



**Actcelerate International Group Limited**  
(a Cayman Islands Exempted Limited Company)

**Audited Financial Statements**

For the year ended 31 December 2017

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## GENERAL INFORMATION

<b>Directors</b>	Cheong Chen Khan (Chief Executive Officer) Rodney James Huey (Independent Non-executive Chairman)* Cameron Luu (Independent Non-executive Director)* Mohd Azmi Mohd Lila (Non-executive Director)** <i>*appointed 1 October 2017</i> <i>**appointed 15 February 2018</i>
<b>Company Secretary</b>	Daniel Smith
<b>Registered office (Cayman Islands)</b>	P.O. Box 31119 Grand Pavillion Hibiscus Way, 802 West Bay Road Grand Cayman, KY1-1205 Cayman Islands
<b>Corporate Advisor</b>	Ingenious Haus Limited B-7-18, Level 7, Oasis Square Ara Damansara Petaling Jaya, 47301 Selangor Darul Ehsan, Malaysia
<b>Compliance Manager &amp; Nominated Advisor</b>	Minerva Corporate Pty Ltd Unit 5, Ground Floor, 1 Centro Ave Subiaco WA 6008 Australia
<b>Company number</b>	295464
<b>Share Registry</b>	Advanced Share Registry Services 110 Stirling Hwy Nedlands WA 6009 Australia
<b>Banker</b>	Overseas Chinese Banking Corporation Limited 16 Church Street #01-00 OCBC Centre South Singapore 049479
<b>Auditor</b>	Arthur Bell Limited 59/60 O'Connell Street Limerick Ireland V94 E95T
<b>Solicitor (Australia)</b>	Atkinson Corporate Lawyers Unit 5, Ground Floor, 1 Centro Ave Subiaco WA 6008 Australia
<b>Solicitor (Cayman Islands)</b>	Collas Crill (Singapore) Pte. Limited Level 40, Ocean Financial Centre 10 Collyer Quay Singapore 049315
<b>Manager</b>	Actcelerate Asset Management Limited Willow House, Cricket Square George Town, P.O. Box 709 Grand Cayman, KY1-1107 Cayman Islands

## AUDIT REPORT

## AUDIT REPORT

STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 31 December 2017

	Note	For the year ended 31 December 2017 SGD	For the year ended 31 December 2016 SGD
Operating income		-	-
Administrative expenses	5	(254,561)	(12,456)
Share-based payment expense	13	(457,922)	-
Share of net loss of associate	12	(40,171)	-
<b>Loss on ordinary activities before taxation</b>		<b>(752,654)</b>	<b>(12,456)</b>
Tax on loss on ordinary activities		-	-
<b>Loss for the period after taxation</b>		<b>(752,654)</b>	<b>(12,456)</b>
<b>Basic and diluted loss per share</b>	14	<b>SGD(0.0483)</b>	<b>SGD(124.56)</b>

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

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

STATEMENT OF FINANCIAL POSITION  
As at 31 December 2017

	Note	31 December 2017 SGD	31 December 2016 SGD
<b>Non-current assets</b>			
Investment in associate	12	763,890	-
		<b>763,890</b>	-
<b>Current assets</b>			
Cash at bank	7	1,876	3,966
Due from shareholder	6	-	30,264
<b>Total current assets</b>		<b>1,876</b>	<b>34,230</b>
<b>Total assets</b>		<b>765,766</b>	<b>34,230</b>
<b>Current liabilities</b>			
Advance payable	8	50,000	50,000
Due to shareholder	6	144,359	-
Other payables	9	86,112	8,264
<b>Total current liabilities</b>		<b>280,471</b>	<b>58,264</b>
<b>Net assets/(liabilities)</b>		<b>485,295</b>	<b>(24,034)</b>
<b>Equity</b>			
Called up share capital	10	642,501	133
Share premium	10	619,615	-
Retained deficit		(776,821)	(24,167)
<b>Total equity</b>		<b>485,295</b>	<b>(24,034)</b>
<b>Total equity and liabilities</b>		<b>765,766</b>	<b>34,230</b>

The financial statements were approved for issue by the Directors of the Company on 21 June 2018.



