

Audited Interim Financial Statements

For the period from 1 January 2017 to 31 August 2017

Actcelerate International Group Limited

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GENERAL INFORMATION

Directors Cheong Chen Khan (Chief Executive Officer)

Rodney James Huey (Independent Non-executive Chairman)*

Cameron Luu (Independent Non-executive Director)*

*appointed 1 October 2017

Company Secretary Daniel Smith

Registered office (Cayman Islands)

P.O. Box 31119 Grand Pavillion Hibiscus Way

802 West Bay Road

Grand Cayman, KY1-1205

Cayman Islands

Corporate Advisor Ingenious Haus Limited

B-7-18, Level 7, Oasis Square Ara Damansara

Petaling Jaya, 47301 Selangor Darul Ehsan

Malaysia

Compliance Manager &

Nominated Advisor

Minerva Corporate Pty Ltd

Unit 5, Ground Floor, 1 Centro Ave

Subiaco WA 6008

Australia

Company number 295464

Share Registry Advanced Share Registry Services

110 Stirling Hwy Nedlands WA 6009

Australia

Banker Overseas Chinese Banking Corporation Limited

16 Church Street #01-00 OCBC Centre South Singapore 049479

Auditor Arthur Bell Limited

59/60 O'Connell Street

Limerick

Ireland V94 E95T

Solicitor Atkinson Corporate Lawyers

(Australia) Unit 5, Ground Floor, 1 Centro Ave

Subiaco WA 6008

Australia

Solicitor Collas Crill (Singapore) Pte. Limited

(Cayman Islands) Level 40, Ocean Financial Centre

10 Collyer Quay Singapore 049315

Manager Actcelerate Asset Management Limited

Willow House, Cricket Square George Town, P.O. Box 709 Grand Cayman, KY1-1107

Cayman Islands



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ACTCELERATE INTERNATIONAL GROUP LIMITED

Opinion

We have audited the interim financial statements of Actcelerate International Group Limited (the "Company"), which comprise the statement of financial position as at 31 August 2017 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the period from 1 January 2017 to 31 August 2017, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 August 2017, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Emphasis of matter – transaction to acquire investment in associate and share-based payments

Without qualifying our opinion, we draw attention to the disclosure in note 12 of the interim financial statements in relation to the investment in associate. Note 12 discloses that the Company acquired the investment in associate from two entities which are controlled by Potential Excelerate Group Limited or its affiliates. The Company issued 20,924,049 ordinary shares to these entities as consideration for the purchase of the investment in associate (refer also to note 16). As disclosed in note 13, Potential Excelerate Group Limited received 19,513,580 ordinary shares as consideration for services provided to the Company in relation to the transaction.

Our opinion is not qualified in respect of this matter.

Emphasis of matter - going concern.

Without qualifying our opinion, we draw attention to the disclosure in note 4 of the interim financial statements in relation to going concern, which states that the interim financial statements have been prepared on a going concern basis as the Directors anticipate that the Company will continue in business for the foreseeable future. Given the Company's limited liquid resources at the reporting date and date of approval of the interim financial statements, the continuation of the Company is dependent on securing future funding. The Directors anticipate that the planned IPO of the Company's shares will be successful. Furthermore, the offer of shares is underwritten by Mr Cheong Chen Khan, a Director of and shareholder in the Company, and Potential Excelerate Group Limited, the Company's largest shareholder at the date of approval. In the event that the IPO is not successful, the Directors have considered alternative sources of funding. Mr Cheong Chen Khan and Dr Sherwin Chew Chen Yee have committed to provide financial support to the Company to enable it to continue in business.

Our opinion is not qualified in respect of this matter.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ACTCELERATE INTERNATIONAL GROUP LIMITED (continued)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements (continued)

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to
 fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
 evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not
 detecting a material misstatement resulting from fraud is higher than for one resulting from error,
 as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override
 of internal control.
- 2. Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 4. Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Arthur Bell Limited

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18 December 2017

STATEMENT OF COMPREHENSIVE INCOME For the period from 1 January 2017 to 31 August 2017

		For the period from 1 January 2017 to 31 August 2017	For the period from 1 January 2016 to 31 August 2016
	Note	SGD	SGD
			(Note 2)
Share of net profit of associate	12	1,716	-
Administrative expenses	5	(116,088)	(11,976)
Share based payment expense	13	(430,190)	-
Loss on ordinary activities before taxation		(544,562)	(11,976)
Tax on loss on ordinary activities		-	-
Loss for the period after taxation		(544,562)	(11,976)
Basic and diluted loss per share	14	SGD(0.047)	SGD(119.76)

All of the activities of the Company are classed as continuing.

