in the preparation of the Financial Statements

### (a) Principles of Consolidation

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases. A list of subsidiaries is contained at Note 27. All controlled entities have a December year end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### (b) Revenue Recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Gaming Revenue*

Gaming Revenue is the net of gaming wins and losses.

*Sale of goods*

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract.

*Interest*

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

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### (c) Income Tax

The charge for current income tax expense is based on the result for the period adjusted for non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other

Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### (d) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Goods & Services Tax (GST) receivable from, or payable to, the Australian Taxation Office has been accounted for and included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis except for the GST component of investing activities, which are disclosed as an operating cash flow.

### e) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current

### (f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position

### g) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

### (h) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

### (i) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

*Depreciation*

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|---|---|
| Buildings | 40 years |
| Plant and equipment | 3-20 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

### (j) Capital Work in Progress

Capital work in progress represents expenditure on the refurbishment and equipment refreshment project. No depreciation is charged against the assets until such time as they are available for use.

### (k) Financial Instruments

#### *Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Details of financial instruments are set out in Note 22. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as being at fair value through the Statement of Profit or Loss and Other Comprehensive Income. Transaction costs related to instruments classified as at fair value through profit or loss are expensed through the Statement of Profit or Loss and Other Comprehensive Income immediately. Financial instruments are classified and measured as set out below.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets, principally equity securities y. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

### *Impairment of financial assets*

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

## (l) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

## (m) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### (n) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be wholly settled within one year, together with entitlements arising from wages and salaries and annual leave, which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred.

### (o) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company

### (p) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowing using the effective interest rate method.

### (q) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received.

Any transaction costs arising on the issue of shares are recognised (net of tax) directly in equity as a reduction of the share proceeds received.

### (r) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### (s) Earnings per Share (EPS)

***Basic earnings per* Share**

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than shares, by the weighted average number of shares outstanding during the financial year, adjusted for any bonus elements in Shares issued during the year.

***Diluted earnings per Share***

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential shares**.**

### (t) New Accounting Standards for First Time Application in Subsequent Periods

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these consolidated financial statements. Details of these new standards are set out below. None of these is expected to have a significant effect on the consolidated financial statements of the Company.

| Reference | Title | Summary | Application date (financial years beginning) | Expected Impact |
|---|---|---|---|---|
| AASB 2015-3 | *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* | The Standard completes the AASB’s project to remove Australian guidance on materiality from Australian Accounting Standards. | 1 July 2015 | No expected impact |
| AASB 1057 | *Application of Australian Accounting Standards* | The AASB moved application paragraphs in all Australian Accounting Standards to this new standard, in order to maintain consistency with the layout of IFRS standards. | 1 January 2016 | No expected impact |
| AASB 2014-3 | *Amendments to Australian Accounting Standards –* | This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in | 1 January 2016 | No expected impact |

| | | | | |
|---|---|---|---|---|
| | *Accounting for Acquisitions of Interests in Joint Operations* | which the activity constitutes a business. | | |
| AASB 2014-4 | *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* | This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose. | 1 January 2016 | No expected impact |
| AASB 2014-9 | *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements* | This amending standard allows entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. | 1 January 2016 | No expected impact |
| AASB 2014-10 | *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | This amending standard requires a full gain or loss to be recognised when a transaction involves a business (even if the business is not housed in a subsidiary), and a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business (even if those assets are housed in a subsidiary). | 1 January 2016 | No expected impact |
| AASB 2015-1 | *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* | The Standard makes amendments to various Australian Accounting Standards arising from the IASB's Annual Improvements process, and editorial corrections. | 1 January 2016 | No expected impact |
| AASB 2015-2 | *Amendments to Australian Accounting Standards –* | The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the | 1 January 2016 | Disclosures Only |

| | | | | |
|---|---|---|---|---|
| | *Disclosure Initiative: Amendments to AASB 101* | IASB's Disclosure Initiative project. | | |
| AASB 15 | *Revenue from Contracts with Customers* | This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. | 1 January 2017 | No expected impact |
| AASB 2014-5 | *Amendments to Australian Accounting Standards arising from AASB 15* | Consequential amendments arising from the issuance of AASB 15. | 1 January 2017 | No expected impact |
| AASB 9 | *Financial Instruments* | This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc. | 1 January 2018 | Potential impact to be assessed |
| AASB 2014-7 | *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* | Consequential amendments arising from the issuance of AASB 9 | 1 January 2018 | Potential impact to be assessed |

### (u) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $6,019,882 and had net cash outflows from operating activities of $3,130,011 (2014: $37,531) for the year ended 31 December 2015. As at that date the consolidated entity had net assets of $1,298,358 and capital commitments relating to the equipment refreshment and refurbishment project of $11,307,641. Accordingly the consolidated entity will require additional funds to meet its expenditure program and its operational commitments.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The consolidated entity has arranged a $20 million loan facility with a company associated with its major shareholder.
- As at the balance date only $890,000 of the facility has been drawn.
- The equipment refreshment and refurbishment project is expected to significantly enhance the consolidated entity's ability to generate revenue, profit and cash flow to meet its future ongoing commitments.
- The $20 million loan facility is sufficient to meet the consolidated entity's obligations during the refurbishment period and until the consolidated entity becomes cash positive.
- The Company's major shareholder has provided the Directors with an undertaking to provide financial support to the consolidated entity should it be required.

## 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below

### *Impairment of Intangibles*

The consolidated entity assesses impairment of intangible assets at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating unit to which the intangible is allocated. The assumptions and methodology used to assess the recoverable amount are set out in Note 13.

### *Share Based Payment transaction on acquisition of ACPL*

The determination of the consideration for the shares issued to complete the reverse takeover transaction between Aquis and ACPL and the resultant listing expense, required estimates of the value of ACPL at the transaction date. Refer Note 20 for further details.

### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits

### *Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be wholly settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

| | **Consolidated** | |
|---|---|---|
| | **2015** | **2014** |
| | **$** | **$** |
| **3. Revenue and Other Income** | | |
| **Revenue** | | |
| Revenue from services | 18,144,522 | 344,278 |
| Revenue from sale of goods | 1,742,591 | 47,061 |
| **Total Revenue** | **19,887,113** | **391,339** |
| **Other Income** | | |
| Interest | 89,503 | 426 |
| Discount on acquisition (refer note 20) | - | 3,190,517 |
| Other revenue | 147,156 | 2,801 |
| **Total Other Income** | **236,659** | **3,193,744** |
| **4. Expenses from Continuing Operations** | | |
| ***(a) Other operating expenses*** | | |
| Cost of sales | 534,513 | 7,582 |
| Annual casino licence fee | 891,877 | 21,578 |
| Stamp Duty | 385,540 | - |
| Repairs & Maintenance | 361,047 | 1,986 |
| Utilities | 364,035 | 6,733 |
| Insurance | 215,213 | 1,690 |
| Printing & Stationery | 75,868 | 186 |
| Marketing, promotion and associated costs | 1,829,183 | 12,650 |
| Legal, accounting and consultants | 314,012 | 1,138 |
| Travel and associated costs | 127,520 | - |
| Rates and taxes | 119,103 | 2,814 |
| Contracts | 592,573 | - |
| Uniform replacement and cleaning | 116,546 | - |
| Other expenses | 857,654 | 15,152 |
| | 6,784,684 | 71,509 |
| ***(b) Finance charges*** | | |
| Interest – related parties | 672,335 | - |
| | 672,335 | - |
| ***(c) Depreciation*** | | |
| Buildings | 268,834 | 5,707 |
| Plant and equipment | 224,980 | 3,763 |
| | 493,814 | 9,470 |
| ***(d) Amortisation*** | | |
| Casino licence and fees | 25,635 | 620 |