Director



Director

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

STATEMENT OF CHANGES IN EQUITY  
For the year ended 31 December 2017

<b>For the year ended 31 December 2017</b>	<b>Called up share capital</b>	<b>Share premium</b>	<b>Retained deficit</b>	<b>Total equity</b>
	<b>SGD</b>	<b>SGD</b>	<b>SGD</b>	<b>SGD</b>
At 1 January 2017	133	-	(24,167)	(24,034)
Loss for the year	-	-	(752,654)	(752,654)
Shares issued	642,368	619,615	-	1,261,983
<b>At 31 December 2017</b>	<b>642,501</b>	<b>619,615</b>	<b>(776,821)</b>	<b>485,295</b>
<b>For the year ended 31 December 2016</b>	<b>Called up share capital</b>	<b>Share premium</b>	<b>Retained deficit</b>	<b>Total equity</b>
	<b>SGD</b>	<b>SGD</b>	<b>SGD</b>	<b>SGD</b>
At 1 January 2016	133	-	(11,711)	(11,578)
Loss for the year	-	-	(12,456)	(12,456)
<b>At 31 December 2016</b>	<b>133</b>	<b>-</b>	<b>(24,167)</b>	<b>(24,034)</b>

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



STATEMENT OF CASH FLOWS  
For the year ended 31 December 2017

	<b>For the year ended 31 December 2017 SGD</b>	For the year ended 31 December 2016 SGD
<b>Cash flows from operating activities</b>		
Net loss for the year	(752,654)	(12,456)
<b>Adjustments</b>		
Share-based payment expense	457,922	-
Share of net loss of associate	40,171	-
	<b>498,093</b>	-
<i>Change in operating assets and liabilities</i>		
Increase in other payables	77,848	4,142
<b>Net cash used in operating activities</b>	<b>(176,713)</b>	<b>(8,314)</b>
<b>Cash flows from financing activities</b>		
Issue of shares during the year*	-	-
Net receipts from/payments to shareholder	174,623	(37,220)
<b>Net cash provided by/(used in) financing activities</b>	<b>174,623</b>	<b>(37,220)</b>
Net decrease in cash and cash equivalents for the year	(2,090)	(45,354)
Cash at bank at the beginning of the year	3,966	49,500
<b>Cash at bank at the end of the year</b>	<b>1,876</b>	<b>3,966</b>

\*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 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 22,500,000 shares at an issue price of AUD 0.10 (SGD 0.108 at 31 December 2017). The Company closed the Offer under the prospectus on 15 June 2018 having reached the Minimum Subscription.

## 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

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

Interim financial statements of the Company were prepared for the period from 1 January 2017 to 31 August 2017. Net loss for the period ended 31 August 2017 was SGD 544,562 and total equity as at 31 August 2017 was SGD 665,655.

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 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).

### *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.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Foreign currency translation (continued)

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 December 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. 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.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Financial instruments (continued)

##### *Financial liabilities (continued)*

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.

##### *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.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Investments in associates (continued)

##### *Impairment of investments in associates (continued)*

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 year which have an impact on the 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 year ended 31 December 2017. They have not been adopted in preparing the financial statements for the year ended 31 December 2017. The assessment of the impact of these new standards and interpretations is set out overleaf.

- 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 III 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.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) New accounting standards and interpretations (continued)

- 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.

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.

#### **4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

##### **(b) Investment in associate (continued)**

###### *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 December 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 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 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. The Company closed the Offer under the prospectus on 15 June 2018 having reached the Minimum Subscription.

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

	<b>For the year ended 31 December 2017 SGD</b>	For the year ended 31 December 2016 SGD
Corporate Administration	(107,715)	-
Legal expenses	(71,452)	-
Audit fee	(33,835)	(4,142)
Registered office fee	(20,706)	(7,114)
Directors fees	(14,082)	-
Professional fees	(4,681)	-
Bank charges	(2,090)	(1,200)
<b>Total administrative expenses</b>	<b>(254,561)</b>	<b>(12,456)</b>

## 6. DUE (TO)/FROM SHAREHOLDER

	<b>For the year ended 31 December 2017 SGD</b>	For the year ended 31 December 2016 SGD
At 1 January	30,264	(6,956)
Payments on behalf of the company	(174,623)	(7,114)
Advance to shareholder	-	44,334
<b>At 31 December</b>	<b>(144,359)</b>	<b>30,264</b>

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 December 2017, the net balance due to shareholder amounted to SGD 144,359. 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 December 2017, the Company has a cash balance with OCBC Bank of SGD 1,876 (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

	<b>31 December 2017</b>	31 December 2016
	<b>SGD</b>	SGD
Corporate administration	<b>51,070</b>	-
Audit fee	<b>14,701</b>	8,264
Director fees	<b>14,082</b>	-
Professional fees	<b>6,259</b>	-
<b>Total other payables</b>	<b>86,112</b>	8,264

