# EMERGING CAPITAL LTD

ARBN 603 393 782

# ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

**CONTENTS**

# DIRECTORS GOVERNANCE STATEMENT

The Board has the responsibility of ensuring that the Company is properly managed so as to protect and enhance shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to governance policies with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

The main corporate governance policies are summarised below:

**Director's Access to Independent Advice**

It is the Board's policy that any committees established by the Board should:

- Be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise.
- Be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require.
- Operate in accordance with the terms of reference established by the Board.

**Audit Board and Risk**

The Board meets with the external auditors at least once a year. The specific activities include assessing and monitoring:

- The adequacy of the Company's internal controls and procedures to ensure compliance with all applicable legal obligations.
- The adequacy of the financial risk management processes.
- The appointment of the external auditor, any reports prepared by the external auditor and listing with the external auditor.

**Remuneration and Management Succession Planning Committee**

The Board in fulfilling its responsibilities to shareholders by:

- Reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- Ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- Maintaining a Board that has an appropriate mix of skills and experience to be an effective decision making body; and
- Ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

# DIRECTOR'S REPORT

Your directors present their report on the Company for the financial period ended 31 December 2014

**Directors**

The names of directors in office at any time during or since the end of the period are:

KHANDAKAR ABUL KHASSAM REZBI

MARIAELA AIDA CHANEL BIANCHI

Mr Rezbi has been in office since 21 November 2014 until the date of this report.

Ms Biachi has been in office since the incorporation on 21 November 2014 until the date of this report.

**Company Secretary**

The position of company secretary from 21 November 2014 has been held by each of Westco Secretaries Pty Ltd and Mr Andrew David Bristow.

**Principle Activities**

The principle activity of the Company is investment activities. The Company's wholly owned subsidiary, Emerging Capital Ltd conducts a corporate advisory business as well as making investments .

**Our business model and objectives**

The Company proposes to generate future income by investing (either directly or indirectly) predominantly in small medium enterprises

The Company proposes to fund these investments by additional capital. And though profits are its investments.

**Operating Results**

The Company incurred a net operating profit loss profit for the period of A$ 601,490 (US$475,177).

**Dividends Paid or Recommended**

No dividends have been paid since the date of incorporation and the directors do not recommend the payment of a dividend.

**Review of Operations**

Emerging Investments Limited was incorporated on 21 November 2014. During the course of the period is issued an Information Memorandum to facilitate the raising of US$400,000 of additional capital and to have its shares admitted for quotation on the National Stock Exchange of Australia Limited. The Capital raising was completed after 31 December 2014.

**Financial Position**

The net assets of the Company during the financial period other than those disclosed elsewhere in this report.

**Significant Changes in State of Affairs**

There were no significant changes in the state of affairs of the Company during the financial period other than those disclosed elsewhere in this report.

**After Balance Date Events**

Since the balance date the Company completed the issue of 2,000,000 CDI's at US$0.20 each to raise a total of US$400,000 and has had its CDIs s listed on the National Stock Exchange of Australia Ltd.

There have been no events that have affected or may significantly affect the operations of the Company, the results of those operations , or the state of affairs of the Company in the future since the Balance Date.

**Future Developments and Business Strategies**

The Company will pursue its investment objectives for the long-term benefit of members. This will require the continued review of the investment strategy that is in place and may from time to time require some changes to that strategy.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments. Accordingly, we do not provide a forecast of the likely results of our activities.

**Environmental Issues**

The Company's operations are not regulated by any significant environmental regulation under the law of the Australia or elsewhere.

## DIRECTORS' REPORT

### Information on Directors

**KHANDAKAR ABUL KASSAM REZBI**

-Executive Director, Chairman.

Board member from 21 November 2014 to date.

Qualification and Experience

Mr Rezbi is an established entrepreneur and has enterprising skills both in Management, Sales and Marketing.

After he graduated in Dhaka in 1978, he started his professional carrier in the same year working for one of the top firms in Bangladesh, Abdul Monem in their Freight Forwarding division. Subsequently he had a very successful 15 years with Coma Creations looking after shipping and freight.

In 1998 he worked for Penguin Marine Services in Sharjah, UAE as their Shipping Manager.