|  | **Consolidated** |  |
|---|---|---|
|  | **2015** | **2014** |
|  | **$** | **$** |
| **5. Income Tax** |  |  |
| ***(a) The components of income tax expense comprise*** |  |  |
| Current tax | (2,398,723) | (23,694) |
| Deferred tax | 1,035,553 | 3,965 |
| Adjustment recognised for prior periods | (3,033) | (2,196) |
|  | **(1,366,203)** | **(21,925)** |
| ***(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:*** |  |  |
| Net profit/(loss) | (7,386,085) | 3,128,363 |
| Prima facie tax benefit on profit/(loss) from ordinary activities before income tax at 30% | (2,215,826) | 938,509 |
| Add/(less) tax effect of: |  |  |
| Non-deductible amortisation | 7,691 | 186 |
| Other non-deductible expenses | 412,354 | (1,268) |
| Temporary differences: |  |  |
| Net non-assessable discount on acquisition | - | (957,156) |
| Tax losses not available to be carried forward | 425,345 | - |
| Net non-allowable expenses | 7,266 | - |
| Adjustment for prior periods | (3,033) | (2,196) |
| Income tax attributable to entity | **(1,366,203)** | **(21,925)** |
| (***c) Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 30%*** |  |  |
| **The balance comprises temporary differences attributable to:** |  |  |
| Amounts recognised in profit or loss |  |  |
| Property, plant and equipment | 2,722,627 | 2,730,638 |
| Accruals | 103,433 | 16,144 |
| Employee benefits | 456,764 | 382,924 |
| **Net deferred tax assets** | **3,282,824** | **3,129,706** |
| **Set-off deferred tax liabilities pursuant to set-off provisions** |  |  |
| Amounts recognised in profit or loss |  |  |
| Accruals other | (1,270,389) | (84,551) |
| **Net deferred tax assets** | **2,012,435** | **3,045,155** |
| Net deferred tax assets at beginning | 3,068,849 | 3,046,924 |
| Charged to income statement current year | (1,035,552) | (3,965) |
| Prior period tax adjustment | 2,832 | 2,196 |
| Current period tax adjustment | 2,398,922 | 23,694 |
| **Net deferred tax assets at end of the year** | **4,435,051** | **3,068,849** |

|  | Consolidated |  |
|---|---|---|
|  | 2015 | 2014 |
|  | $ | $ |

## 6. Earnings Per Share

|  | No. | No.[1] |
|---|---|---|
| Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted EPS | **164,300,556** | **149,421,874** |

[1] The weighted average number of shares and resulting basic and diluted loss per share for 2014 has been adjusted to reflect the impact of the group restructure as at The Transaction Date.

Options are considered potential ordinary shares. For the years ended 31 December 2015 , their conversion to ordinary shares would have had the effect of reducing the loss per share (from continuing operations. Accordingly the options were not included in the determination of diluted earnings per share for that period. Details relating to options are set out at notes 18(b).

## 7. Cash and Cash Equivalents

|  |  |  |
|---|---|---|
| Cash at bank and on hand | **6,804,470** | **5,071,462** |

Pursuant to the Deed between the ACT Gambling and Racing Commission, the Company and the Australian Capital Territory dated 23 December 2014, the Company is required to maintain at all times a minimum of $3 million in Liquid assets that are not unless with the prior written consent of the Commission otherwise used in the day to day operations of the business.

## 8. Trade and Other Receivables

|  |  |  |
|---|---|---|
| Trade receivables | **25,982** | 10,114 |
| Other receivables | **8,432** | 19,854 |
|  | **34,414** | **29,968** |

## 9. Inventories

|  |  |  |
|---|---|---|
| Consumable stores - at cost | **516,416** | 97,018 |
| Goods for resale – at cost | **69,861** | 40,519 |
|  | **586,277** | **137,537** |

## 10. Other Assets

|  |  |  |
|---|---|---|
| **Current** |  |  |
| Prepaid casino licence fee | 891,877 | - |
| Prepayments and deferrals | 261,974 | 247,619 |
| Other | 5,035 | 2,857 |
|  | **1,158,886** | **250,476** |
| **Non-current** |  |  |
| Prepaid casino licence fee | **2,749,954** | **-** |

In February 2015, the consolidated entity prepaid 5 years of annual casino licence fees to the ACT Gambling and Racing Commission. The fees totalled $4,459,385 and are amortised on a straight line basis. The amount of the prepayment that is to be amortised over the following 12 months is treated as a current asset. The remainder of the prepayment is treated as a non-current asset. The recoverable value of the prepayment is reviewed annually for potential impairment (refer Note 13).

| | Consolidated | |
|---|---|---|
| | 2015 | 2014 |
| | $ | $ |

## 11. Property Plant and Equipment

| | | |
|---|---|---|
| ***Building and leasehold improvements*** | | |
| Building at cost | 20,764,271 | 20,672,923 |
| Accumulated depreciation | (8,828,885) | (8,560,051) |
| Accumulated impairment | (8,418,579) | (8,418,579) |
| | 3,516,807 | 3,694,293 |
| ***Plant and equipment*** | | |
| Plant and equipment at cost | 889,562 | 6,196,341 |
| Accumulated depreciation | (439,045) | (4,754,187) |
| Accumulated impairment | (138,104) | (1,033,673) |
| | 312,413 | 408,481 |
| **Balance** | **3,829,220** | **4,102,774** |
| **Movements in property plant and equipment**: | | |
| ***Building and leasehold improvements*** | | |
| Opening written down value | 3,694,294 | 3,700,001 |
| Additions | 91,346 | - |
| Depreciation | (268,833) | (5,707) |
| **Carrying value at 31 December** | **3,516,807** | **3,694,294** |
| ***Plant and equipment*** | | |
| Opening written down value | 408,481 | 411,886 |
| Additions | 129,443 | 358 |
| Loss on disposal of plant and equipment | (531) | - |
| Disposals and zero value assets written off | (4,533,360) | - |
| Depreciation expense | (143,727) | (3,763) |
| Depreciation written back on disposal or write off of zero value assets | 4,452,107 | - |
| **Carrying value at 31 December** | **312,413** | **408,481** |

## 12. Capital work-in-progress

| | | |
|---|---|---|
| Refurbishment and equipment refreshment project at cost | 1,590,710 | - |

## 13. Intangible assets

| | | |
|---|---|---|
| Casino Licence and associated costs | | |
| At cost | 19,000,000 | 19,000,000 |
| Accumulated amortisation and impairment | (17,054,918) | (17,029,283) |
| **Carrying value at 31 December** | **1,945,082** | **1,970,717** |
| **Movements in intangible assets** | | |
| Opening written down value | 1,970,717 | 1,996,352 |
| Amortisation | (25,635) | (25,635) |
| **Carrying value at 31 December** | **1,945,082** | **1,970,717** |

## 13. Intangible assets (continued)

The Casino Canberra licence is tested annually for impairment.

