

MARKET RELEASE

Quarterly Activities Report and Appendix 4C Cashflow Statement

28 July 2016

Sydney, NSW – NSX Limited (ASX: NSX) NSX submits the following activities and appendix 4C cashflow statement for the period ended 30 June 2016.

NSX Limited Corporate Activities (“NSX”)

- The net cash outflow for the quarter was \$738,000 (previous quarter: inflow \$94,000). Of this outflow \$537,000 was due cash impact of the transition to the full joint venture arrangements.
- The difference between the net cash balances as at 30 June 2016 and 30 June 2015 was a net inflow of \$4,200,000.
- Cash receipts from customers were \$301,000 in the quarter compared to the previous June 2015 quarter of \$209,000 or an increase of \$92,000.
- At its meeting on 28 July the Board resolved to give notice to Financial and Energy Exchange Ltd to cancel the Funding Guarantee arrangements.

National Stock Exchange of Australia (“NSXA”) Business Activities

During the quarter:

- From 1 April 2016 until 30 June 2016 two companies were approved to list with a combined market capitalisation of AUD\$60 million. The companies listed were NFM Group Limited (NSXCode: NFM) and Anti-Aging House Holding Limited (NSXCode: A2H).
- There are five listing applications pending at the end of quarter.
- There is one pending participant application. There are three pending adviser applications.

SIM Venture Securities Exchange (“SIM VSE”) Incorporated Joint Venture

During the quarter:

- FEX moved to 50% voting power in the joint venture at the completion of its capital subscription.
- The Joint Venture Partners completed a rights issue capital raising of \$612,000 for SIM VSE Group Holdings Ltd to fund the business. NSX contributed \$306,000 in cash to maintain its 50% holding in the joint venture.

For further information on the financial aspects of the activities please refer to the attached Appendix 4C or contact:

Ann Bowering
Managing Director
NSX Limited

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

NSX Limited

ABN

33 089 447 058

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	301	2,136
1.2 Payments for		
(a) staff costs	(271)	(1,204)
(b) advertising and marketing	(5)	(8)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(301)	(1,854)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	40	103
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(236)	(827)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12.. months) \$A'000
1.8 Net operating cash flows (carried forward)	(236)	(827)
1.9 Cash flows related to investing activities		
Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	(306)	(306)
(c) intellectual property	-	-
(d) physical non-current assets	(73)	(74)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Transition to Joint Venture	(537)	(537)
Net investing cash flows	(916)	(917)
1.14 Total operating and investing cash flows	(1,152)	(1,744)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	534	6,064
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(120)	(120)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	414	5,944
Net increase (decrease) in cash held	(738)	4,200
1.21 Cash at beginning of quarter/year to date	7,372	2,434
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	6,634	6,634

Item 1.9(b) - Equity Investments

During the period the Joint Venture Partners of the SIM VSE incorporated joint venture agreed to a 1 for 3 rights issue at a price of 5 cents to raise up to \$612,000. NSX paid its contribution of \$306,000 to maintain its 50% holding.

Item 1.9(d) - physical non-current assets

NSX is undertaking a program of equipment renewal with respect to both its back office infrastructure and trading infrastructure.

+ See chapter 19 for defined terms.

Item 1.13 – Transition to Joint Venture

SIM VSE is an incorporated joint venture that was established between Financial and Energy Exchange Ltd (“FEX”) and NSX Limited (“NSX”). During the period FEX completed the final tranche of payments of \$534,000 (see item 1.15) to take its voting power in the joint venture to 50%. FEX subsequently sold its entire shareholding in the joint venture to Asian Exchange Infrastructure Pty Ltd (“AEI”).

Due to the transition to joint venture the cash balances held by the Joint Venture are now no longer consolidated into the NSX accounts. The impact produced a once off reduction in the cash held by NSX of \$537,000.

Item 1.15 – Proceeds from share issues

SIM Venture Securities Exchange Joint Venture Funding (previous quarter)

As at 30 June 2016 no funding remained to be received by the Joint Venture as AEI completed the final tranche of funding during the quarter (as reported in the previous quarterly cash flow statement). AEI now owns, on a fully paid basis, 50% of SIM VSE Group Holdings Limited Joint Venture (NSX owns the remaining 50%).