In 2001 he established his own garment factory exporting ready made garments to Europe and USA.

In addition to his garment factory, Mr Rezbi started his Financial Services company providing M&A Advise, Lease Finance, Term Finance, Project Finance, Corporate Restructuring, Company Reorganization.

Mr Rezbi has acquired excellent skills in helping companies achieve their dreams by coaching them in managing their companies, good accounting practices, and finance handling skills.

Interest in Shares and Options
- 2,000,000 CDI's and 750,000 A Class Converting
Preference Shares

Special Responsibilities

Nil

Directorships held in other listed Entities

Anchor Capital Investments Limited

MICHAELA BIANCHI

Executive Director-CEO

Board member from 21 December 2014 to date.

Qualification and Experience

Maria Bianchi holds a masters of international Law and "CESI" from Milan University .

She began her career in her family's financial business before deciding to become an entrepreneur. She has established an engineering consulting company, Shark, Export industry in various Italian innovation projects and technologies. Her team created a new generation boiled filter heating system to secure pollution issues in major cities. She has consulted to ENI Group on a fog reduction project and Accenture on ways to improve mail delivery systems.

Maria has also established Tom Thumb a non- government organisation that deals with the Psychological problems of children with anorexia.

In addition to her nature Italian Maria is fluent in English, French, and Spanish.

Interest in Shares and Options

2,000,000 CDI's and 750,000 A Class Converting Preference Shares

Special Responsibilities

Nil

Directorships held in other listed Entities

Nil

Dated 10March 2015

Maria Michaela Aida Chanel Bianchi

**Emerging Capital Limited**

**ARBN 603 393 782**

**REMUNERATION REPORT (Unaudited)**

This report details the nature and amount of remuneration for each director of Anchor Capital Investments Limited, and for the executives receiving the highest remuneration.

**Remuneration Policy**

All issues in relation of both Executive Directors and Non-Executive Directors are dealt with by the Board as a whole.

The Constitution Anchor Capital Investments Limited requires approval by the shareholders in general meetings of a maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Directors. The amount of remuneration currently approved by shareholders for Non-Executive Directors is a maximum of $50,000 per annum.

Non-Executive Directors hold office until such as they retire, resign or are removed from office under the terms set out in the constitution of the Company. Non-Executive Directors do not receive any performance based remuneration.

**Details of remuneration for period ended 31 December 2014**

Details of the remuneration for each Director of the Company was as follows:

| | | | **Name** | **Salary & Fees** | **Superannuation Contributions** | **Other** | Total |
|---|---|---|---|---|---|---|---|
| | | | | $ | $ | $ | $ |
| | | | Khandakar Rezbi | Nil | Nil | Nil | Nil |
| | | | Michaela Bianchi | Nil | Nil | Nil | Nil |
| | | | | | | | |

**DATED 10 March 2015**

**Director**

IQBAL YASIR & COMPANY
CHARTERED ACCOUNTANTS

Islamabad Office:
Room No. 2, 2nd Floor,
Pacific Centre, F-8 Markaz, Islamabad.
Ph: 051-2853536 Fax: 051-2263636
Email: iyk.co.isb@gmail.com

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated statement of financial position of EMERGING CAPITAL LIMITED (the parent company) and its subsidiary EMERGING CAPITAL LIMITED (the company and its subsidiary constitute the group) as at December 31, 2014 and the related consolidated profit and loss account, consolidated statement of changes in equity, consolidated statement of cash flows together with the notes 1 to 17 forming part thereof for the period from November 21, 2014 to December 31, 2014.

We have also expressed opinion on the separate financial statements of the holding company. The financial statements of subsidiary company have also been audited by our firm of Chartered Accountants who expressed unqualified opinion on these financial statements.

The parent company's management is responsible for the preparation of these consolidated financial statements that present fairly, in all material respects, of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the International Accounting and Financial Reporting Standards and the requirements of the Samoa's International Companies Act, 1987. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that present fairly and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with relevant legal and regulatory requirement and International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the separate audit reports on the financial statements of the subsidiary, the aforesaid consolidated financial statements present fairly, in all material respects, in conformity with the International Accounting and Financial Reporting Standards, and give the information required by the Samoa's International Companies Act, 1987.

