

27 February 2007

e-pay Asia Limited
("EPY" or the "Company")

e-pay Asia Limited is the leading provider of electronic payment solutions and top up services for prepaid mobile users in South East Asia

Preliminary results for the year ended 31st December 2006**Highlights**

- Strong growth achieved during the year in core market in Malaysia (prepaid airtime) and in software sales and services.
- Net profit attributable to members of A\$6.0m delivered despite reported flooding in Malaysia in December.
- Net profit figure is 20% above expectations set at the Company's float last year.
- Accounting policy changed to provide clearer financial information and comparisons
- Revenues for the year were A\$19.7m* (after taking into account the change in accounting policy).
- Cash balance was A\$7.1m and Net Debt was A\$4.9m at year end (2005: A\$1.6m and A\$5.0m respectively)*.
- Earnings per share of 3.06 cents (A\$)*
- Proposed maiden final dividend of 1.36 cents (A\$) per share* (44% payout ratio).
- Directors confident of further progress in the year ahead.

*2005 comparables have not been used as this year reflects only two months trading of the core business

Simon Loh, Managing Director of EPY, commented:

"We have made excellent progress during the period under review which has been driven by strong organic growth in our core markets. During the year ahead, we will continue to build on our leading position as South East Asia's largest prepaid mobile reload and electronic payment solutions providers."

Enquiries

Tan Yap Seng
Corporate Affairs
e-pay Asia Limited
Tel: +6017 229 1616
+603 5632 2488
investor@e-payasia.com

Shane Dolan
Director,
Biddicks,
London, United Kingdom
Tel: +44 207 448 1000
shane.dolan@biddicks.co.uk

Chairman's Statement

The period under review has been a successful and eventful year for your company which has become the leading provider of electronic payment solutions and top up services for prepaid mobile users in South East Asia. Full year results reflect strong trading in our core market including Malaysia (Prepaid airtime) and software services. The results reflect the increasing importance of software sales and services to the overall financial performance. All non core businesses, inherited through the listing process, have been disposed of. The Company has started the year positively and is optimistic for 2007.

Revenue for the year ended 31 December 2006 grew as a result to A\$19.7m and EBITDA rose to A\$10.3m. EBITDA margin was over 50% for the full year.

As reported, flooding in four Malaysian states near the period end did have an impact on net profits attributable to shareholders and we have been prudent in accounting for this. I am pleased to report that despite this one-off event the Company was able to improve its net profit attributable to members to A\$6.0m as compared to the A\$5.0m as per the Prospectus in December 2005. The profit before tax was A\$7.7m and profit after tax for the period was A\$7.6m.

The Company reported basic earnings per share of 3.06 cents. The Company enjoys a strong financial position with cash balances of A\$7.1m, (2005: A\$1.6m) and net debt of A\$4.9m, (2005: A\$5.0m). Shareholder's equity increased from A\$1.6m to A\$14.8m.

Given this strong performance, the Board is pleased to propose a maiden full year dividend of 1.36 cents per share payable on 10th April 2007 (44% payout ratio).

Change of accounting policy

To more accurately reflect the Company's business and to provide clearer financial information, these results show the change of accounting policy regarding revenue recognition. Revenue is shown as the net commission earned from the sale of prepaid airtime services as opposed to the gross value of the prepaid airtime services sold to an end user. The business operates as a distribution agent for prepaid airtime credits and top-up vouchers as opposed to being a seller of the underlying 'airtime' product itself.

For fair comparison purposes, the comparative figures for financial year 2005 have been adjusted to reflect this new basis of revenue recognition. This change has no impact on reported profit as it results in an equal and offsetting reduction in the 'revenue' and 'cost of sales' amounts previously recognised.

Board strengthened

In order to underpin the growth of the Company we have strengthened the Board of Directors. We are pleased to welcome Mr. Jack Tan to the Board as Non Executive Director and Company Secretary with effect from 1 February 2007. Mr Jack Tan has over 20 years as a Company Director and is a Member of the Australian Institute of Company Directors. He has more than 10 years experience as an Investment Advisor with leading stockbroking firms in Sydney.

In addition, we have appointed Dato' Hassan in December 2006 as Executive Director. Dato' Hassan, co founder of the e-pay Malaysia group of companies, successfully introduced electronic prepaid airtime top up services to the Malaysian market in 1999.