Casino Canberra is considered a cash-generating unit (CGU) for the purpose of impairment testing. The recoverable value of the casino CGU was based on its fair value less costs to sell, determined by discounting the future cash flows to be generated from the continuing use of the CGU and adjusting for the likely cost to sell the CGU. The fair value less costs to sell of the CGU was determined to be higher than its carrying value at 31 December 2015 of $10,062,309 and accordingly no impairment loss was recognised in 2015.

Fair value less costs to sell was determined by discounting the future cash flows generated from the continuing use of the CGU for five years and a terminal growth rate thereafter and adjusting the result for the likely costs to sell the CGU. The calculation of the fair value less costs of disposal was based on the following key assumptions.

Cash flows are based primarily on a five year forecast extrapolated using average annual growth rates of approximately 2 – 2.5%.

A post-tax discount rate of 12.27% was applied in determining the recoverable amount of the unit. The discount rate was determined by using the weighted average cost of capital applicable to the CGU.

Forecast after tax cash flow was based on expectations of future outcomes taking into account the likely effects of the refurbishment and equipment renewal project commenced during the reporting period.

*Sensitivity*

Judgements and estimates have been applied in respect of impairment testing of the CGU. Should these judgements and estimates not occur the resulting carrying amount may decrease. The key sensitivities are as follows:

- Revenue would need to decrease by more than 1% from the forecast levels (with all other assumptions remaining constant) before the carrying value of the CGU would need to be impaired,
- Expenses would need to increase by more than 1% from the forecast levels (with all other assumptions remaining constant) before the carrying value of the CGU would need to be impaired,
- The discount rate would be required to increase to approximately 13.6% (with all other assumptions remaining constant) before the carrying value of the CGU would need to be impaired,

*2014*

For the period ended 31 December 2014, the assessment of the potential impairment of the CGU was undertaken using the fair value less costs to sell based on the purchase price paid by Aquis Canberra Pty Ltd for the acquisition of all shares of Casino Canberra Limited as the basis of the CGU's recoverable amount. The recoverable amount of $6 million was determined to be higher than carrying amount of the CGU at 31 December 2014 of $ 5,242,276, and therefore, no impairment loss was recognised in 2014.

## 14 Available for Sale Financial Assets

| | | |
|---|---|---|
| Listed equities – at fair value | **4,106** | - |

The fair values of listed investments are determined by reference to published price quotations in an active market.

## 15. Trade and Other Payables

| | | |
|---|---|---|
| **Current unsecured:** | | |
| Trade payables | 364,741 | 94,615 |
| Annual Leave | 791,604 | 603,795 |
| Sundry payables and accrued expenses | 1,976,633 | 867,317 |
| **Total payables (unsecured)** | **3,132,978** | **1,565,727** |

Trade and other payables are non-interest bearing and have maturity dates of less than 90 days. The fair value of the liabilities is determined in accordance with the accounting policies disclosed in Note 1.

## 16. Employee Benefit Provisions

| | | |
|---|---|---|
| *Long Service Leave* | **694,500** | **665,768** |
| Movement in the provision was as follows: | | |
| **Opening balance** | | |
| Current | 613,422 | 612,400 |
| Non-Current | 52,346 | 52,266 |
| Entitlements | 37,941 | 1,102 |
| Payments | (9,209) | - |
| **Closing balance** | | |
| Current | 651,492 | 613,422 |
| Non-Current | 43,008 | 52,346 |

## 17 Loans and Borrowings

| | | |
|---|---|---|
| **Current** | | |
| Interest bearing loans from related party (unsecured) | 1,630,940 | - |
| **Closing balance** | **1,630,940** | - |
| **Non- Current** | | |
| Non- interest bearing loan from related party (unsecured) | **-** | 9,250,000 |
| Interest bearing loans from related party (unsecured) | **16,381,394** | - |
| **Closing balance** | **18,012,334** | 9,250,000 |

**17 Loans and Borrowings (continued)**

**Financing Facilities:**

The Group had the following unsecured financing facilities in place at 31 December 2015:

| Lender | Principle Amount | Drawn Amount | Available | Convertible | Interest Rate |
|---|---|---|---|---|---|
| ACHPL (Shareholder Loan) | 13,750,000 | 13,750,000 | - | Yes | 8% |
| Newberth (Shareholder Loan) | 2,000,000 | 2,000,000 | - | Yes | 8% |
| Newberth (Newberth Loan) | 700,000 | 700,000 | - | No | 8% |
| Newberth (Working Capital Facility) | 20,000,000 | 890,000 | 19,110,000 | No | BBSY + 2% |
| Interest capitalised | n/a | 672,335 | n/a | n/a | n/a |
| Totals | 36,450,000 | 18,012,334 | 19,110,000 | | |

Newberth = Newberth Limited, a wholly owned Company of Mr Tony Fung
ACHPL = Aquis Canberra Holdings (Aus) Pty Ltd, a wholly owned Company of Mr Tony Fung

Key terms of the financing facilities are as follows:

***Shareholder Loans***

The Shareholder Loans for $2.0 million and $13.75 million have a maturity date of 5 years from the date the Company was reinstated for trading on the ASX. Repayment may be made in any of the following ways:

- At the election of the ACHPL, by conversion into the Company’s shares (Shares) at an issue price of $0.20 per share provided that the entire amount outstanding must be converted at once and as conversion must not result in ACHPL and its associates having a voting power in excess of 89.59%;
- At the election of the Company, repaid in cash at any time prior to the maturity date;
- At the election of the Company by notice no later than 5 business days prior to the maturity date, by conversion into shares at an issue price of $0.20 per share on the maturity date
- Repayment in cash on either the Maturity Date, provided that the volume weighted average price (VWAP) of the Company’s shares in the 30 day period immediately prior to the Maturity Date is equal to or greater than $0.25 or 5 business after ACHPL issues a repayment notice and the VWAP of the Company’s shares in the 30 day period immediately prior to the giving of the notice is equal to or greater than $0.25.

**17 Loans and Borrowings (continued)**

***Other Loans (Current)***

The Newberth Loan is repayable within 6 months of the receipt of written demand of the Lender.

The Working Capital Facility is repayable on the receipt of 3 months' written notice provided that repayment is only to the extent it does not result in an insolvency event in respect of the Company.

## 18. Contributed Equity

| | | |
|---|---|---|
| **(a) Fully paid ordinary shares** | **4,167,952** | 1 |

The share capital of the Company consists only of fully paid ordinary shares, which do not have a par value. All shareholders participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

| | | |
|---|---|---|
| **Balance at the beginning of the reporting period** | **1** | 1 |
| Reverse acquisition refer Note 20 | 2,167,951 | - |
| Issued for $0.20 each pursuant to underwritten Rights Issue | 2,000,000 | - |
| Total shares issued during the financial year | 4,167,952 | - |
| **Balance at reporting date** | **4,167,952** | 1 |

In accordance with the reverse acquisition procedure, the equity balance recognised in the consolidated financial statements is the equity balance of the legal subsidiary Aquis Canberra Pty Ltd immediately before the business combination. The amount recognised as contributed equity in the consolidated financial statements has been determined by adding the cost of the acquisition to the contributed equity of the legal subsidiary ACPL.

| | **Consolidated** | |
|---|---|---|
| | **2015<br>No.** | **2014<br>No.** |
| Number at the beginning of the reporting period | 25,719,176 | 25,719,176 |
| Reverse acquisition refer Note 20 | 149,421,874 | - |
| Issued for $0.20 each pursuant to underwritten Rights Issue | 10,000,000 | - |
| **Balance at reporting date** | **185,141,050** | 25,719,176 |

The number of shares outstanding is that of Aquis Entertainment Limited (previously Discovery Resources Limited). The comparative figure presented is also that of Discovery Resources Limited.