Lahore
Date: 06 MAR 2015

IQBAL YASIR AND COMPANY
(Chartered Accountants)
Engagement Partner: Yasir Riaz

## EMERGING CAPITAL LIMITED
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT DECEMBER 31, 2014

| | Note | 31-12-14<br>USD |
|---|---|---|
| **ASSETS** | | |
| **NON CURRENT ASSETS** | | |
| Property, plant and equipment | 6 | 3,617 |
| **CURRENT ASSETS** | | |
| Trade receivables | 7 | 833,078 |
| Advances, deposits and prepayments | 8 | 50,005 |
| Cash and bank balance | 9 | 155,050 |
| | | 1,038,134 |
| **TOTAL ASSETS** | | 1,041,750 |
| **EQUITY AND LIABILITIES** | | |
| **SHARE CAPITAL AND RESERVES** | | |
| Authorized share capital | 10 | 14,000,001 |
| Issued, subscribed and paid up capital | 10 | 550,000 |
| Consolidated retained earnings | | 475,561 |
| | | 1,025,561 |
| **CURRENT LIABILITIES** | | |
| Accrued expenses | | 16,189 |
| **CONTINGENCIES AND COMMITMENTS** | 11 | - |
| **TOTAL EQUITY AND LIABILITIES** | | 1,041,750 |

The annexed notes from 1 to 19 form an integral part of these financial statements.

DIRECTOR

IQBAL YASIR & COMPANY
Registered Samoan Auditors
(Chartered Accountants)

DIRECTOR

EMERGING CAPITAL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM NOVEMBER 21, 2014 TO DECEMBER 31, 2014

| | Note | 31-12-14 |
|---|---|---|
| | | USD |
| PROFIT OR LOSS ACCOUNT: | | |
| Revenue | 12 | 260,856 |
| **Operating Expenses** | | |
| Fee for professional services | | 147,084 |
| Staff salaries, commission and benefits | | 3,035 |
| Rent, rates and taxes | | 13 |
| Utilities | | 5 |
| Entertainment | | 64 |
| Depreciation | | 36 |
| Other expenditures | | 3,081 |
| Bank charges | | 50 |
| Audit Fee | | 2,063 |
| | | 155,432 |
| **Operating profit** | | 105,425 |
| Bargain purchase gain on the acquisition of subsidiary | 17 | 369,752 |
| **Profit before tax** | | 475,177 |
| Taxation | 13 | - |
| **Profit after tax** | | 475,177 |
| **Earnings per share** - attributable to the Shareholder of parent company | 14 | 0.01 |

The annexed notes from 1 to 19 form an integral part of these financial statements.

DIRECTOR

IQBAL YASIR & COMPANY (Chartered Accountants) Registered Samoan Auditors

DIRECTOR

EMERGING CAPITAL LIMITED
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM NOVEMBER 21, 2014 TO DECEMBER 31, 2014

| | Note | USD 2014 |
|---|---|---|
| Profit for the year | | 475,177 |
| *Other comprehensive income* | | |
| *Items that may not be reclassified subsequently to profit or loss account:* | | |
| Exchange Gain/(Loss) on translating foreign operations | | 384 |
| Income tax relating to items that may be reclassified | 13 | - |
| | | 384 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 475,561 |

The annexed notes from 1 to 19 form an integral part of these financial statements.

DIRECTOR

IQBAL YASIR & COMPANY (Chartered Accountants) Registered Samoan Auditors

DIRECTOR

EMERGING CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM NOVEMBER 21, 2014 TO DECEMBER 31, 2014

| | Share capital | | Reserves | | | Total equity and reserves |
|---|---|---|---|---|---|---|
| | Ordinay | Convertible | Foreign currency translation reserve | Consolidated retained earnings | Total | |
| | | | USD | | | |
| Shares issued during the period | 400,000 | 150,000 | - | - | - | 550,000 |
| Total comprehensive income for the period | - | - | 384 | 475,177 | 475,561 | 475,561 |
| **Balance as at December 31, 2014** | 400,000 | 150,000 | 384 | 475,177 | 475,561 | 1,025,561 |

The annexed notes from 1 to 19 form an integral part of these financial statements.