The accompanying notes form an integral part of these audited interim financial statements.

STATEMENT OF FINANCIAL POSITION As at 31 August 2017

	Note	31 August 2017 SGD	31 December 2016 SGD (Note 2)
Non-current assets Investment in associate	12	805,777	
mvesiment in associate	12	805,777	.
Current assets Cash at bank	7	2,411	3,966
Due from shareholder	6	<u>.</u>	30,264
Total current assets		2,411	34,230
Total assets		808,188	34,230
Current liabilities			
Advance payable	8	50,000	50,000
Due to shareholder	6	50,767	-
Other payables	9	41,766	8,264
Total current liabilities		142,533	58,264
Net assets/(liabilities)		665,655	(24,034)
Equity			122
Called up share capital	10	621,389	133
Share premium	10	612,995 (568,729)	(24,167)
Retained deficit		665,655	(24,034)
Total equity		[2]	,
Total equity and liabilities		808,188	34,230

The interim financial statements were approved for issue by the Directors of the Company on 18 December 2017.

Director

Director

The accompanying notes form an integral part of this audited interim financial statements.

STATEMENT OF CHANGES IN EQUITY For the period from 1 January 2017 to 31 August 2017

For the period from 1 January to 31 August 2016 (Note 2)	Called up share capital SGD	Share premium SGD	Retained deficit SGD	Total equity SGD
At 1 January 2016	133	-	(11,711)	(11,578)
Loss for the period	-	-	(11,976)	(11,976)
At 31 August 2016	133	-	(23,687)	(23,554)

For the period from 1 January to 31 August 2017	Called up share capital SGD	Share premium SGD	Retained deficit SGD	Total equity SGD
At 1 January 2017	133	-	(24,167)	(24,034)
Loss for the period	-	-	(544,562)	(544,562)
Shares issued	621,256	612,995		1,234,251
At 31 August 2017	621,389	612,995	(568,729)	665,655

The accompanying notes form an integral part of these audited interim financial statements.

STATEMENT OF CASH FLOWS

For the period from 1 January 2017 to 31 August 2017

	For the period from 1 January 2017 to 31 August 2017 SGD	For the period from 1 January 2016 to 31 August 2016 SGD (Note 2)
Cash flows from operating activities Net loss for the period	(544,562)	(11,976)
Adjustments Share based payment expense Share of net profit of associate	430,190 (1,716)	-
Change in operating assets and liabilities Increase in other payables Net cash used in operating activities	33,502 (82,586)	<u>4,142</u> (7,834)
Cash flows from financing activities Issue of shares during the period* Net change in due from/to shareholder	- 81,031	(37,220)
Net cash provided by/(used in) financing activities	81,031	(37,220)
Net decrease in cash and cash equivalents for the period	(1,555)	(45,054)
Cash at bank at the beginning of the period	3,966	49,500
Cash at bank at the end of the period	2,411	4,446

^{*}issue of shares during the period is a non-cash transaction. Refer to note 10.

The accompanying notes form an integral part of these audited interim financial statements.

1. GENERAL INFORMATION

Actcelerate International Group Limited (the "Company") is an exempted company incorporated in the Cayman Islands with limited liability on 9 January 2015. Its registered office is located at P.O. Box 31119, Grand Pavillion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company has been established to act as an investment company for investments in private entities. The Company intends to invest mainly into small and medium businesses across the Southeast Asian Region. The target industries include financial services, information and communication technology, new age retail and green technology.

The Company is currently seeking a listing on the National Stock Exchange (NSX) of Australia. The Company plans to offer 8,000,000 shares at an issue price of AUD 0.10 (SGD 0.108 at 31 August 2017).

2. BASIS OF PREPARATION

These non-statutory audited interim financial statements are an audited interim financial report for the period from 1 January 2017 to 31 August 2017 and have been prepared in accordance with IAS 34 Interim Financial Reporting. The Company has elected, in accordance with paragraph 4 of IAS 34, to publish a complete set of financial statements. A complete set of financial statements is as described in IAS 1 Presentation of Financial Statements.

The statutory financial year end of the Company is 31 December.

The financial statements have been prepared under the historical cost basis and are presented in Singapore Dollars ("SGD"). All values are rounded to the nearest dollar except when otherwise indicated.

These audited interim financial statements have been prepared on a going concern basis as it is envisaged that the Company will continue in business for the foreseeable future (refer to note 4).