**(b) Unlisted Options**

| | **Consolidated** | |
|---|---|---|
| | **2015<br>No.** | **2014<br>No.** |
| Balance at the beginning and end of the reporting period | **5,000,000** | **5,000,000** |

| | Consolidated | |
|---|---|---|
| | 2015<br>$ | 2014<br>$ |
| **19. Retained Earnings** | | |
| Opening balance | 3,150,288 | - |
| Comprehensive profit / (loss) for the period | (6,019,882) | 3,150,288 |
| **Balance at 31 December** | **(2,869,594)** | 3,150,288 |

## 20. Acquisition of Controlled Entities

### Aquis / ACPL (2015)

On 7 August 2015, Aquis (formerly Discovery Resources Limited), the legal parent and legal acquirer, completed the acquisition of ACPL. The acquisition did not meet the definition of a business combination in accordance with AASB 3: Business Combinations. Instead the acquisition has been treated as a share based payment under AASB 2 "Share Based Payments to be the accounting parent whereby ACPL is deemed to have issued shares to Aquis Shareholders in exchange for the net assets held by Aquis. The transaction is measured at the fair value of the equity instruments that would have been given by ACPL to have exactly the same percentage holding in the new structure at the date of the transaction which was assessed at $2,167,952.

The excess of the deemed consideration over the pre-acquisition equity balances of Aquis was deemed to be the amount paid for the listing status of Aquis, being $1,119,941 (recognised as a share based payment in the statement of profit or loss) as set out below:

| | $ |
|---|---|
| Purchase consideration -149,421,874 shares issued at fair value | 2,167,952 |
| Less | |
| Cash and cash equivalents | 1,137,888 |
| Trade and other receivables | 15,458 |
| Other current assets | 1,703 |
| Trade and other payables | (107,038) |
| Identifiable net assets | 1,048,010 |
| **Share based payment expense** | **1,119,941** |

The equity structure in the consolidated financial statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of Aquis, including the equity instruments issued by Aquis to effect the acquisition.

The results for the year ended 31 December 2014 and 31 December 2015 comprise the results of ACPL and the results of Aquis subsequent to the acquisition.

### ACPL / CCL (2014)

On 22 December 2014 (Acquisition Date), ACPL acquired CCL for a consideration of $6 million. The fair value of the net assets of CCL at the Acquisition Date was $9,190,517 giving rise to a "bargain purchase" difference of $3,190,517. After identifying all of the assets and liabilities acquired, the excess of the net assets acquired over the purchase price has been recognised in profit or loss on the acquisition date. Accordingly the $3,190,517 has been recognised in the consolidated profit and loss at 31 December 2014 as a "Discount on acquisition".

## 20. Acquisition of Controlled Entities (continued)

The fair value of the assets and liabilities of CCL at the acquisition date were as follows:

| | $ |
|---|---|
| Purchase consideration | 6,000,000 |
| Less | |
| Cash and cash equivalents | 1,859,350 |
| Trade and other receivables | 38,044 |
| Inventory | 139,632 |
| Other current assets | 286,801 |
| Property, Plant and Equipment | 4,111,886 |
| Intangible assets | 1,971,337 |
| Deferred tax assets | 3,046,924 |
| Trade and other payables | (1,005,669) |
| Provisions | (1,257,789) |
| Identified assets acquired and liabilities assumed | 9,190,516 |
| **Discount on acquisition** | **3,190,516** |

## 21. Cash Flow Information

| | Consolidated | |
|---|---|---|
| | 2015<br>$ | 2014<br>$ |
| **Reconciliation of Cash Flow from Operations with Loss after Income Tax:** | | |
| Loss from ordinary activities after income tax | (6,019,882) | 3,150,288 |
| Non-cash flows in profit from ordinary activities: | | |
| Depreciation | 519,980 | 10,090 |
| Discount on consolidation | - | (3,190,517) |
| Interest on loan | 672,335 | - |
| Casino licenses | 817,554 | - |
| Share based payment | 1,119,940 | - |
| Employee provisions - current | 38,070 | 1,022 |
| Employee provisions – non current | (9,338) | 80 |
| Changes in operating assets and liabilities: | | |
| (Increase)/Decrease in receivables | (4,446) | 5,309 |
| (Increase)/Decrease in inventory | (448,740) | 2,095 |
| Decrease / (Increase) in other assets | (16,534) | 36,327 |
| Decrease / (Increase) in deferred tax asset | (1,366,202) | (19,729) |
| (Decrease)/Increase in creditors and accruals | 1,567,252 | (32,496) |
| **Cash flows from operations** | **(3,130,011)** | (37,531) |

## 22. Financial Instruments

### a) General objectives, policies and processes

The consolidated entity's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and loans from related parties. The consolidated entity's business exposes it to market risk (interest rates), credit risk and liquidity risk.

## 22. Financial Instruments (continued)

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Company's risk management objectives are therefore designed to minimise the potential impacts of these risks on the results of the Company where such impacts may be material. The overall objective of the Board is to set polices that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

### (b) Credit Risk

The Company has exposure to credit risk on the receivables in the balance sheet. However the Company has no significant concentrations of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history, and as such collateral is not requested. Cash at bank is held with the ANZ Banking Group Limited,

The maximum exposure to credit risk at balance date is as follows:

| | **2015**<br>**$** | **2014**<br>$ |
|---|---|---|
| Cash at bank | **5,341,342** | 3,800,471 |
| Trade and other receivables | **34,414** | 29,968 |
| | **5,375,756** | **3,830,439** |

### (c) Liquidity risk

The consolidated entity manages liquidity risk by monitoring forecast cash flows.

**Maturity Analysis - 2015**

| | **Carrying amount**<br>**$** | **< 6 months**<br>**$** | **6-12 months**<br>**$** | **1-3 years**<br>**$** | **> 3 years**<br>**$** |
|---|---|---|---|---|---|
| ***Financial Liabilities*** | | | | | |
| Trade Creditors | 364,741 | 364,741 | - | - | - |
| Intercompany loans | 18,012,334 | - | 1,630,940 | - | 16,381,394 |
| Other creditors and accruals | 1,976,633 | 1,976,633 | - | - | - |
| **Total** | **20,353,708** | **2,341,374** | **1,630,940** | - | **16,381,394** |

Intercompany loans are repayable within 6 months of receipt of written notice. At the date of this report no notice had been received

**Maturity Analysis - 2014**

| | **Carrying amount**<br>**$** | **< 6 months**<br>**$** | **6-12 months**<br>**$** | **1-3 years**<br>**$** | **> 3 years**<br>**$** |
|---|---|---|---|---|---|
| ***Financial Liabilities*** | | | | | |
| Trade Creditors | 94,615 | 94,615 | - | - | - |
| Other creditors and accruals | 867,317 | 867,317 | - | - | - |
| Total | 961,932 | 961,932 | - | - | - |