DIRECTOR

IQBAL YASIR & COMPANY (Chartered Accountants) Registered Samoan Auditors

**EMERGING CAPITAL LIMITED**
**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE PERIOD FROM NOVEMBER 21, 2014 TO DECEMBER 31, 2014**

| | Note | 31-12-14 USD |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit before taxation | | 475,177 |
| Adjustments for: | | |
| - Bargain purchase gain on acquistion of subsidiary | | (369,752) |
| - Depreciation | | 36 |
| - Exchange Gain on translating foreign operations | | (384) |
| | | 105,077 |
| **Operating profit before working capital changes** | | 105,077 |
| **WORKING CAPITAL CHANGES** | | |
| **(Increase)/decrease in current assets** | | |
| Trade receivables | | 425 |
| Advances, deposits & prepayments | | (21) |
| **Increase in current liabilities** | | |
| Accrued expenses | | 2,063 |
| | | 2,467 |
| **Cash generated from operations** | | 107,544 |
| Income taxes paid | | - |
| **Net cash inflows from operating activities** | | 107,544 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Fixed assets purchased | | - |
| Cash of subsidiary Emerging Capital Limited (HK) on acquisition date | | 47,507 |
| **Net cash inflows from investing activities** | | 47,507 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Shares issued during the period | | - |
| **Net cash inflows/(outflows) from financing activities** | | - |
| Net increase/(decrease) in cash and cash equivalents | | 155,050 |
| Cash and cash equivalents at beginning of the period | | - |
| **Cash and cash equivalents at the end of the period** | | 155,050 |

The annexed notes from 1 to 19 form an integral part of these financial statements.

DIRECTOR

IQBAL YASIR & COMPANY (Chartered Accountants) Registered Samoan Auditors

DIRECTOR

## EMERGING CAPITAL LIMITED
## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE PERIOD FROM NOVEMBER 21, 2014 TO DECEMBER 31, 2014

### 1 STATUS AND NATURE OF BUSINESS

The group consists of the following companies:

### 1.1 Holding company

Emerging Capital Limited was incorporated under the International Companies Act, 1987 in Samoa as an international company on the November 21, 2014. The registered office of the company is situated at c/- Asia citi Trust Samoa Ltd, Level 2, Lotemau Centre, Avea Road, Apia Samoa. The principal activities of the company are investment holding and consultany business .

### 1.2 Subsidiary company

Emerging Capital Limited was incorporated on 14 June 2010 as a limited liability company in Hong Kong. The company's previous name was "AFG Listing Limited".The main activity of the company is to act as business consultant.

There have been no significant changes in the nature of these activities during the financial year.
The registered office of the company is at Flat 502 5/F Prosperous Building 48-52 Des Voeux Road Central Hong Kong.

### 2 PREPRATION AND COMPLIANCE STATEMENTS

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared on a historical cost basis.

Theses financial statements are the first accounts of the company and accordingly have been prepared from the date of incorporation on November 21, 2014 to December 31, 2014.

### 2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary made up to December 31, 2014 using uniting of interest method.

Under the uniting of interest method, the cost of the business combination is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity.

At the acquisition date, the cost of the business combination is allocated to identifiable assets, liabilities and contingent liabilities in the business combination which are measured initially at closing values at the acquisition date. The excess of the cost of the business combination over the Group's interest in the net closing value of the identifiable assets, liabilities and contingent liabilities, the Group will:

a) Reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

b) Recognize immediately in profit or loss any excess remaining after that assessment.

Subsidiaries are consolidated from the acquisition date, which is the date on which the group effectively obtains control, until the date on which the group ceases to control the subsidiaries. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are exercisable are taken into the account.

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Intragroup balances, transactions and unrealized gains and losses on the intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing consolidated financial statements.

The gain or loss on the disposal of a subsidiary, which the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognized in the consolidated statement of comprehensive income.