Comparatives

The comparative figures reflect the periods as follows:

Statement of Comprehensive Income for the period from 1 January 2016 to 31 August 2016.

Statement of Financial Position at 31 December 2016.

Statement of Changes in Equity for the period from 1 January 2016 to 31 August 2016.

Statement of Cash Flows for the period from 1 January 2016 to 31 August 2016.

Functional currency

Items included in the financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company (the "functional currency"). The financial statements are presented in Singapore Dollars (SGD), which is the functional and presentation currency of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Expenses and accruals

All expenses are accounted for on an accruals basis.

(b) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the reporting currency at the foreign exchange rate ruling at that date. Foreign currency exchange difference arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the reporting currency at the foreign exchange rates ruling at the dates that the values are determined. Non-monetary assets and liabilities not at fair value through profit or loss are translated at the foreign exchange rate ruling at the date of the transaction.

(c) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments categorised at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in the statement of comprehensive income. All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

At 31 August 2017 and 31 December 2016, the Company does not hold any financial assets categorised in the fair value through profit or loss, available-for-sale, or held-to-maturity categories.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest rate method, less provision for impairment. Any change in their value is recognised in the statement of comprehensive income. Discounting is omitted where the effect of discounting is considered immaterial.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

Loans and receivables (continued)

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include advance payable, due to shareholder and other payables, which are measured at amortised cost using the effective interest rate method.

(d) Cash at bank

Cash at bank comprises demand deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Investments in associates

Associates are entities over which the Company has significant influence but not control or joint control, generally accompanying a shareholding.

Associates, those entities over which significant influence is exercised but not joint control, and which are not intended for sale in the near future, are accounted for using the equity accounting method. Significant influence is generally accompanying a shareholding of between 20% and 50% of the voting rights of an entity, but can also arise where less than 20% is held through active involvement and influence of policy decisions affecting the entity.

Investments in associates are initially recognised at cost (fair value of consideration provided plus directly attributable costs) and are subsequently adjusted for the post-acquisition change in the investor's share of net assets of the investee.

The Company's share of the profit or loss of the investee is included in profit or loss and disclosed as a separate line in the statement of comprehensive income. Distributions received reduce the carrying amount of the investment and are not included as dividend revenue of the Company. Movements in the total equity of an associate that are not recognised in the profit or loss of the Company are recognised directly in equity of the Company and disclosed in the statement of changes in equity. The investments in associates are reviewed annually for impairment.

Where an entity either began or ceased to be an associate during the current financial reporting period, the investment is equity-accounted from the date significant influence commenced or up to the date significant influence ceased. The financial statements of associates are adjusted where necessary to comply with the significant accounting policies of the entity. When the investor's share of losses exceeds its interest in the investee, the carrying amount of the investment is reduced to nil and recognition of further losses is discontinued except to the extent that the investor has incurred obligations or made payments, on behalf of the investee.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investments in associates (continued)

Impairment of investments in associates

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The requirements of IAS 39 Financial instruments: recognition and measurement are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

(f) Share-based payments

Share-based payment arrangements in which the Company receives goods or services in exchange for its own equity instruments are accounted for as equity-settled share-based payment transactions in accordance with IFRS 2 Share-based payment. The Company measures the value of equity instruments granted at the fair value of the goods and services received, unless that fair value cannot be measured reliably.

If the fair value of the goods or services received cannot be reliably measured, the transaction is measured by reference to the fair value of the instruments granted.

(g) Tax

Under current Cayman Islands law, there is no income tax, corporation tax, capital gains tax or any other type of tax on profits or gains or tax in the nature of estate duty or inheritance tax currently in effect.

(h) New accounting standards and interpretations

New and amended accounting standards effective in the current period

There are no new or amended accounting standards effective for the first time in the current period which have an impact on the interim financial statements.

New and amended accounting standards that are not yet effective

The following new accounting standards and interpretations have been issued, but are not effective for the period ended 31 August 2017. They have not been adopted in preparing the financial statements for the period ended 31 August 2017. The assessment of the impact of these new standards and interpretations is set out overleaf.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) New accounting standards and interpretations (continued)