We believe that these appointments have strengthened the Board and provide the skills and experience necessary to grow the Company's business.

In addition, under the terms of the acquisition of the e-pay group of companies by SkyNetGlobal, Tobikiri Capital Limited, whose ultimate beneficial owner is Simon Loh is due deferred consideration of an additional 72,500,000 shares in the Company to be issued at a price of A\$0.20 per share for no consideration. It is expected that these shares will be issued on 16th April 2007 and application will be made for these shares to be admitted to trading on AIM and the ASX on 16th April 2007. As a result of this share issue, Tobikiri Capital Limited is to hold 151,785,830 ordinary shares in the Company which representing about 54.6% of the enlarged share capital of 277,799,952 ordinary shares in issue. These deferred consideration shares do not qualify for the dividend payable for the year ended 31st December 2006.

Finally, I would like to thank all of the Company employees, business partners and associates for their significant contribution to the business during the period under review.

Michael Lee
Chairman

27 February 2007

Managing Director's review

Financials

We are pleased to report that net profit attributable to shareholders was A\$6.0m despite the flooding in Malaysia experienced during the traditionally important month of December.

The severity of the flooding and subsequent power cuts during this busy period did impact on the Company's retail distribution network and reduced revenues. This situation has now improved and we are now experiencing business returning to more normalised levels.

We are continually developing both our product range and services to include the likes of prepaid diesel. We have also developed corporate distribution channels with the likes of Pos Malaysia, Malaysia ATM Network as well as having signed more strategic alliances with mobile operators, such as Ufone in Pakistan, in order to strengthen our leading market position. The year saw significant growth in software services where the Company licenses its software in new markets.

Strategy

In Malaysia our strategy remains focused on servicing mobile phone users as they shift from physical card top-ups to electronic top-up payments. e-payment top-ups represent around 20% of the total prepaid top-up market. Therefore significant conversion opportunities exist for the Company.

In addition, we are assessing the opportunity to capitalise on our extensive point of sale network in Malaysia to act as payment collection intermediary for pay TV subscriptions as mentioned, toll charges, airline tickets, credit card and debit card transactions, etc.

In Indonesia, we have emerged as one of the leading physical card distributors in addition to its role as an electronic distributor for prepaid mobile airtime. This market is changing and like Malaysia there is a natural shift towards electronic top up payment. This is providing an excellent opportunity for the Company and its subsidiary, e-pay Indonesia. We are shortly launching new software systems which are capable of supporting multi products which can deliver via wider distribution channels such as SMS, GPRS and web base reload solutions. This strategy will ensure the Company maintains its role and profile in the market and acts as an electronic airtime aggregator for multiple mobile operators.

In Pakistan and Thailand, where the Company owns stakes in local operations, the Company continues to consolidate its market position. We anticipate steady progress in these markets as the need for electronic top up solutions continues to grow.

New markets

Your Board is currently evaluating the opportunities that exist in China and India. In order to enter these markets, we believe it to be prudent to do so via a joint venture with existing mobile operators or by taking a strategic stake in an existing electronic distributor. We believe that these territories will play an increasingly important role within the group's longer term strategy.

Outlook

Overall, we are very pleased with the performance achieved during the period under review. We have the strategies in place to deliver new products and services, which should in turn produce steady growth in our core markets. In addition, significant longer term opportunities exist via entry into new markets, which the Company is currently considering. We are confident of our prospects for the year ahead and I look forward to updating shareholders with further progress in due course.

Simon Loh
Managing Director

27 February 2007

Preliminary final report (Appendix 4E)

1. Company details

Name of entity

E-PAY ASIA LIMITED
ABN No. 99 089 227 887

Financial year ended ('current period')

31 December 2006

Financial year ended ('previous period')