Under the uniting of interest method ,the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued. Non controlling interest is that portion of the profit or loss and net assets of the subsidiary attributable to the equity interests that are not owned, directly and indirectly through subsidiaries, by the group. It is measured at the Non controlling interest share of the fair value of the subsidiaries identifiable assets and liabilities at the acquisition date and the Non controlling interest share of changes in the subsidiaries equity since that date.

### 2.3 Statement of compliance

These financial statements have been prepared in accordance with the International Accounting and Financial Reporting Standards and the requirements of the Samoa's International Companies Act, 1987. In case requirements differ, the provisions or directives of the International Companies Act, 1987 shall prevail.

## 3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

### 3.1 Standards, amendments and interpretations which became effective during the year

Below is a list of the amendments to IFRSs and the new Interpretation that are mandatorily effective for accounting periods that begin on or after 1 January 2014.

• Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities;
• Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities;
• Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets;
• Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting; and
• IFRIC 21 Levies.

**Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities**

The amendments to IFRS 10 define an investment entity and introduce an exception from the requirement to consolidate subsidiaries for an investment entity. In terms of the exception, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. The exception does not apply to subsidiaries of investment entities that provide services that relate to the investment entity's investment activities.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is an investment entity when it:

- obtains funds from one or more investors for the purpose of providing them with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates performance of substantially all of its investments on a fair value basis.

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Consequential amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities. In general, the amendments require retrospective application, with specific transitional provisions.

**Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities**

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'. The amendments require retrospective application.

**Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets**

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements. The amendments require retrospective application.

**Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting**

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendments require retrospective application.

**IFRIC 21 Levies**

IFRIC 21 addresses the issue of when to recognize a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. IFRIC 21 requires retrospective application.

**3.2 Standards, amendments or interpretations issued but not yet effective**

Below is a list of new and revised IFRSs that are not yet mandatorily effective (but allow early application) for the year ending 31 December 2014:

• IFRS 9 Financial Instruments;
• IFRS 14 Regulatory Deferral Accounts;
• IFRS 15 Revenue from Contracts with Customers;
• Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations;
• Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and
• Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants;
• Amendments to IAS 19 Defined Benefit Plans: Employee Contributions;
• Annual Improvements to IFRSs 2010-2012 Cycle; and
• Annual Improvements to IFRSs 2011-2013 Cycle.

3.3 There are a number of other minor amendments and interpretations to other approved accounting standards that are not yet effective and are also not relevant to the Company and therefore have not been presented here.

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4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group.

4.1 Useful lives of property, plant and equipment

As described at 5.2 above, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of items of property, plant and equipment was in line with the pattern of their usage and be maintained at the current levels.

4.2 Deferred taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.3 Revenue Recognition

In making their judgment, the directors considered the detailed criteria for the recognition of revenue from the rendering of services as set out in IAS 18 and, in particular, whether the Group has established the right to record the said revenue.

5 SIGNIFICANT OF ACCOUNTING POLICIES

5.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

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(Chartered Accountants)

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognized either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### 5.2 Property, plant and equipment

**Owned assets:**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost in relation to property plant and equipment consists of historical costs and subsequent changes due to revaluations, if any.

Depreciation on property, plant and equipment is charged on reducing balance method at the rates stated in note 4 to these financial statements.

Depreciation charge commences from the month in which asset is available for use and continues until the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and assets so replaced ,if any, are retired. Gains and losses on disposal of property, plant and equipment are recognized in the profit or loss account.

### 5.3 Impairment of assets

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss if any. An impairment lose is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Impairment losses are charged to the profit and loss account, but if any revaluation surplus in respect of such assets exists, then such impairment is firstly charged against that surplus and then remaining portion, if any, is charged to profit or loss account.

### 5.4 Trade receivables

Receivables are stated at anticipated realizable value. Bad debts are written off in the period in which they are identified. Allowance for bad and doubtful debts is made on estimates of possible losses which may arise from non-collection of certain debts.

### 5.5 Trade creditors

Payables are stated at their nominal values which are the fair values of the consideration to be paid in the future for goods and services received.

### 5.6 Cash and cash equivalent

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and fixed deposits pledged.