## 22. Financial Instruments (continued)

### (d) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

***(i) Interest rate risk***

The Company's exposure to market interest rates relates to both the Company's long-term (interest bearing) loan obligation as set out in note 17 and the company's future cash flows from its cash holdings. The Company's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the tables below:

| | | | **Fixed / Floating Interest Rate Maturing** | | | |
|---|---|---|---|---|---|---|
| | **Weighted Average Effective Interest Rate** | **Amount** | **Within 1 Year** | **1 to 5 Years** | **Non-Interest Bearing** | **Total** |
| **At 31 December 2015** | **%** | **$** | **$** | **$** | **$** | **$** |
| **Financial Assets** | | | | | | |
| Cash & Cash Equivalents | **1.9%** | 6,804,470 | 5,295,487 | - | 1,508,983 | **6,804,470** |
| Trade & Other Receivable | | 34,414 | - | - | 34,414 | **34,414** |
| **Total Financial Assets** | | **6,838,884** | **5,295487** | **-** | **1,543,397** | **6,838,884** |
| **Financial Liabilities** | | | | | | |
| Trade Creditors | | 364,741 | - | - | 364,741 | **364,741** |
| Shareholder loan | **8%** | 14,195,656 | - | 14,195,656 | - | **14,195,656** |
| Newberth loan | **8%** | 736,148 | 736,148 | - | - | **736,148** |
| Newberth loan | **8%** | 2,185,738 | - | 2,185,738 | - | **2,185,738** |
| Working capital facility | **4.3%** | 894,792 | 894,792 | - | - | **894,792** |
| **Total Financial Liabilities** | | **18,377,075** | **1,630,940** | **16,381,394** | **364,741** | **18,377,075** |
| **At 31 December 2014** | **%** | **$** | **$** | **$** | **$** | **$** |
| **Financials Assets** | | | | | | |
| Cash & Cash Equivalents | **2.5%** | 5,071,462 | 747,650 | - | 4,323,812 | **5,071,462** |
| Trade & Other Receivable | **-** | 29,968 | - | - | 29,968 | **29,968** |
| **Total Financial Assets** | | **5,101,430** | **747,650** | **-** | **4,353,780** | **5,101,430** |
| **Financial Liabilities** | | | | | | |
| Trade Creditors | **-** | 94,615 | - | - | 94,615 | **94,615** |
| Shareholder loan | **-** | 9,250,000 | - | - | 9,250,000 | **9,250,000** |
| **Total Financial Liabilities** | | **9,344,615** | **-** | **-** | **9,344,615** | **9,344,615** |

## 22. Financial Instruments (continued)

### *ii) Net Fair Values*

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

### *iii) Sensitivity Analysis*

The group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

*Interest Rate Sensitivity Analysis*

At 31 December 2015, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

| | **Consolidated Group** | |
|---|---|---|
| | **2015** | **2014** |
| | **$** | **$** |
| **Change in profit:** | | |
| Increase in interest rate by 2% | (254,337) | 14,953 |
| Decrease in interest rate by 2% | 259,632 | (14,953) |
| **Change in Equity** | | |
| Increase in interest rate by 2% | (254,337) | 14,953 |
| Decrease in interest rate by 2% | 259,632 | (14,953) |

(*ii) Other Price Risk*

The Company is not subject to other price risk

## 23. Key Management Personnel Disclosures

### (a) Key Management Personnel

***Directors***

| | |
|---|---|
| T Fung | Chairman (Appointed 7 Aug 2015) |
| R Or Ching Fai | Vice Chairman (Appointed 7 Aug 2015) |
| J Fung | Non-Executive Director (Appointed 7 Aug 2015) |
| A Chow | Non-Executive Director (Appointed 7 Sept 2015) |
| R Shields | Non-Executive Director (Appointed 7 Aug 2015) |
| K Chapman | Non-Executive Director (Appointed 14 Aug 2015) |
| J Mellor | Executive Director (Appointed 14 Aug 2015) |
| G Andres | Executive Director and CEO (Appointed 7 Aug 2015 – Resigned 13 Nov 2015) |
| T Adcock | Non-Executive Chairman (Resigned 7 Aug 2015) |
| J Puckridge | Executive Director/Chief Executive Officer (Resigned 7 Aug 2015) |
| T Pickett | Non-Executive Director (Resigned 7 Aug 2015) |

***Executives***

| | |
|---|---|
| A Gomes | CEO appointed 16 November 2015 |
| J Mellor | Senior Executive to 14 July 2015 |
| G Gill | CFO and Company Secretary appointed 7 August 2015 |
| R Bach | VP and General Manager appointed 2 July 2015 |
| A Wilbers | Company Secretary resigned 7 August 2015 |

## 23. Key Management Personnel Disclosures (continued)

### Transactions with Key Management Personnel

Key management personnel remuneration includes the following:

| | 2015<br>$ | 2014<br>$ |
|---|---|---|
| Short term employee benefits: | 1,513,993 | - |
| Post-employment benefits: | 129,780 | - |
| **Total remuneration** | **1,643,773** | **-** |

Further details are included in the Remuneration Report.

## 24 Related Party Transactions

### (a) Controlling entities

The ultimate parent is TF Reef – Canberra Holdings Limited (incorporated in BVI. The ultimate Australian parent entity is Aquis Entertainment Canberra Holdings (Aus) Pty Ltd

### (b) Key Management Personnel

Disclosures relating to KMP are included in Note 23 and the Remuneration report.

### (c) Transaction with Related Parties

The Group received loans from related parties during the year. Details of the loans are set out at Note 17.

## 25. Expenditure Commitments

### Capital Expenditure Commitments

| | 2015 | 2014 |
|---|---|---|
| Not later than one year | 11,707,484 | - |

## 26. Contingent Liabilities

Pursuant to the Deed between the ACT Gambling and Racing Commission, CCL and the Australian Capital Territory dated 23 December 2014, CCL granted the Commission and the Territory:

- First ranking mortgage over the casino land and
- First ranking security interest over all other property.

CCL can replace the mortgage with a bank guarantee for $3 million should it raise debt finance in connection with improvements or redevelopment of the business.

## 27. Investment in Controlled Entities

Interests in controlled entities are set out below. All entities are incorporated and domiciled in Australia.

| Name | Principal Activity | Incorporated | Ownership Interest | |
|---|---|---|---|---|
| | | | 2015 | 2014 |
| Aquis Canberra Pty Ltd | Gaming and entertainment | Australia | 100% | 100% |
| Casino Canberra Limited[1] | Gaming and entertainment | Australia | 100% | 100% |

[1] Shares held by ACPL

For details of the acquisition of controlled entities refer Note 20.