- IFRS 9 Financial Instruments. This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and Ill of the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in IAS 39 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The entity will adopt this standard and the amendments from 1 July 2018. The Directors of the Company are assessing the impact of IFRS 9 on its financial statements.
- IAS 28 Investments in Associates and Joint Ventures. Amended by Annual Improvements to IFRS Standards 2014-2016 Cycle. This amendment is applicable to annual reporting periods beginning on or after 1 January 2018 and clarified that the election to measure at fair value through profit or loss an investment in associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition. The Directors of the Company are assessing the potential impact on its financial statements resulting from the amendment to IAS 28.
- IFRS 2 Share-based Payment. Amendments to IFRS 2 applicable to annual reporting periods beginning on or after 1 January 2018. This amendment clarifies the accounting for cash settled share-based payment transactions that include a performance condition, classification of share-based payment transactions with net settlement features and accounting for modifications of share-based payment transactions from cash-settled to equity settled. The Directors of the Company are assessing the potential impact on its financial statements resulting from the amendment to IFRS 2.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires the Directors to make judgements, estimates and assumptions that may affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(a) Share based payment transactions

The Company measures the cost of equity-settled transactions with individuals and promoters by reference to the fair value of the equity instruments at the date at which they are granted. The Company has rebutted the presumption that the fair value of the goods and services received can be reliably measured. The services rendered are particular to the role of the individuals and promoters relating to the transaction to acquire the Company's investment in associate (as disclosed in note 12) and could not have been rendered by an unrelated third party. As such it is not possible to establish a reliable market value for those services.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Share based payment transactions (continued)

The Directors have determined the fair value of the instruments granted by reference to their estimate of the fair value of the Company at the date of issuance.

(b) Investment in associate

Significant influence

In disclosing an investment as an investment in associate the Company has made judgments to determine that significant influence is exercised but not control. The Company holds 30% of the issued share capital of the associate.

Measurement

The Company has initially measured the investment in associate at the date of acquisition at the transaction price agreed for the purchase of the investment in associate as disclosed in note 12. The transaction was agreed between the Company and the vendors, which are connected entities. The transaction price at 30 June 2017 was based on the original purchase of 30% of the issued share capital of the associate by Vision Venturers Management Berhad (VVM) and PEG International Sdn Bhd (PEGI) in August 2015. No independent valuation was performed on the associate in June 2017 as the Directors of the Company and the Directors of the vendors assessed that the value had not changed since the original purchase.

Impairment

The Company has assessed its investment in associate, including goodwill, for impairment at the reporting date. The Company has not identified any factors since acquisition on 30 June 2017 which would indicate that the investment in associate is impaired.

(c) Functional and presentation currency

The functional and presentation currency of the Company is Singapore Dollars (SGD). In preparing the statutory annual financial statements of the Company for the year ended 31 December 2016, a period during which the Company was dormant, SGD was selected as the functional and presentation currency due to the fact that the Company's bank account is denominated in SGD and that much of the anticipated investment activity of the Company was expected to be conducted in SGD.

During the period ended 31 August 2017, the Company acquired an investment in associate in which the associate has a functional currency of Malaysian Ringgit (MYR), issued shares denominated in United States Dollars (USD), and is preparing to list shares in Australia where the listing will be denominated in Australian Dollars (AUD).

Accordingly, the Company has re-assessed the appropriateness of using SGD as its functional and presentation currency. Since the indicators are mixed, the Company has concluded that its functional currency should remain SGD.

(d) Going concern

The interim financial statements have been prepared on a going concern basis as the Directors anticipate that the Company will continue in business for the foreseeable future. Given the Company's limited liquid resources at the reporting date and date of approval of the interim financial statements, the continuation of the Company is dependent on securing future funding. The Directors anticipate that the planned IPO of the Company's shares will be successful. Furthermore, the offer of shares is underwritten by Mr Cheong Chen Khan, a Director of and shareholder in the Company, and Potential Excelerate Group Limited, the Company's largest shareholder at the date of approval.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(d) Going concern (continued)

In the event that the IPO is not successful, the Directors have considered alternative sources of funding. Mr Cheong Chen Khan, a Director of and shareholder in the Company, and Dr Sherwin Chew Chen Yee, a principal of Actcelerate Asset Management Ltd (the "Manager") and of Potential Excelerate Group Limited, the Company's largest shareholder at the date of approval, have committed to provide financial support to the Company to enable it to continue in business.

5. ADMINISTRATIVE EXPENSES

J. ADMINISTRATIVE EXITENSES	For the period from 1 January 2017 to 31 August 2017 SGD	For the period from 1 January 2016 to 31 August 2016 SGD
Corporate Administration Legal expenses	(58,275) (23,399)	-
Audit fee	(18,993)	(4,142)
Registered office fee	(13,866)	(7,114)
Bank charges	(1,555)	(720)
Total administrative expenses	(116,088)	(11,976)
6. DUE (TO)/FROM SHAREHOLDER		
	For the period from	For the year ended
	1 January 2017 to	31 December 2016
	31 August 2017	
	SGD	SGD
At 1 January	30,264	(6,956)
Payments on behalf of the company	(81,031)	(7,114)
Advance to shareholder	-	44,334
At 31 August 2017/31 December 2016	(50,767)	30,264

An amount of SGD 44,334 was advanced by the Company to Mr Cheong Chen Khan, a Director of and shareholder in the Company, in January 2016. The sum was repayable on demand and was non-interest bearing.