### 5.7 Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions, if any.

### 5.8 Foreign currencies

Transactions in foreign currencies during the financial year are converted into US Dollars at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities at the statement of financial position date are translated into US Dollars at exchange rates ruling at that date. All exchange gains or losses are dealt with in the income statement.

### 5.9 Translation of foreign operations

Items included in the financial statements of each of Anchor Capital Investments Limited entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US Dollar (USD$) which is the Parent company's functional and presentation currency.

### 5.10 Functional currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. The financial statements of subsidiary Anchor Capital Limited. is consolidated at the rate of 1HKD= 0.12903 USD at the acquisition date of DECEMBER 31, 2014.

### 5.11 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the company's business, revenue is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria has been met for each of the company's activities as described below:

**Rendering of services**

Revenue from contracts is recognized on accrual basis

The recognition of revenue to the stage of completion of a transaction is often referred to as the percentage of completion method. Under this method, revenue is recognized in the accounting periods in which the services are rendered. The recognition of revenue on this basis provides useful information on the extent of service activity and performance during a period.

**Interest / Mark up income**

Interest / Mark up is recognized on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

IQBAL YASIR & COMPANY (Chartered Accountants) Registered Samoan Auditors

### 5.12 Financial instruments

Financial instruments are recognized in the Balance Sheet when the Company is a party to the contractual provision of the instruments. The recognized financial instruments of the company in the statement of financial position comprise cash and cash equivalents, trade receivables and payables that arise directly from its operations, non-trade receivables and payables arising from transactions entered into in the normal course of business, borrowings, and ordinary share capital. The accounting of measurement applied, are disclosed above. The information on the extent and nature of these recognized financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes to the financial statements.

### 5.13 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the company has a legally enforceable right to offset the recognized amounts and the company intends to settle either on a net basis or realize the asset and settle the liability.

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(Chartered Accountants)

6 PROPERTY, PLANT AND EQUIPMENT

| Particulars | COST | | | Rate % | DEPRECIATION | | | | WDV as at December 31, 2014 |
|---|---|---|---|---|---|---|---|---|---|
| | As at November 21, 2014 | Acquired in business combination | As at December 31, 2014 | | As at November 21, 2014 | Acquired in business combination | For the Period | As at December 31, 2014 | |
| | ---------- (USD) -------- | | | | ------------ (USD) ------------ | | | | |
| Furniture and fittings | - | 2,495 | 2,495 | 10 | - | 659 | 17 | 676 | 1,819 |
| Electrical Equipments | - | 2,128 | 2,128 | 10 | - | 562 | 14 | 576 | 1,552 |
| Computers | - | 452 | 452 | 20 | - | 201 | 5 | 206 | 246 |
| Total | - | 5,075 | 5,075 | | - | 1,422 | 36 | 1,458 | 3,617 |

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| | | | 31-12-14 |
|---|---|---|---|
| | | | USD |
| 7 | **TRADE RECEIVABLES** | | |
| | | | 833,078 |
| | These are unsecured but considered good by the management of the company. | | |
| 8 | **ADVANCES, DEPOSITS & PREPAYMENTS** | | |
| | - Fee for professional services | | 50,005 |
| 9 | **CASH AND BANK BALANCE** | | |
| | Cash in hand | | - |
| | Cash at bank: | | |
| | - current accounts | | 4 |
| | - saving Accounts | | 155,046 |
| | | | 155,050 |
| 10 | **SHARE CAPITAL** | | |
| | **Authorized share capital** | | |
| | **Ordinary Share Capital** | | |
| | 1,000,000,000 ordinary shares of USD 0.01 each | | 10,000,000 |
| | 1 founder share of USD 1.00 each | | 1 |
| | | | 10,000,001 |
| | **Convertible Shares** | | |
| | 400,000,000 convertible shares of USD 0.01 each | | 4,000,000 |
| | | | 14,000,001 |
| | **Issued, subscribed and paid up share capital** | | |
| | **Ordinary Share Capital** | | |
| | 40,000,000 shares of US $ 0.01 each | | 400,000 |
| | **Convertible Share Capital** | | |
| | 15,000,000 shares of US $ 0.01 each | 10.1 | 150,000 |
| | | | 550,000 |

**10.1** The convertible shares are convertible at the option of the company once the company has raised additional capital in access of USD 30 million. These share are not entilited to the divideds declared by the compay before any conversion. The company retains the right to either convert the shares into ordinary share or to pay them off and redeem them.

**11 CONTINGENCIES AND COMMITMENTS**

**CONTINGENCIES:**

There were no contingencies as on the statement of financial position date.

**COMMITMENTS:**

There were no capital commitments as on the statement of financial position date.

IQBAL YASIR & COMPANY (Chartered Accountants) Registered Samoan Auditors

## 12 REVENUE

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the company's business, revenue is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria has been met for each of the company's activities as described below:

**Rendering of services**

Revenue from contracts is recognized on accrual basis

The recognition of revenue to the stage of completion of a transaction is often referred to as the percentage of completion method. Under this method, revenue is recognized in the accounting periods in which the services are rendered.The recognition of revenue on this basis provides useful information on the extent of service activity and performance during a period.

**Interest / Mark up income**

Interest / Mark up is recognized on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

## 13 TAXATION

According to the management of the group, the parent company as well as its subsidiary company are not liable to pay any tax in any jurisdiction.

## 14 EARNINGS PER SHARES

| | | 2014 |
|---|---|---|
| Profit after taxation for the year | USD | 475,177 |
| Weighted average number of ordinary shares | Number of shares | 40,000,000 |
| Earnings per share - basic and diluted | USD | 0.01 |

14.1 There is no dilutive effect on basic earnings per share.

## 15 FINANCIAL RISK MANAGEMENT

### 15.1 Financial risk factors

Financial instruments comprise advances, deposits, interest accrued, trade debts, cash and bank balances, short term borrowings and trade and other payables, short term

The Group has exposure to the following risks from its use of financial instruments:

**Market risk**
**Liquidity risk**
**Credit risk**

The Board of Directors has the overall responsibility for the establishment and oversight of Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

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The Group's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Group's activities.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

### 15.1.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist.

The Group's exposure to currency risk arising from currency exposure to the United States Dollar (USD) on amounts placed with scheduled banks in foreign currency account.

**Interest rate risk**

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant long-term interest-bearing assets. The Group's interest rate risk arises from short term borrowing. Borrowings obtained at variable rates expose the Group to

At the balance sheet date the interest rate profile of the Group's interest bearing financial

**Interest rate risk management**

The Group manages interest rate risk by analyzing its interest rate exposure on dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

### 15.1.2 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate. The table below shows the major bank balances held:

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### 15.1.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

### 15.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

| Financial instruments by categories | Held to Maturity | Available for sale | Loans, receivables/ |
|---|---|---|---|
| | -------- (USD) --------- | | |
| **Assets as per balance sheet** | | | |
| Trade receiveables | - | - | 833,078 |
| Advances, deposits and prepayments | | | 50,005 |
| Cash and bank balance | 155,050 | - | - |
| | 155,050 | - | 883,084 |
| **Liabilities as per balance sheet** | | | |
| Trade creditors | - | - | - |
| | - | - | - |

### 15.3 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of equity of the Group (comprising issued capital, reserves and retained earnings). The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Currently the group is an all equity financed entity.

## 16 RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. There are no related party transactions in the year.

## 17 BUSINESS COMBINATION

As at July 16, 2014 the company accquired Anchor capital limited, a company with its registered office in Hong Kong.

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The acquisition was accounted for by applying the purchase method. The cost of the acquisition was measured at the fair value of the consideration given. Identified assets acquired, liabilities assumed or incurred have been carried at the fair value as at the acquisition date.

| | |
|---|---|
| Fair value of identifiable net assets at date of acquisition | 919,752 |
| Percentage of identifiable net assets acquired | 100% |
| Purchase consideration paid in ordinary shares of the company | 550,000 |
| **Bargain Purchase Gain** | 369,752 |

18 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been approved and authorized for issue on 6 MARCH 2015 by the Board of Directors of the parent company.

19 **GENERAL**

Figures have been rounded off to the nearest US Dollar.