## 28. Parent Entity Information

| | 2015<br>$ | 2014[1]<br>$ |
|---|---|---|
| **Statement of Financial Position** | | |
| Current assets | 1,947,835 | 1 |
| Non-current assets | 1,305,089 | - |
| **Total assets** | **3,252,924** | 6,000,001 |
| Current liabilities | (281,297) | - |
| Non-current liabilities | (894,792) | |
| **Total liabilities** | (1,176,089) | (6,000,000) |
| **Net assets** | **2,076,835** | 1 |
| **Equity** | | |
| Issued capital | 4,727,776 | 1 |
| Share option reserve | 127,713 | - |
| Accumulated losses | (2,778,654) | - |
| **Total equity** | **2,076,835** | 1 |
| **Statement of Profit or Loss and Other Comprehensive Income** | | |
| Income | 17,397 | - |
| **(Loss) for the year** | **(971,175)** | - |

[1] Comparative is for ACPL at 31 December 2014

Commitments for the parent entity are the same as those for the consolidated entity and are set out at Note 25.

The parent entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at year end.

## 29. Subsequent Events

Other than as disclosed in this report, there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations of the entity, the results of those operations or the state of affairs of the Company in future financial years.

## 30. Segment Information

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity operates in a single operating segment: that of the gaming and entertainment industry in Australia.

## 31 Auditor Information

The following fees were paid or payable for services provided by the Group’s auditors:

| | **2015**<br>**$** | **2014**<br>**$** |
|---|---|---|
| **Audit of the Financial Statements** | | |
| RSM Australia Pty Ltd | 53,750 | - |

## 32. Company Information

The registered office and principal place of business is as follows:

21 Binara Street
Canberra ACT 2601

## 33. Authorisation of Financial Statements

The consolidated financial statements for the year ended 31 December 2015 (including comparatives) were approved and authorised for issue by the Board of Directors on 26 February 2016.

# AQUIS ENTERTAINMENT LIMITED

## DIRECTORS' DECLARATION

The Directors of the company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
    a. comply with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
    b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company and consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
    a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
    b. the financial statements and notes for the financial year comply with the Accounting Standards; and
    c. the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards

Signed in accordance with a resolution of the Directors.

Director

Canberra

29 February 2015

# AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Aquis Entertainment Limited for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Australia Partners

**RSM AUSTRALIA PARTNERS**

Canberra, Australian Capital Territory
Dated: 29 February 2016

**RODNEY MILLER**
Partner

# INDEPENDENT AUDITOR'S REPORT

# TO THE MEMBERS OF

# AQUIS ENTERTAINMENT LIMITED

## Report on the Financial Report

We have audited the accompanying financial report of Aquis Entertainment Limited, which comprises the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Aquis Entertainment Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

*Opinion*

In our opinion:

(a) the financial report of Aquis Entertainment Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

**Report on the Remuneration Report**

We have audited the Remuneration Report included on page 5 of the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In our opinion the Remuneration Report of Aquis Entertainment Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

RSM Australia Partners

**RSM AUSTRALIA PARTNERS**

Canberra, Australian Capital Territory
Dated: 29 February 2016

**RODNEY MILLER**
Partner

## AQUIS ENTERTAINMENT LIMITED

## ACN 147 411 881

## (Company)

# CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 27 April 2016 and has been approved by the Board of Directors on that date.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

The Company's Corporate Governance Plan is available on the Company's website at **www.aquisentertainment.com.**

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| ***Principle 1: Lay solid foundations for management and oversight*** | | |
| **Recommendation 1.1**<br>A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management. | Yes | The Company has a Board Charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management. A copy of the Charter can be viewed on the Company's website. |

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| **Recommendation 1.2**<br>A listed entity should:<br>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and<br>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director. | Yes | The Company:<br>- undertakes appropriate checks including character references, criminal history and insolvency checks before appointing or putting forward to security holders a candidate for election, as a Director<br>- security holders are provided with all material information relevant to a decision on whether or not to elect or re-elect a Director. The information is included in the Company's Annual Reports, Notices of Meeting and website. |
| **Recommendation 1.3**<br>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment. | Yes | The Company has written agreements with each Director and senior executive setting out the terms of their appointment. |
| **Recommendation 1.4**<br>The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. | Yes | The Board Charter establishes that the Company Secretary is accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board. |
| **Recommendation 1.5**<br>A listed entity should:<br>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;<br>(b) disclose that policy or a summary or it; and | Yes - Partly<br>Yes | Aquis Entertainment acknowledges the positive outcomes that can be achieved through a diverse workforce and recognises and utilises the diverse skills and talent from its directors, officers and employees. To this end the Company has developed a diversity policy which can be viewed on the Company's website.<br>The Remuneration & Nomination Committee will be responsible for reviewing and making recommendations to the Board on the effectiveness of the Diversity Policy. If the Committee considers |

<table>
<tr><th>RECOMMENDATIONS (3RD EDITION)</th><th>COMPLY</th><th>EXPLANATION</th></tr>
<tr>
<td>(c) disclose as at the end of each reporting period:<br>(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and<br>(ii) either:<br>(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or<br>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.</td>
<td>Yes</td>
<td>necessary, it will advise the Board on the establishment of measurable objectives set to achieve gender diversity to enable the Board to annually assess and report the Company's progress in achievement of its objectives. If developed, the measureable objectives will be included in either the Annual Corporate Governance Statement or the Company's Annual Report.<br>At 31 March 2016, the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation were as follows:
<table>
<tr><th></th><th>Female</th><th>Male</th><th>Total</th></tr>
<tr><td>Board (including Executive Directors)</td><td>1</td><td>6</td><td>7</td></tr>
<tr><td>Senior Executives (excl. Executive Directors)[1]</td><td>1</td><td>2</td><td>3</td></tr>
<tr><td>Management and staff</td><td>86</td><td>157</td><td>243</td></tr>
<tr><td><b>Total</b></td><td><b>88</b></td><td><b>165</b></td><td><b>253</b></td></tr>
</table>
[1] For the purposes of this statement, Senior Executives are defined as Key Management Personnel (excluding Directors).</td>
</tr>
<tr>
<td><b>Recommendation 1.6</b><br>A listed entity should:<br>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and<br>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</td>
<td>Yes<br>yes</td>
<td>The Board Charter establishes the requirement and process to conduct an annual evaluation of the performance of the Board, its committees and individual Directors. The Remuneration & Nomination Committee will be responsible for the conduct of the evaluation.<br>Due to the short time frame between the date of formation of the Board (August 2015 and the end of the reporting period (December 2015), the Board considers that a performance evaluation at this time would be premature.</td>
</tr>
</table>

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| **Recommendation 1.7**<br>A listed entity should:<br>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and | Yes | The Board is responsible for reviewing the performance of senior management against strategies established by the Board. To this end the Board has established KPI's against which the performance of its senior executives will be assessed. |
| (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. | yes | Due to the short time frame between the date of formation of the Board (August 2015 and the end of the reporting period (December 2015), the Board considers that a performance evaluation of executives at this time would be premature. |
| ***Principle 2: Structure the Board to add value*** | | |
| **Recommendation 2.1**<br>The Board of a listed entity should:<br>(a) have a nomination committee which:<br>(i) has at least three members, a majority of whom are independent Directors; and<br>(ii) is chaired by an independent Director,<br>and disclose:<br>(iii) the charter of the committee;<br>(iv) the members of the committee; and<br>(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<br>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address | Yes | The Remuneration and Nomination Committee has three members the majority of whom are independent Directors. The Committee is chaired by an independent Director.<br>The names of the Committee Members are as follows:<br>• Dr Kenneth Chapman (Chair)<br>• Mr Raymond Or Ching-Fai<br>• Mr Russell Shields<br>A copy of the Committee Charter may be viewed on the Company website.<br>The qualifications and experience of the members of the Committee are set out on the Company's website and in the Annual Reports. The number of times the committee met throughout a period and the individual attendances of the members at those meetings are disclosed in the Annual Report. |