A further amount of SGD 133 was due from the shareholder in respect of the issuance of 100 ordinary shares upon incorporation.

The amount due from shareholder has been extinguished following payment of certain expenses on behalf of the Company which were settled directly by the shareholder, including legal fees, corporate administration fees, registered office fees and other costs. At 31 August 2017, the net balance due to shareholder amounted to SGD 50,767. Mr Cheong Chen Khan has committed to the Company that he will not seek repayment of the amount until such time as the Company has the means to do so. Refer also to note 15.

7. CASH AT BANK

At 31 August 2017, the Company has a cash balance with OCBC Bank of SGD 2,411 (31 December 2016: SGD 3,966).

8. ADVANCE PAYABLE

An amount of SGD 50,000 was advanced to the company by Dr Sherwin Chew Chen Yee in September 2015 (see note 15). The amount is repayable on demand and is non-interest bearing. Dr Sherwin Chew Chen Yee a principal of Actcelerate Asset Management Ltd (the "Manager") and of Potential Excelerate Group Limited, is the Company's largest shareholder. Dr Sherwin Chew Chen Yee has committed to the Company that he will not seek repayment of the amount until such time as the Company has the means to do so.

9. OTHER PAYABLES

	31 August	31 December
	2017	2016
	SGD	SGD
Audit fee	27,257	8,264
Corporate administration	14,509	
Total other payables	41,766	8,264
10. SHARE CAPITAL		
	31 August	31 December
	2017	2016
	SGD	SGD
Allotted, called up and fully paid		
45,009,999 Ordinary shares of par value of USD 0.01 (2016:		
100 Ordinary share of par value of USD 1)	621,389	133

Pursuant to a Director's resolution dated 28 August 2017, the Company reorganised its share capital by subdividing the Company's authorised and issued share capital on a 1 to 100 basis from USD 100,000,000 divided into 100,000,000 shares of a par value of USD 1.00 each to USD 100,000,000 divided into 10,000,000,000 shares of a par value of USD 0.01 each.

The ordinary shares confer the right to receive notice of, attend and vote at general meetings of the Company and to participate in the profits of the Company.

(a) Movement in shares - period ended 31 August 2017

	Date _	Number of shares	Share capital SGD	Share premium SGD
Opening balance Shares issued:	01/01/17	100	133	-
resulting from subdivision of share capital	28/08/1 <i>7</i>	9,900	-	-
to vendors of Eyeport (note 12)	28/08/17	20,924,049	288,870	515,191
to individuals and promoters (note 13)	28/08/17	24,075,950	332,386	97,804
Closing balance	31/08/17	45,009,999	621,389	612,995

10. SHARE CAPITAL (continued)

(a) Movement in shares - period ended 31 August 2017 (continued)

Effective 28 August 2017 the Company issued:

- 20,924,049 ordinary shares to Vision Venturers Management Berhad (VVM) and PEG International Sdn Bhd (PEGI) in equal proportion, as consideration for the Company's acquisition from VVM and PEGI of 30% of Eyeport Sdn Bhd. The fair value of the shares issued at 28 August 2017 was SGD 804,061 (SGD 0.038 per share) as determined by the Directors. Refer to note 12.
- 19,513,580 ordinary shares to Potential Excelerate Group Ltd for nil consideration. The fair value of the shares issued at 28 August 2017 was SGD 348,669 (SGD 0.018 per share) as determined by the Directors. Refer to notes 13 and 15.
- 2,500,000 ordinary shares to Ingenious Haus Ltd for nil consideration. The fair value of the shares issued at 28 August 2017 was SGD 44,670 (SGD 0.018 per share) as determined by the Directors. Ingenious Haus Ltd is the Corporate Advisor to the Company. Refer to note 13.
- 2,062,370 ordinary shares to certain individuals that are employees or associates of Potential Excelerate Group Ltd, for nil consideration. The fair value of the shares issued at 28 August 2017 was SGD 36,851(SGD 0.018 per share) as determined by the Directors.

The Company is currently seeking a listing on the National Stock Exchange (NSX) of Australia. The Company plans to offer 8,000,000 shares at an issue price of AUD 0.10 (SGD 0.108 at 31 August 2017).