DIRECTOR

IQBAL YASIR & COMPANY (Chartered Accountants) Registered Samoan Auditors

DIRECTOR

**Emerging Capital Limited**

**ARBN 603 393 783**

**STOCK EXCHANGE INFORMATION**

**TOP 20 ORDINARY SHAREHOLDERS AS AT 9 MARCH 2015**

| Shareholder | Shares | % of issued |
|---|---|---|
| KHANDAKAR REZBI | 2,000,000 | 33.333 |
| MICHELA BIANCHI | 2,000,000 | 33.333 |
| IFTHIKAR AHMED | 200,000 | 3.333 |
| OMER FAROOQ ABDULLAH | 200,000 | 3.333 |
| SHAHID AKRAM | 200,000 | 3.333 |
| JAVED IQBAL MUGHAL | 200,000 | 3.333 |
| QAMAR JAVED | 150,000 | 2.500 |
| KALPANA AKTER | 110,000 | 1.833 |
| FARZANA TAHIR | 110,000 | 1.833 |
| SADIA SHAFIQ SHAHID | 110,000 | 1.833 |
| SHAHERYAR ZAFAR | 110,000 | 1.833 |
| MEHMOOD AKHTAR | 10,000 | 0.167 |
| ABIDA IQBAL | 10,000 | 0.167 |
| OMAIR MAHMOOD | 10,000 | 0.167 |
| GHAZALA ZAFAR | 10,000 | 0.167 |
| MUHAMMAD ALI | 10,000 | 0.167 |
| ALI ASGHAR | 10,000 | 0.167 |
| TAIMOR SARWAR | 10,000 | 0.167 |
| ALLAH DITA | 10,000 | 0.167 |
| ABDUL QADOOS | 10,000 | 0.167 |

**Analysis of Holdings as at 9-03-2015**
**Security Classes**
**CHESS Depositary Interests Over Fully Paid Ordinary Shares**

| Holdings Ranges | Holders | Total Units | % |
|---|---|---|---|
| 1-1,000 | 0 | 0 | 0.000 |
| 1,001-5,000 | 0 | 0 | 0.000 |
| 5,001-10,000 | 61 | 610,000 | 10.167 |
| 10,001-100,000 | 0 | 0 | 0.000 |
| 100,001-99,999,999,999 | 11 | 5,390,000 | 89.833 |
| **Totals** | **72** | **6,000,000** | **100.000** |

## Substantial shareholders

| Shareholder | Shares | % of issued |
|---|---|---|
| KHANDAKAR REZBI | 2,000,000 | 33.333 |
| MICHELA BIANCHI | 2,000,000 | 33.333 |

**Emerging Capital Ltd**

**ARBN 603 393 782**

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**CORPORATE DIRECTORY**

<u>DIRECTORS</u>

Khandakar Rezbi

Michaela Bianchi

<u>SECRETARY</u>

WESTCO SECRETARIES LTD

LEVEL 2 LOTEMAU CENTRE

VAEA STREET

APIA SAMOA

ANDREW BRISTOW - AUSTRALIA

<u>REGISTERED OFFICE – SAMOA</u>

C/- ASIACITI TRUST SAMOA LTD

LEVEL 2 LOTEMAU CENTRE

VAEA STREET

APIA SAMOA

<u>REGISTERED OFFICE – AUSTRALIA</u>

C/- HIGHGATE CORPORATE ADVISORS PTY LTD

31 HIGHGATE CCT

KELLYVILLE NSW 2155

(612) 96296772

NOMINATED ADVISOR

HIGHGATE CORPORATE ADVISORS PTY LTD

31 HIGHGATE CCT

KELLYVILLE NSW 2155

(612) 96296772

AUDITOR

IQBAL YASIR & COMPANY

CHARTERED ACCOUNTANTS

RB-II, 2$^{ND}$ FLOOR,

FLAT NO.15,

AWAMI COMPLEX

USMAN BLOCK, NEW GARDEN TOWN,

LAHORE PAKISTAN

(REGISTERED IN SAMOA)

CDI/SHARE REGISTRY

BOARDROOM PTY LIMITED

LEVEL 7, 207 KENT STREET,

SYDNEY NSW 2000