31 December 2005

2. Key Information on: Results for announcement to the market

\$A'000's

2.1	Revenue	Up	751	% to	19,735
2.2	Profit (loss) after tax attributable to members	Up	192	% to	6,011
2.3	Net profit (loss) for the period attributable to members	Up	192	% to	6,011
2.4	Dividends		Amount per security		Franked amount per security
	Final dividend declared subsequent to 31 December 2006		1.36 ¢		- ¢
	Interim dividend		- ¢		- ¢
2.5	Record date for determining entitlements to the final dividend:		9 th March 2007		
	Date dividend is declared		27 th February 2007		
	Date dividend is payable		10 th April 2007		
2.6	% increase in revenue and profit after tax attributable to members is based on a full 12 months trading in the current year, compared to only 2 months of trading for the primary operating activities in the previous year.				
	As at 31 st December 2006				
	Total number of issued ordinary shares		204,430,568		
	Weighted average number of issued ordinary shares in 2006		196,558,665		
	Diluted weighted average number of issued ordinary shares		205,394,951		

3. e-pay Asia Limited
Income Statement
Financial year ended 31 December 2006

	Notes	Consolidated 1 January 2006 to 31 December 2006 \$	Consolidated 26 April 2005 to 31 December 2005 \$
Revenue	3(a)	19,734,623	2,318,042
Other Income	3(b)	106,586	1,444,260
Raw materials and consumables used		(282,009)	-
Changes in inventories		(105,273)	-
Employee benefits		(3,946,361)	(1,355,730)
Advertising and marketing promotions		(563,464)	(121,422)
Accommodation and travelling expenses		(794,748)	(93,575)
Telephone and utility charges		(987,962)	(224,394)
Professional and consultancy fees		(1,409,466)	(46,672)
Operating lease rentals		(287,263)	(22,023)
Other operating expenses		(1,199,250)	(431,789)
Profit (loss) before finance costs, depreciation & amortisation, impairment losses and income tax		10,265,413	1,466,697
Finance costs		(795,519)	(152,716)
Impairment of goodwill		-	(7,528,689)
Depreciation & Amortisation		(1,777,032)	(175,278)
Profit(loss) before income tax		7,692,862	(6,389,986)
Income tax (expense) income		(80,194)	12,371
Net profit (loss) after income tax		7,612,668	(6,377,615)
Net loss (profit) attributable to outside equity interests		(1,601,303)	(156,695)
Net profit (loss) attributable to members of e-pay Asia Limited		6,011,365	(6,534,310)
Basic earnings per share (cents)		3.06	(24.3)
Diluted earnings per share (cents)		2.93	(24.1)

The accompanying notes form an integral part of this Income Statement.

Notes to Income Statement

Profit and Loss Items	Consolidated 1 January 2006 to 31 December 2006 \$	Consolidated 26 April 2005 to 31 December 2005 \$
3(a) Revenue:		
Sales revenue	7,209,023	-
Airtime commission revenue*	11,789,100	2,318,042
Interest income	160,560	-
Licensing fees income	129,582	-
Other revenue	446,358	-
Total revenues	19,734,623	2,318,042
<p>* The consolidated entity has changed its policy of revenue recognition from the sale of prepaid airtime top-up credits and vouchers. Previously the consolidated entity recognised as revenue the gross value of the prepaid airtime value sold to the end user customer. It now recognises only the net commission earned from those transactions, as it considers that this treatment more appropriately reflects the underlying substance of the transaction whereby the entity operates as an agent distributing prepaid airtime value (in the form of top-up credits and vouchers), as opposed to the sale of the underlying 'airtime' product itself. This change has no impact on reported profits as it results in an equal and offsetting reduction in the 'revenue' and 'cost of sales' amounts. The comparative figures for the financial year ending 31 December 2005 have been adjusted to reflect the new basis of the revenue recognition.</p>		
3(b) Other income:		
Discount on acquisition of subsidiaries	-	1,440,807
Gain on sale of plant equipment	-	3,453
Foreign exchange gain	27,426	-
Profit on sale of W Home business assets	79,160	-
Total Other Income	106,586	1,444,260
3(c) Profit (Loss) before Income Tax includes the following Net Gains and Expenses:		
(i) Net Gains		
Gain on disposal of plant and equipment	-	3,453
Interest income	160,560	14,478
Foreign exchange gains	27,426	-
(ii) Expenses		
Cost of sales	387,282	-
Depreciation and amortisation :		
Depreciation of:		
- Plant and equipment	1,559,497	141,418
Total depreciation	1,559,497	141,418
Amortisation of:		
- Software	194,803	33,860
- Other intangible assets	22,732	-
Total amortisation	217,535	-
Total depreciation and amortisation	1,777,032	175,278
Doubtful debts - trade receivables	15,384	(42,303)
Impairment write down of goodwill to recoverable amount	-	7,528,689
Unrealised foreign exchange loss	-	64,652
Loss on disposal of plant and equipment	13,223	-
Plant and equipment write off	4,544	-
Operating lease rentals-minimum lease payments	287,263	22,023
Employee options expensed	-	680,000
Finance facility fees	795,519	152,716