(b) Movement in shares – year ended 31 December 2016

		Number of	Share capital	Share premium
	Date	shares	SGD	SGD
Opening balance	1/1/16	100	133	-
Closing balance	31/12/16	100	133	-

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash at bank and receivables and payables, which arise directly from its operations.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash at a bank which is subject to floating interest rates but attracts an immaterial level of interest income. The Directors therefore consider the Company's exposure to interest rate risk is minimal.

Foreign currency risk

Foreign currency risk is the risk that the future cash flows or the fair value of financial instruments will fluctuate because of changes in foreign exchange rates. The Company may hold financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Company may be exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than SGD.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The foreign currency exposure of the Company at 31 August 2017 and 31 December 2016 is as follows, based on the carrying value of monetary assets and liabilities:

31 August 2017	Assets SGD	Liabilities SGD	Net Exposure SGD
USD	-	(27,257)	(27,257)
AUD	-	(14,509)	(14,509)
31 December 2016	Assets SGD	Liabilities SGD	Net Exposure SGD
USD	-	(8,264)	(8,264)

The table below summarises the sensitivity of the Company's assets and liabilities to changes in foreign exchange movements at 31 August 2017 and 31 December 2016. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased against the SGD by \pm 0, with all other variables held constant. This represents the Directors' best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

31 December 2016	31 August 2017	
SGD	SGD	
413	1,363	USD
-	725	AUD

Credit risk

Credit risk relates to the extent to which failures by counterparties to discharge their obligations could reduce the amount of future cash flows to the Company from financial assets on hand as at the end of the reporting period.

As at 31 August 2017 the carrying amount of cash at bank represents the Company's maximum exposure to the credit risk in relation to the financial assets (and 31 December 2016: the carrying amounts of cash at bank and the amount due from shareholder). The Directors consider the credit risk associated with its financial assets as minimal as all the Company's cash balances are held in a reputable financial institution which the Directors believe is of high credit quality. The current credit rating of OCBC Bank is AA- as determined by Standard and Poor's.

Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due, and it results from amount and maturity mismatches of assets and liabilities.

Mr Cheong Chen Khan, a Director of and shareholder in the Company, and Dr Sherwin Chew Chen Yee, a principal of Actcelerate Asset Management Ltd (the "Manager") and of Potential Excelerate Group Limited, the Company's largest shareholder, have committed to provide financial support to the Company to enable it to settle its liabilities as they fall due. Each has also committed to the Company that they will not seek repayment of any amounts due to them until such time as the Company has the means to do so. The Company is also expecting to raise additional funds from the planned initial public offering.

12. INVESTMENT IN ASSOCIATE

On 30 June 2017 the Company entered into a transaction with Vision Venturers Management Berhad (VVM) and PEG International Sdn Bhd (PEGI), each a Malaysian registered company, in which the Company acquired an investment in Eyeport Sdn Bhd in exchange for issuing 20,924,049 ordinary shares of par value USD 0.01 to VVM and PEGI in equal proportion.

The Company acquired 30% of the issued shares of Eyeport Sdn Bhd (Eyeport), a private company registered in Malaysia. Each of VVM and PEGI held 15% of Eyeport.

		Carrying value at
	Ownership Interest	31 August 201 <i>7</i>
Eyeport Sdn Bhd.	30%	SGD 805,777

VVM and PEGI initially acquired the investment in Eyeport at a cost of RM 2,500,000, equal to SGD 804,061 at 30 June 2017. In concluding the transaction in which the Company acquired the Eyeport investment from VVM and PEGI, the Directors of the Company and the Directors of VVM and PEGI assessed that the value had not changed. This value was agreed as the transfer value for the purposes of the transaction. Refer also to note 15.

The investment in associate is accounted for using the equity method of accounting.

Cost of investment in associate at initial recognition

Eyeport Sdn Bhd.	Exchange Rate		
Cost of Investment in Associate on acquisition at 30 June 2017	Nui0	RM 2,500,000	
Cost of Investment in Associate translated into SGD on the acquisition date	3.109	SGD 804,061	
Number of shares issued to Vendors of 30% of Eyeport Fair value of shares issued (per share) SGD		20,924,049 SGD 0.038	
Reconciliation of cost of investment in associate on acquisition to carrying value of investment in associate at 31 August 2017			
Cost of Investment in Associate on acquisition at 30 June 2017		SGD 804,061	
Net assets acquired (30% of the net assets of the associate on acquisition) Goodwill		74,849 729,212	
Share of net profit of associate after tax in the period from 1 July 2017 to 2017	to 31 August	1,716	
Carrying value of investment in associate at 31 August 2017		805,777	

12. INVESTMENT IN ASSOCIATE (continued)

Summarised statements of financial position of the associate (unaudited)

Eyeport Sdn Bhd.	31 August 2017	30 June 2017	31 December 2016**
ASSETS	SGD	SGD	SGD
Non-current assets			
Property, plant and equipment	213,133	207,401	203,200
Current assets			
Inventories	81,130	68,881	39,245
Deposits	62,003	41,479	23,838
Cash and bank balances	21,987	52,592	18,633
	165,120	162,952	81,716
TOTAL ASSETS	378,253	370,353	284,916
EQUITY AND LIABILITIES			
Equity attributable to the owners of the			
company			
Share capital	855,581	855,581	51,620
Accumulated losses	(600,618)	(606,337)	(504 , 593)
Foreign exchange translation*	(2,852)	251	· · · · · -
Subscription monies for redeemable			
convertible preference shares	-	-	594,950
<u>-</u>	252,111	249,495	141,977
Current liabilities			
Trade payables	33,408	23,453	5,326
Non trade payables and accruals	13,322	16,993	131,160
Amounts due to directors	-	-	6,453
	46,730	40,446	142,939
Non-current liabilities			_
Private loan	79,412	80,412	-
TOTAL LIABILITIES	126,142	120,858	142,939
TOTAL EQUITY AND LIABILITIES	378,253	370,353	284,916

^{*}For comparability, the statements of financial position have been translated into SGD from MYR, the functional currency of the associate, using the exchange rate prevailing at each statement of financial position date.

^{**}The 31 December 2016 financial statements of the associate were audited by PKF (Malaysia).

12. INVESTMENT IN ASSOCIATE (continued)

<u>Summarised statements of comprehensive income of the associate (unaudited)</u>

Eyeport Sdn Bhd.	1 July 2017 to 31 August 2017	1 January 2017 to 30 June 2017	Year ended 31 December 2016*
	SGD	SGD	SGD
Revenue	130,951	181 , 541	162 ,7 31
Cost of sales	(77,771)	(107,591)	(98,204)
Gross profit	53,180	73,950	64,527
Other income	57	116	388
Other operating expenses	(47,518)	(175,810)	(422,128)
Profit/(loss) before income tax	5,719	(101,744)	(357,213)
Tax expense	-	-	-
Profit/(loss) and other comprehensive income/(loss)			
for the period	5,719	(101,744)	(357,213)
Share of net profit of associate (30%)	1,716		

For comparability, the statements of comprehensive income have been translated into SGD from MYR, the functional currency of the associate, using the exchange rate prevailing at each reporting date.

13. SHARE BASED PAYMENT EXPENSE

The Company issued the following shares on 28 August 2017:

- 19,513,580 ordinary shares to Potential Excelerate Group Ltd for nil consideration. The fair value of the shares issued at 28 August 2017 was SGD 348,669 (SGD 0.018 per share) as determined by the Directors. Refer to note 15.
- 2,500,000 ordinary shares to Ingenious Haus Ltd for nil consideration. The fair value of shares issued at 28 August 2017 was SGD 44,670 (SGD 0.018 per share) as determined by the Directors. Ingenious Haus Ltd is the Corporate Advisor to the Company.
- 2,062,370 ordinary shares to certain individuals that are employees or associates of Potential Excelerate Group Ltd, for nil consideration. The fair value of the shares issued at 28 August 2017 was SGD 36,851 (SGD 0.018 per share) as determined by the Directors.

The Directors have determined the fair value of the instruments granted by reference to their estimate of the fair value of the Company at the date of issuance.

14. BASIC AND DILUTED LOSS PER SHARE

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows. There are no potential ordinary shares on issue at the date of this report.

^{*}The 31 December 2016 financial statements of the associate were audited by PKF (Malaysia).

14. BASIC AND DILUTED LOSS PER SHARE (continued)

	For the period from 1 January 2017 to 31 August 2017 SGD	For the period from 1 January 2016 to 31 August 2016 SGD
Loss for the period from continuing operations	(544,562)	(11,976)
Weighted average number of ordinary shares	Number	Number
outstanding during the year used in the calculation of basic loss per share	11,529,025	100

15. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Board has agreed that any transaction with Dr Sherwin Chew Chen Yee, Mr Cheong Chen Khan, Actcelerate Asset Management Ltd, Potential Excelerate Group Limited (or their associates) is disclosed as related party transactions.