On 29 June 2016 the Joint Venture Partners completed a rights issue in SIM VSE Group Holdings Ltd which raised \$612,000 in cash. NSX contributed \$306,000 to the rights issue to maintain its 50% voting power (see item 1.9(b)). The funding will be used to further the business development of SIM VSE.

Item 1.18 – Borrowings

During the period an amount owing to FEX of \$120,000 inclusive of interest (see item 3.1) was repaid. The balance related to services rendered by FEX on behalf of NSX but which had not yet been paid by NSX. .

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	\$62.5
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Director fees.	

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Item 3.1 – Loan Facilities: Funding deed with Financial and Energy Exchange Limited (FEX)

As at 30 June 2016 the amount owing to FEX is Nil. The previous balance related to services rendered by FEX on behalf of NSX but which have not yet been paid by NSX. During the period NSX repaid the outstanding balance plus interest (see item 1.18).

At its meeting on 28 July the Board resolved to give notice to FEX to cancel the Funding Guarantee.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	4,419	5,157
4.2 Deposits at call	2,215	2,215
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	6,634	7,372

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Other disclosures required by AASB 107: Cash available for use by the Group.

Reconciliation of funding arrangements to support business operations

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Total cash at end of quarter (item 1.23)	6,634	7,372
5.2 Cash Deposits held for Equity Markets Compensation Arrangements.	(1,700)	(1,700)
5.3 Cash Deposit held while National Stock Exchange of Australia is registered as a General Settlement Participant of ASX Settlement Pty Ltd.	(500)	(500)
5.4 Other Bank Guarantees (as detailed below)	(15)	(15)
Total: cash on hand and at bank (item 4.1)	4,419	5,157

Item 5.2 - Exchange Compensation Arrangements

As part of the National Stock Exchange of Australia Limited's Australian Financial Markets Licence, NSX operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. The minimum cover required by the Licence is \$800,000. The sources for the cover is a Fidelity Fund and also a Letter of Credit as allowed by the Act. The Fidelity Fund currently has over \$520,000 on deposit. To support the Letter of Credit the National Stock Exchange of Australia Limited has provided a cash deposit of \$700,000. There is currently excess funds to the cover required in the compensation arrangements. The cash balances for the Fidelity Fund are not consolidated with NSX accounts above.

As part of the SIM Venture Securities Exchange Limited's (SIM VSE) Australian Financial Markets Licence, SIM VSE operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. The minimum cover required by the Licence is \$1,000,000. The sources for the cover is a Fidelity Fund and also a Letter of Credit as allowed by the Act. The Fidelity Fund currently has over \$50,000 on deposit. To support the Letter of Credit NSX Limited has provided a cash deposit of \$1,000,000 on behalf of SIM VSE. There is currently excess funds to the cover required in the compensation arrangements. The cash balances for the Fidelity Fund are not consolidated with NSX accounts above.

Therefore \$1,700,000 is not available cash for use by the NSX Group as working capital. Interest earned from the cash deposits is available for working capital purposes.

Item 5.3 - General Settlement Participant Requirements

As part of the requirements for the National Stock Exchange of Australia (NSXA) to be registered as a General Settlement Participant for the purposes of ASX Settlement Pty Ltd Operating Rules (ASXOR 4.3.13) NSX has to lodge a Settlement Bond in the form of a Bank Guarantee with ASX Settlement. The amount of the settlement bond is \$500,000 and is used to compensate ASX Settlement if and only if NSX, as a Settlement Participant, breaches any rule that causes ASX Settlement to suffer or incur any losses or damages as a result of that breach.

Therefore \$500,000 is not available cash for use by the NSX Group as working capital. Interest earned from the cash deposits is available for working capital purposes.

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Item 5.4 - Rental Bonds

As at 30 June 2016 NSX has in place a bank guarantee for the rental of premises in Newcastle totalling \$15,000.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:Michael Cox..... Date: 28 July 2016.....
(Director)

Print name:Michael Cox.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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