## 10. SHARE CAPITAL

	<b>31 December 2017</b>	31 December 2016
	<b>SGD</b>	SGD
<i>Allotted, called up and fully paid</i>		
45,000,000 Ordinary shares of par value of USD 0.01 (2016: 100 Ordinary share of par value of USD 1)	<b>642,501</b>	<b>133</b>

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 December 2017

	<b>Date</b>	<b>Number of shares</b>	<b>Share capital SGD</b>	<b>Share SGD</b>
Opening balance	<b>01/01/17</b>	100	133	-
<u>Shares issued:</u>				
resulting from subdivision of share capital	<b>28/08/17</b>	9,900	-	-
to vendors of Eyeport (note 12)	<b>28/08/17</b>	20,924,049	288,870	515,191
to individuals and promoters (note 13)	<b>28/08/17</b>	24,075,950	332,386	97,804
to director Mr Cheong	<b>01/11/17</b>	1,500,000	20,431	6,406
To individuals and promoters	<b>01/11/17</b>	50,000	681	214
Cancellation of shares:				
- Mr Cheong	<b>15/11/17</b>	(10,000)	-	-
- Vision Venturers Management Berhad	<b>15/11/17</b>	(1,544,999)	-	-
- PEG International Sdn Bhd	<b>15/11/17</b>	(5,000)	-	-
Closing balance	<b>31/12/17</b>	<b>45,000,000</b>	<b>642,501</b>	<b>619,615</b>

## 10. SHARE CAPITAL (continued)

### (a) Movement in shares – period ended 31 December 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 and note 15.
- 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 348,668 (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.

Effective 1 November 2017 the company issued:

- 1,500,000 shares to director Mr Cheong for nil consideration. The fair value of the shares issued at 1 November 2017 was SGD 26,838 (SGD 0.018 per share) as determined by the Directors.
- 50,000 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 1 November 2017 was SGD 895 (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 22,500,000 shares at an issue price of AUD 0.10 (SGD 0.108 at 31 December 2017). The Company closed the Offer under the prospectus on 15 June 2018 having reached the Minimum Subscription.

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

	Date	Number of shares	Share capital SGD	Share premium 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.

## 11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### 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.

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

<b>31 December 2017</b>	<b>Assets SGD</b>	<b>Liabilities SGD</b>	<b>Net Exposure SGD</b>
USD	-	(14,701)	(14,701)
AUD	-	(54,482)	(40,400)
HKD	-	(16,929)	(16,929)
<b>31 December 2016</b>	<b>Assets SGD</b>	<b>Liabilities SGD</b>	<b>Net Exposure SGD</b>
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 December 2017 and 31 December 2016. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased against the SGD by +/- 5%, 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.

	<b>31 December 2017 SGD</b>	<b>31 December 2016 SGD</b>
USD	+/-735	+/-413
AUD	+/-2,724	-
HKD	+/-846	-

### 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 December 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.

## 11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Liquidity risk (continued)

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. The Company closed the Offer under the prospectus on 15 June 2018 having reached the Minimum Subscription.

## 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.

	Ownership Interest	Carrying value at 31 December 2017
Eyeport Sdn Bhd.	30%	SGD 763,890

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		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		20,924,049
Fair value of shares issued (per share) SGD		SGD 0.038

### Reconciliation of cost of investment in associate on acquisition to carrying value of investment in associate at 31 December 2017

Cost of Investment in Associate on acquisition at 30 June 2017	<u>SGD</u> 804,061
Net assets acquired (30% of the net assets of the associate on acquisition)	74,849
Goodwill	729,212
Share of net loss of associate after tax in the year ended 1 July 2017 to 31 December 2017	(40,171)
<b>Carrying value of investment in associate at 31 December 2017</b>	<u><b>763,890</b></u>

**12. INVESTMENT IN ASSOCIATE** (continued)

**Summarised statements of financial position of the associate (unaudited)**

<b>Eyeport Sdn Bhd.</b>	<b>31 December 2017</b>	<b>30 June 2017</b>	<b>31 December 2016*</b>
<b>ASSETS</b>	<b>SGD</b>	<b>SGD</b>	<b>SGD</b>
<b>Non-current assets</b>			
Property, plant and equipment	218,213	207,401	203,200
<b>Current assets</b>			
Inventories	52,948	68,881	39,245
Deposits	34,735	41,479	23,838
Cash and bank balances	8,411	52,592	18,633
Trade and other receivables	21,550	-	-
Other receivables	7,907	-	-
	<b>125,551</b>	<b>162,952</b>	<b>81,716</b>
<b>TOTAL ASSETS</b>	<b>343,764</b>	<b>370,353</b>	<b>284,916</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the owners of the company</b>			
Share capital	855,581	855,581	51,620
Accumulated losses	(740,240)	(606,337)	(504,593)
Foreign exchange translation	30,372	251	-
Subscription monies for redeemable convertible preference shares	-	-	594,950
	<b>145,713</b>	<b>249,495</b>	<b>141,977</b>
<b>Current liabilities</b>			
Trade payables	69,833	23,453	5,326
Non trade payables and accruals	19,153	16,993	131,160
Amounts due to directors	26,690	-	6,453
	<b>115,676</b>	<b>40,446</b>	<b>142,939</b>
<b>Non-current liabilities</b>			
Private loan	82,375	80,412	-
<b>TOTAL LIABILITIES</b>	<b>198,051</b>	<b>120,858</b>	<b>142,939</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>343,764</b>	<b>370,353</b>	<b>284,916</b>

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).

**Summarised statements of comprehensive income of the associate (unaudited)**

<b>Eyeport Sdn Bhd.</b>	<b>1 July 2017 to</b>	<b>1 January 2017</b>	<b>Year ended 31</b>
	<b>31 December</b>	<b>to 30 June 2017</b>	<b>December</b>
	<b>2017</b>		<b>2016*</b>
	<b>SGD</b>	<b>SGD</b>	<b>SGD</b>
Revenue	337,109	181,541	162,731
Cost of sales	(263,276)	(107,591)	(98,204)
<b>Gross profit</b>	<b>73,833</b>	<b>73,950</b>	<b>64,527</b>
Other income	61	116	388
Other operating expenses	(207,797)	(175,810)	(422,128)
Loss before income tax	(133,903)	(101,744)	(357,213)
Tax expense	-	-	-
Loss and other comprehensive loss for the period	(133,903)	(101,744)	(357,213)
Share of net loss of associate (30%)	(40,171)		

## 12. INVESTMENT IN ASSOCIATE (continued)

*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.*

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

## 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 348,668 (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 Company issued the following shares on 1 November 2017:

- 1,500,000 shares to director Mr Cheong for nil consideration. The fair value of the shares issued at 1 November 2017 was SGD 26,838 (SGD 0.018 per share) as determined by the Directors.
- 50,000 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 1 November 2017 was SGD 895 (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.

	<b>For the year ended 31 December 2017 SGD</b>	For the year ended 31 December 2016 SGD
Loss for the year ended continuing operations	<u>(752,654)</u>	<u>(12,456)</u>
	<b>Number</b>	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	<u>15,595,956</u>	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.

## 15. RELATED PARTY TRANSACTIONS (continued)

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 December 2017, the net balance due to shareholder amounted to SGD 144,359.

On 1 November 2017 1,500,000 shares were issued to Mr Cheong. The fair value of the shares issued at 1 November 2017 was SGD 26,838 (SGD 0.018 per share). On 15 November 2017 10,000 shares belonging to Mr Cheong were cancelled.

### *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.

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 15 November 2017, 5,000 shares belonging to PEGI and 1,544,999 shares belonging to VVM were cancelled. In November and December 2017 VVM and PEGI transferred their remaining 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.

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. The fair value of the shares issued at 28 August 2017 was SGD 348,668 (SGD 0.018 per share).

### *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 a fee calculated on the following basis. The fee will be applicable from the date of the Company's planned IPO.

## 15. RELATED PARTY TRANSACTIONS (continued)

### *Actcelerate Asset Management Ltd (continued)*

- (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.

### *Directors' fees*

The Directors of the Company are remunerated as below:

- a. Cheong Chen Khan – AUD 36,000 per annum (from the date of the Company's planned IPO)
- b. Rodney James Huey – AUD 30,000 per annum (from 1 October 2017)
- c. Cameron Luu – AUD 24,000 per annum from (1 October 2017)
- d. Mohd Azmi Mohd Lila – AUD 24,000 per annum (from 15 February 2018)

## 16. EVENTS AFTER THE REPORTING DATE

On 6 April 2018 it was resolved that the Company withdraw the offer made by way of the Prospectus dated 22 December 2017.

On 12 April 2018 the Company lodged a Prospectus to offer up to 22,500,000 shares at an issue price of \$0.10 each to raise \$2,250,000 with a minimum subscription of 17,500,000 shares to raise \$1,750,000.

On 17 May 2018 the Company lodged a Supplementary Prospectus to extend the closing date to 22 June 2018.

The Company closed the Offer under the prospectus on 15 June 2018 having reached the Minimum Subscription. The IPO is expected to complete in July 2018.

## 17. APPROVAL OF AUDITED FINANCIAL STATEMENTS

The Directors approved the audited annual financial statements on 21 June 2018.