Mr Cheong and Dr Chew have committed to provide financial support to the Company to enable it to continue in business and have committed not to seek repayment of any amounts due to them from the Company until such time as the Company has the means to do so.

Mr Cheong Chen Khan

An amount of SGD 44,334 was advanced by the Company to Mr Cheong in January 2016. The sum was repayable on demand and was non-interest bearing. A further amount of SGD 133 was due from Mr Cheong in respect of the issuance of 100 ordinary shares upon incorporation. The amount due from Mr Cheong has been extinguished following payment of certain expenses on behalf of the Company which were settled directly by Mr Cheong, including legal fees, corporate administration fees, registered office fees and other costs. At 31 August 2017, the net balance due to shareholder amounted to SGD 50,767.

Potential Excelerate Group Limited

The Company's largest shareholder is Potential Excelerate Group Limited (PEG), a Seychelles incorporated company founded and controlled by Dr Sherwin Chew Chen Yee. PEG directly owns 43.4% of the issued share capital of the Company. Refer to below for disclosure of a process to transfer shares held by VVM and PEGI in November and December 2017.

An amount of SGD 50,000 was advanced to the company by Dr Sherwin Chew Chen Yee in September 2015. The amount is repayable on demand and is non-interest bearing.

On 28 August 2017 the Company resolved to issue 20,924,049 fully paid ordinary shares to PEG International Sdn Bhd (PEGI) and Vision Ventures Management Berhad (VVM) (entities controlled by PEG or its affiliates) as vendors of the investment in Eyeport Sdn Bhd.

On 28 August 2017 the Company resolved to issue 19,513,580 fully paid ordinary shares to PEG for the role as promoter of the Eyeport investment transaction and the Company's listing on NSX.

15. RELATED PARTY TRANSACTIONS (continued)

Actcelerate Asset Management Ltd

The Company has entered into a management agreement with Actcelerate Asset Management Ltd (the "Manager"), under which the Manager will, subject to the Board's oversight, identify investment opportunities, undertake due diligence, negotiate investment terms, and monitor investments on behalf of the Company.

In accordance with the management agreement the Manager will be paid:

- (i) an investment management fee equal to the greater of the following, payable in quarterly instalments within 30 days:
 - a. If there is a period VWAP*, 1% of the market capitalisation per annum; and
 - b. \$50,000 per annum,

*as defined in the management agreement, VWAP means the volume weighted average price of trading in those securities on the NSX market over the relevant period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises. Period VWAP means the VWAP for shares during the relevant period, where the number of shares traded on NSX during the relevant period is greater than 1% of the issued shares for that relevant period.

- (ii) A performance fee of 20% of the exit event gains less any exit event losses carried forward, payable within 60 days of the Company's financial year end; and
- (iii) Subject to the applicable regulations and the articles and at the Board's discretion, a special bonus fee in such amount as the Board may think fit.

The Manager was founded by Dr Chew and Mr Cheong. Dr Chew owns 80% of the Manager and Mr Cheong owns 20% of the Manager.

Director's fees

The Directors of the Company have not received any fees for acting as Directors during the period. The directors will be remunerated as below, effective from 1 October 2017:

- a. Cheong Chen Khan AUD 36,000 per annum
- b. Rodney James Huey AUD 30,000 per annum
- c. Cameron Luu AUD 24,000 per annum

16. EVENTS AFTER THE REPORTING DATE

On 1 October 2017, Messrs' Cameron Luu and Rodney James Huey were appointed as Directors of the Company.

Pursuant to a Directors' resolution dated 21 November 2017, the Directors resolved to issue 1,500,000 shares of USD 0.01 par value each to Mr Cheong for nil consideration.

In December 2017, the Company plans to lodge a Prospectus with the Australian Securities and Investments Commission to raise up to AUD 800,000 from the issuance of 8,000,000 shares and to list its shares on NSX. Funds raised from the offer will be used by the Company to meet its operating expenses, to settle payables and accruals, and to continue its investment model.

16. EVENTS AFTER THE REPORTING DATE (continued)

Subsequent to the reporting date, VVM and PEGI have commenced with transferring their shares in the Company to holders of redeemable convertible preference shares and/or redeemable notes issued by them, in settlement of such shares and notes. At the date of approval of this interim financial report the process is ongoing. The Directors confirm that the process will be completed prior to the Company lodging its Prospectus to list on the NSX.

17. APPROVAL OF AUDITED INTERIM FINANCIAL STATEMENTS

The Directors approved the audited interim financial statements on 18 December 2017.