4. e-pay Asia Limited
Balance Sheet as at 31 December 2006

	Consolidated 31 December 2006 \$	Consolidated 31 December 2005 \$
Current Assets		
Cash and cash equivalents	8,707,432	4,294,791
Receivables	11,568,347	2,768,501
Inventories	-	105,273
Prepaid airtime top-up value	9,763,277	11,168,613
Other - deposits and prepayments	282,432	360,961
Total Current Assets	30,321,488	18,698,139
Non-Current Assets		
Property, plant and equipment	4,479,523	3,339,641
Intangible assets- Goodwill	928,501	-
- Software	2,949,237	157,089
- Others	67,425	90,550
Investments - equity accounted	-	-
Available-for-sale financial assets	126,504	-
Other financial assets	1,888,273	1,902,120
Deferred tax assets	41,709	16,258
Total Non-Current Assets	10,481,172	5,505,658
Total Assets	40,802,660	24,203,797
Current Liabilities		
Payables	10,932,431	10,372,515
Borrowings	12,441,408	7,986,173
Current tax liabilities	61,444	51,545
Provisions	117,776	180,000
Others-deferred income	322,000	-
Total Current Liabilities	23,875,059	18,590,233
Non-Current Liabilities		
Payables	586,702	2,390,520
Borrowings	1,211,408	1,348,485
Deferred tax liability	77,314	77,873
Provisions	205,209	220,000
Total Non-Current Liabilities	2,080,633	4,036,878
Total Liabilities	25,955,692	22,627,111
Net Assets	14,846,968	1,576,686
Equity		
Contributed equity	10,597,877	6,080,066
Reserves	2,844,112	693,608
Accumulated losses	(522,818)	(6,534,310)
Parent entity Interest	12,919,171	239,364
Minority Interest	1,927,797	1,337,322
Total Equity	14,846,968	1,576,686

5. e-pay Asia Limited
Statement of Changes in Equity for the financial year ended 31 December 2006

	Consolidated 1 January 2006 to 31 December 2006 \$	Consolidated 26 April 2005 to 31 December 2005 \$
Balance at the beginning of the year	1,576,686	-
Options expense credited to Share Based Payments Reserve	-	680,000
Exchange difference on translation of foreign subsidiary	(24,124)	13,608
Available for sale financial assets, net of tax	(48,496)	-
Net income (loss) recognised directly in equity	(72,620)	693,608
Profit (loss) for the year	7,612,668	(6,377,615)
Total recognised profit (loss) for the period attributable to members of e-pay Asia Limited	9,116,734	(5,684,007)
“Cost of combination” in respect of reverse acquisition of e-pay Asia	-	6,080,064
Investment acquisitions settled by issue of equity	2,523,960	-
Liabilities/expenses settled by the issue of equity	1,148,695	-
Contributions of equity, net of transaction costs	845,155	2
Outside equity interest in controlled entities arising on reverse acquisition	-	1,180,627
Option premium arising on issue of convertible note	1,785,049	-
Purchase of minority interest in subsidiary	(419,866)	-
Dividend declared to minority interest in subsidiaries	(603,759)	-
Contribution by equity holder	451,000	-
Total equity at year end	14,846,968	1,576,686

6. e-pay Asia Limited
Cash Flow Statement for the financial year ended 31 December 2006