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively. | | |
| **Recommendation 2.2**<br>A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. | Yes | The Remuneration and Nomination Committee will be tasked with developing a Board Skills Matrix to assist in identifying the experience, skills, expertise and diversity required for the Board to discharge its mandate to maintain the necessary mix of expertise. |
| **Recommendation 2.3**<br>A listed entity should disclose:<br>(a) the names of the Directors considered by the Board to be independent Directors; | Yes | The names of the Directors considered to be independent are as follows:<br>• Mr Alex Chow and<br>• Mr Russell Shields<br>• Dr Kenneth Chapman |
| (b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and | Yes | The names of the Directors who are not considered independent are:<br>• Mr Tony Fung<br>• Mr Raymond Or Ching-Fai<br>• Mr Justin Fung<br>• Ms Jessica Mellor<br>Ms Mellor and Dr Chapman were appointed on 14 August 2015. |
| (c) the length of service of each Director | Yes | Mr Chow was elected at the EGM on 10 July 2015 and was formally appointed on 7 September 2015 following the receipt of |

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| | | all necessary Government approvals for his appointment.<br>All other Directors were appointed at the EGM with the appointments taking affect from 7 August 2015. |
| **Recommendation 2.4**<br>A majority of the Board of a listed entity should be independent Directors. | Yes | At the date of this report, the Board comprises 7 members, 3 of whom are independent and 4 of whom are non-independent Directors.<br>The Company considers this to be an appropriate balance given its majority shareholder and the importance to the company at this time to have 1 Executive Directors, who is not considered independent. |
| **Recommendation 2.5**<br>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity. | No | The Chair of the Board is Mr Tony Fung who is also the owner of the majority shareholder and therefore is not independent. Mr Fung is a highly experienced Director and Chairman. The Company considers that, reflective of the majority shareholding, the Board will function more effectively with Mr Fung as Chairman. |
| **Recommendation 2.6**<br>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively. | Yes | The Company has an induction program for new Directors and encourages ongoing professional development of directors and senior management. |
| ***Principle 3: Act ethically and responsibly*** | | |

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| **Recommendation 3.1**<br>A listed entity should:<br>(a) have a code of conduct for its Directors, senior executives and employees; and<br>(b) disclose that code or a summary of it. | Yes | The Company has a Code of Conduct for its Directors, senior executives and employees. A copy of the Code of Conduct may be viewed on the Company's website. |
| **Principle 4*: Safeguard integrity in financial reporting*** | | |
| **Recommendation 4.1**<br>The Board of a listed entity should:<br>(a) have an audit committee which:<br>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and<br>(ii) is chaired by an independent Director, who is not the Chair of the Board,<br>and disclose:<br>(iii) the charter of the committee;<br>(iv) the relevant qualifications and experience of the members of the committee; and<br>(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<br>(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 | Yes | The Audit and Risk Management Committee has three members all of whom are independent Directors. The Committee is chaired by an independent Director.<br>The names of the Committee Members are as follows:<br>• Mr Alex Chow (Chair)<br>• Dr Kenneth Chapman and<br>• Mr Russell Shields<br>A copy of the Committee Charter may be viewed on the Company website. The qualifications and experience of the members of the Committee are set out on the Company's website and in the Annual Report. The number of times the committee met throughout a period and the individual attendances of the members at those meetings are disclosed in the Annual Report. |

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| and removal of the external auditor and the rotation of the audit engagement partner. | | |
| **Recommendation 4.2**<br>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | Yes | The Audit and Risk Management Charter requires the CEO and CFO to provide to the Board prior to the Company's financial statements being approved, a declaration that the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. |
| **Recommendation 4.3**<br>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | Yes | The Shareholder Communications Policy of the Company states that the external auditor will attend the AGM and will be available to answer questions from security holders relevant to the audit. |
| ***Principle 5: Make timely and balanced disclosure*** | | |
| **Recommendation 5.1**<br>A listed entity should:<br>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br>(b) disclose that policy or a summary of it. | Yes | The Company has a Disclosure Policy which sets out the process by which the Company complies with its continuous disclosure obligations under the Listing Rules.<br>A copy of the Policy may be viewed on the Company's website. |

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| **Principle 6:** ***Respect the rights of security holders*** | | |
| **Recommendation 6.1**<br>A listed entity should provide information about itself and its governance to investors via its website. | Yes | The Company's Corporate Governance Statement, Charters and Corporate Governance Policies are included on its website. |
| **Recommendation 6.2**<br>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | Yes | The Company has a Shareholder Communication policy which is aimed at to facilitating effective two-way communication with investors. A copy of the Policy can be viewed on the Company's website. |
| **Recommendation 6.3**<br>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | Yes | The Shareholder Communications Policy sets out the policies and processes the Company's has in place to facilitate and encourage participation at meetings of security holders. |
| **Recommendation 6.4**<br>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | Yes | The Shareholder Communications Policy establishes the Company's commitment to receive communications from, and send communications to, the entity and its security registry electronically |
| ***Principle 7: Recognise and manage risk*** | | |
| **Recommendation 7.1**<br>The Board of a listed entity should:<br>(a) have a committee or committees to oversee risk, each of which: | | The Audit and Risk Management Committee has three members all of whom are independent Directors. The Committee is chaired by an independent Director. A copy of the Committee |

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| (i) has at least three members, a majority of whom are independent Directors; and<br>(ii) is chaired by an independent Director,<br>and disclose:<br>(iii) the charter of the committee;<br>(iv) the members of the committee; and<br>(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<br>(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. | | Charter may be viewed on the Company website.<br>The names of the Committee Members are as follows:<br>• Mr Alex Chow (Chair)<br>• Dr Kenneth Chapman and<br>• Mr Russell Shields<br>The qualifications and experience of the members of the Committee are set out on the Company's website and in the Annual Report. The number of times the committee met throughout a period and the individual attendances of the members at those meetings are disclosed in the Annual Report. |
| **Recommendation 7.2**<br>The Board or a committee of the Board should:<br>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and<br>(b) disclose in relation to each reporting period, whether such a review has taken place. | Yes | The Audit and Risk Management Committee Charter tasks the Committee with the responsibility for reviewing and monitoring the Company's risk management framework to provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The Charter requires the Committee to undertake a review of the Company's risk management framework with management (at least once annually) to satisfy itself that Aquis Entertainment's risk management framework continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain with the risk appetite set by the Board. |

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| | | Due to the short time frame between the date of formation of the Board (August 2015 and the end of the reporting period (December 2015), the Board considers that a review of the Company's risk management framework at this time would be premature. |
| **Recommendation 7.3**<br>A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(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. | No | The Company does not, at this stage, have an Internal Audit function. The Board is of the view that he Company's' size and scale does not currently support an independent internal audit function. The Board from time to time may utilise external parties to undertake internal audit control reviews.<br>The Audit and Risk Management Committee Charter sets out the processes the Committee employs to oversee the Company's risk management framework. The Company's proposed operational subsidiary, Casino Canberra Limited, also maintains a robust risk management framework related to all operational matters as required under the relevant casino legislation. This includes the maintenance of a risk register identifying relevant operational risks and recording proposed solutions and risk management procedures where appropriate. |
| **Recommendation 7.4**<br>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | Yes | The Company's exposure to economic, environmental and social sustainability risks and the way it manages or intends to manage mitigate those risks is set out in the Annual Report. |
| ***Principle 8: Remunerate fairly and responsibly*** | | |
| **Recommendation 8.1**<br>The Board of a listed entity should: | | |

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| (a) have a remuneration committee which:<br>(i) has at least three members, a majority of whom are independent Directors; and<br>(ii) is chaired by an independent Director,<br>and disclose:<br>(iii) the charter of the committee;<br>(iv) the members of the committee; and<br>(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<br>(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. |  | The Remuneration and Nomination Committee has three members the majority of whom are independent Directors. The Committee is chaired by an independent Director.<br>The names of the Committee Members are as follows:<br>• Dr Kenneth Chapman (Chair)<br>• Mr Raymond Or Ching-Fai<br>• Mr Russell Shields<br>A copy of the Committee Charter may be viewed on the Company website.<br>The qualifications and experience of the members of the Committee are set out on the Company's website and in the Annual Report. The number of times the committee met throughout a period and the individual attendances of the members at those meetings are disclosed in the Annual Report. |
| **Recommendation 8.2**<br>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration. | Yes | The Remuneration and Nomination Committee is tasked with developing policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.<br>These policies and practices are disclosed in the Company's Annual Report. |

| RECOMMENDATIONS (3RD EDITION) | COMPLY | EXPLANATION |
|---|---|---|
| **Recommendation 8.3**<br>A listed entity which has an equity-based remuneration scheme should:<br>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and<br>(b) disclose that policy or a summary of it. | Yes | The Company has submitted equity–based remuneration scheme (Plan) to its Shareholders for consideration at the 2016 AGM. The Plan rules specifically prohibit participants from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Plan.<br>The Company's Securities Trading Policy also prohibits participants in any such scheme from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.<br>A copy of the Securities Trading Policy can be viewed on the Company's website. |

## SHAREHOLDER INFORMATION AT 15 APRIL 2016

### 1. TWENTY LARGEST SHAREHOLDERS

| | Holder Name | Shares | % |
|---|---|---|---|
| 1 | AQUIS CANBERRA HOLDINGS (AUS) PTY LTD | 163,871,874 | 88.51% |
| 2 | RIVA ADMINISTRATION PTY LTD | 797,999 | 0.43% |
| 3 | TARALAKE PTY LTD | 790,329 | 0.43% |
| 4 | MANLAM PTY LTD <MANKA FAMILY SUPER FUND A/C> | 662,540 | 0.36% |
| 5 | MR PAUL JOSEPH MANKA | 662,539 | 0.36% |
| 6 | LANDSEC PTY LTD | 646,800 | 0.35% |
| 7 | PROSPERO CAPITAL PTY LTD <PROSPERO GROWTH FUND A/C> | 597,999 | 0.32% |
| 8 | LIFE IN VERSE PTY LTD <JA & TD DAY FAMILY A/C> | 545,153 | 0.29% |
| 9 | CHANCERY HOLDINGS PTY LTD <MCKENZIE NO 1 SUPER FUND A/C> | 500,000 | 0.27% |
| 10 | KOBIA HOLDINGS PTY LTD | 500,000 | 0.27% |
| 11 | MR JOHN HAMILTON | 449,000 | 0.24% |
| 12 | MRS JODIE LEE MAXTED | 437,154 | 0.24% |
| 13 | MR HONGHAO SUN | 420,000 | 0.23% |
| 14 | MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN <SUPERANNUATION ACCOUNT> | 400,000 | 0.22% |
| 15 | HAMMERHEAD HOLDINGS PTY LTD <HHH S/F A/C> | 300,000 | 0.16% |
| 16 | MR ANTHONY MICHAEL MALYNIAK <EJM A/C> | 300,000 | 0.16% |
| 17 | CONFIDO SUPERANNUATION PTY LTD <CHAPMAN FAMILY SUPER A/C> | 260,000 | 0.14% |
| 18 | MR DAVID RICHARD HAINSWORTH | 239,451 | 0.13% |
| 19 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 231,879 | 0.13% |
| 20 | MR GARY STANLEY SWIFT & MRS KAYLEEN LESLIE SWIFT <THE SWIFT SUPER FUND A/C> | 220,000 | 0.12% |
| | **Total** | 172,832,717 | 93.35% |

### 2. DISTRIBUTION OF SHAREHOLDERS

| Range | Total Holders | Shares | % Issued Capital |
|---|---|---|---|
| 1 – 1,000 | 5 | 1,030 | 0.00% |
| 1,001 – 5,000 | 6 | 19,935 | 0.01% |
| 5,001 – 10,000 | 113 | 1,102,125 | 0.60% |
| 10,001 – 100,000 | 364 | 9,805,767 | 5.30% |
| 100,001 and above | 30 | 174,212,193 | 94.10% |
| **Total** | **518** | **185,141,050** | **100.000** |
| Unmarketable Parcels | 4 | 30 | 0.00% |

### 3. SUBSTANTIAL SHAREHOLDERS

| Name | No. of Shares | % Issued Capital |
|---|---|---|
| Aquis Canberra Holdings (Aus) Pty Ltd | 163,871,874 | 88.51 |

### *4.* VOTING RIGHTS

***Ordinary Shares***
Every holder of ordinary shares has the right to receive notices of, to attend and to vote at general meetings of the Company. On a show of hands every shareholder present at a meeting in person or by proxy, attorney or representative is entitled to one vote and upon a poll each share is entitled to one vote.

**Options**

Options are unlisted and holders have no voting rights

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## 5. RESTRICTED SECURITIES

| Security | Number of Restricted Securities | Date of Cessation of Restriction |
|---|---|---|
| Ordinary Shares | 149,421,874 | 25 August 2017 |

## *6. USE OF CASH AND CONVERTIBLE ASSETS*

During the period from admission to the official list of the Australian Stock Exchange to the date of this statement, the company has used cash and assets readily convertible to cash in a manner consistent with its business activities. The company is involved in the ownership and management of gaming and waging assets in Australia.

## CORPORATE DIRECTORY

**Company**
Aquis Entertainment Limited
ABN 48 147 411 881
21 Binara Street
Canberra ACT 2601
www.aquisentertainment.com

**Registered Office and place of business**
21 Binara Street
CANBERRA ACT 2601
Telephone: +61 2 6257 7074
Facsimile: +61 2 6257 7079

**Directors**
Mr Tony Fung (Chairman)
Mr Raymond Or Ching-Fai (Deputy Chairman
Mr Justin Fung (Non-executive Director)
Mr Alex Chow (Independent Non-executive Director)
Mr Russell Shields (Independent Non-executive Director)
Dr Kenneth Chapman (Independent Non-executive Director)
Ms Jessica Mellor (Executive Director)

**Company Secretary**
Garry Gill

**Auditors**
RSM Australia Partners
GPO Box 200
Canberra ACT 2601

**Share Registry**
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

**Stock Exchange Listing**
Australian Securities Exchange Limited
Home Exchange – Melbourne
ASX code: AQS