	Notes	Consolidated 1 January 2006 to 31 December 2006 \$	Consolidated 26 April 2005 to 31 December 2005 \$
Cash flows from operating activities			
Receipts from customers		513,802,917	85,429,078
Payments to suppliers and employees		(510,741,943)	(84,880,014)
Interest paid		(690,837)	(111,678)
Tax paid		(96,254)	(92,165)
Net operating cash flows	6(b)	2,273,883	345,221
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		131,485	10,974
Payments for plant and equipment		(3,421,133)	(838,437)
Payments for intangibles		-	(90,550)
Payments for investments		(1,381,418)	-
Net cash acquired on acquisition of controlled entities		-	3,818,466
Repayment of advance from related party		-	198,784
Other		-	(23,016)
Net investing cash flows		(4,671,066)	3,076,221
Cash flows from financing activities			
Proceeds from issues of shares and options		845,157	-
Borrowings		8,941,111	29,535
Loan repayments to related parties		(1,354,222)	(1,297,764)
Capital raising expenses		(537,115)	(491,732)
Net financing cash flows		7,894,931	(1,759,961)
Net increase in cash held		5,497,748	1,661,481
Cash at the beginning of the financial period		1,658,223	-
Currency translation difference		(71,531)	(3,258)
Cash at the end of the financial year	6(a)	7,084,440	1,658,223

The accompanying notes form an integral part of this Cash Flow Statement.

6(a) Reconciliation of cash

Cash at the end of the end of financial year as shown in statement of cash flows is reconciled to items in the Balance Sheet as follows:

	Consolidated December 2006	Consolidated December 2005
	\$	\$
Cash and cash equivalents	8,707,432	4,292,791
Bank overdrafts (included in current- borrowings)	(1,622,992)	(2,636,568)
Total cash in statement of cash flows	7,084,440	1,656,223

6(b) Reconciliation of net cash provided by operating activities to operating profit after income tax

	Consolidated December 2006	Consolidated December 2005
	\$	\$
Profit (loss) after income tax	7,612,668	(6,377,615)
Adjustments for non cash items:		
- Depreciation & amortisation	1,777,032	175,278
- Expensing of employee options	-	680,000
- Discount on acquisition of subsidiaries	-	(1,440,807)
- Impairment write down of goodwill	-	7,528,689
- Unrealised foreign exchange gain/(loss)	(27,426)	64,652
- Doubtful debts-trade receivables	15,384	-
- Loss on disposal of plant and equipment	13,223	-
- Written off of plant and equipment	4,544	-
- Borrowing cost	104,683	-
- Non cash contribution by equity holder	451,000	-
- Other reconciling items	51,852	115,280
Increase (decrease) in liabilities:		
- Payables	(1,237,515)	(1,489,544)
- Tax liabilities	(15,552)	(92,165)
- Provisions	(77,015)	-
(Increase) decrease in assets:		
- Receivables	(6,940,994)	113,531
- Prepaid airtime value	541,999	1,067,922
Net operating cash inflows	2,273,883	345,221

7. Dividends

7.1 Individual dividends per security

		Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend:	Current year	10 th April 2007	1.36 ¢	- ¢	- ¢
	Previous year	-	- ¢	- ¢	- ¢
Interim dividend:	Current year	-	- ¢	- ¢	- ¢
	Previous year	-	- ¢	- ¢	- ¢

7.2 Total dividend per security (interim *plus* final)

+Ordinary securities

Current year	Previous year
1.36 ¢	- ¢

8. NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per +ordinary security	5.3 cents	0.7 cents

9. Control gained

9.1 Control gained over entities

Name of entity (or group of entities)	(i) Mobiepay DOO (ii) Mobiepay Sdn Bhd
Date control gained	(i) 5 July 2006 (ii) 30 October 2006
Contribution of such entities to the reporting entity's profit/(loss) during the period (where material).	(i) A\$(556,600) (ii) A\$4,548,933
Profit/(loss) of the acquired entities for the whole of the previous financial year was:	(i) NIL (ii) NIL

10. Details of associates and joint venture entities

Name of associate/joint venture	1. Reporting entity's percentage holding		2. Contribution to net profit/(loss) (where material)	
	Current Period	Previous corresponding period	Current Period	Previous corresponding period
e-pay Pakistan (Private) Limited	30%	30%	-	-
Electronic Payment Network (Thailand) Co. Ltd	18%	18%	-	-

11. Foreign entities

Details of origin of accounting standards used in compiling the report
In compliance with the International Financial Reporting Standards

12.

This report is based on accounts which are in the process of being audited.

Sign here: Date:
(Director/Company Secretary)

Print name: