

FORM: Half yearly/preliminary final report

Name of issuer

Actcelerate International Group Limited

ACN or ARBN

621 882 424

Half yearly
(tick)

✓

Preliminary
final (tick)

Half year/financial year ended
(‘Current period’)

30 June 2019

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

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				\$A,000
Revenue (item 1.1)	Up	100%	to	8
Profit (loss) for the period (item 1.9)	Up	49%	to	(150)
Profit (loss) for the period attributable to members of the parent (item 1.11)	Up	49%	to	(150)
Dividends				
Franking rate applicable:	Current period		Previous corresponding period	
	nil		nil	
Final dividend (preliminary final report only)(item 10.13-10.14)				
Amount per security	nil		nil	
Franked amount per security				
Interim dividend (Half yearly report only) (item 10.11 – 10.12)				
Amount per security	nil		nil	
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				



Actcelerate International Group Ltd

Company Number 295464, ARBN Number 621 882 424

P.O. Box 31119 Grand Pavilion Hibiscus way,
802 West Bay Road, Grand Cayman KY1-1205,
Cayman Islands.

ACTCELERATE INTERNATIONAL GROUP LIMITED (a Cayman Islands Exempted Company) ARBN 621 882 424

INTERIM REPORT 30 JUNE 2019

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CORPORATE DIRECTORY

Directors	Cheong Chen Khan (Managing Director & Chief Executive Officer) Rodney James Huey (Independent Non-executive Chairman) Cameron Luu (Independent Non-executive Director) Mohd Azmi Mohd Lila (Independent Non-executive Director)
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
Nominated Advisor	Minerva Corporate Pty Ltd Level 8, 99 St Georges Terrace Perth WA 6000 Australia
Company number	295464
Share Registry	Advanced Share Registry Services 110 Stirling Hwy Nedlands WA 6009 Australia
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
Solicitor (Australia)	Atkinson Corporate Lawyers Unit 5, Ground Floor, 1 Centro Ave Subiaco WA 6008 Australia
Solicitor (Cayman Islands)	Collas Crill (Singapore) Pte. Limited Level 40, Ocean Financial Centre 10 Collyer Quay Singapore 049315

DIRECTOR'S REPORT

Your directors present their report on Actcelerate International Group Limited ("ACT" or the "Company") for the half-year ended 30 June 2019. All amounts are stated in Australian dollars (\$) unless otherwise noted.

DIRECTORS OF ACTCELERATE INTERNATIONAL GROUP LIMITED

The Directors and Company Secretary of the Company at any time during or since the end of the half-year period are as follows:

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)

OPERATING RESULT

The loss from operations of the Company for the half year ended 30 June 2019 was \$149,960 (30 June 2018: \$295,337).

KEY EVENTS DURING THE HALF YEAR

During the half year the Company's management, in conjunction with Actcelerate Asset Management Ltd ("AAM"), undertook due diligence on a range of investment opportunities within Australia and southeast Asia in line with its stated investment objectives. Specifically, the Company has focussed on opportunities within the financial services, information and communication technology, new age retail and green technology sectors, and which leverages on technology advancement and contributions to the development of the creative economy. AIG's target companies' valuation will range from \$1 million – \$10 million, with the flexibility of equity, debt or hybrid investments.

For the six months to 30 June, AAM was presented with over 50 investment opportunities, with 25 introduced to the Company for detailed assessment. Of these 25, 2 proceeded to investment post the end of the half year.

DIVIDENDS

No dividends were paid or are proposed to be paid to members during the financial period.

FINANCIAL POSITION

The loss from operations of the Company for the half year ended 30 June 2019 was \$149,960 (30 June 2018: \$295,337).

At 30 June 2019, the Company had \$718,974 cash at bank (31 December 2018: \$865,459).

AFTER BALANCE DATE EVENTS

On 1 July the Company announced that it had executed a convertible note deed with Ideaqu Pte Ltd for an investment of SGD\$400,000 by way of subscribing for convertible notes. The key terms of the Notes are:

- Face value of Notes of SGD\$1 each;
- In the occurrence of a Conversion Event, such as listing on a recognised stock exchange, the Notes will convert at an agreed valuation;
- 24-month maturity date; and
- Coupon of 9% per annum paid half-yearly.

On 26 July 2019 the Company announced it had entered into a funding agreement with WOBB Sdn Bhd (WOBB). The funding totalling US\$100,000 was made by way of redeemable convertible preference shares (RCPS). The key terms of the RCPS are:

- Face value of RCPS US\$44.16 per RCPS;
- Entitled dividends of 50% or the retained earnings except for funds allocation for R&D and expansion purposes approved by investors;
- 4 year maturity date with an option to extend for an additional 2 years.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no other significant changes in the state of affairs of the Company during the financial period.

Signed in accordance with a resolution of the board of directors



Cheong Chen Khan
Director
13 September 2019

Actcelerate International Group Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June 2019

	Note	1 January 2019 to 30 June 2019 \$	1 January 2018 to 30 June 2018 \$
Revenue	2	8,330	23
Corporate administration expenses		(33,650)	(75,852)
Audit fee		(12,431)	(10,762)
Consulting and advisory fees		(23,100)	(153,250)
Directors' fees and remuneration		(64,500)	(39,000)
Legal expenses		(4,392)	(11,000)
Share of net loss of associate		(20,217)	(5,496)
Loss before income tax		(149,960)	(295,337)
Income tax expense		-	-
Loss after income tax		(149,960)	(295,337)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		5,128	-
Total comprehensive income/(loss) for the period		(144,832)	(295,337)
Basic and diluted profit/(loss) per share		(0.002)	(0.01)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Actcelerate International Group Limited
Statement of Financial Position
As at 30 June 2019

	Note	30/06/19 \$	31/12/18 \$
Current assets			
Cash and cash equivalents	3	718,974	865,459
Trade and other receivables		7,950	17,787
Convertible preference shares	4	269,712	260,161
Total current assets		996,636	1,143,407
Non-current assets			
Investments accounted for using the equity method	5	758,895	773,984
Total non-current assets		758,895	773,984
Total assets		1,755,531	1,917,391
Current liabilities			
Trade and other payables	6	108,530	125,558
Total current liabilities		108,530	125,558
Total liabilities		108,530	125,558
Net assets		1,647,001	1,791,833
Equity			
Issued capital	7	2,353,849	2,353,849
Share premium		594,019	594,019
Reserves		84,404	79,276
Accumulated losses		(1,385,271)	(1,235,311)
Total equity		1,647,001	1,791,833

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Actcelerate International Group Limited
Statement of Changes in Equity
For the period ended 30 June 2019

	Issued Capital Ordinary	Share Premium	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2018	615,959	594,019	-	(744,730)	465,248
Total comprehensive loss for the period	-	-	-	(295,337)	(295,337)
Shares issued (net of costs)	1,748,890	-	-	-	1,748,890
Balance at 30 June 2018	2,364,849	594,019	-	(1,040,067)	1,918,801

	Issued Capital Ordinary	Share Premium	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2019	2,353,849	594,019	79,276	(1,235,311)	1,791,833
Loss for the period	-	-	-	(149,960)	(149,960)
Other comprehensive income/(loss) for the period	-	-	5,128	-	5,128
Total comprehensive loss for the period	-	-	5,128	(149,960)	(144,832)
Shares issued (net of costs)	-	-	-	-	-
Balance at 30 June 2019	2,353,849	594,019	84,404	(1,385,271)	1,647,001

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Actcelerate International Group Limited
Statement of Cash Flows
For the period ended 30 June 2019

	1/1/19 to 30/6/19 \$	1/1/18 to 30/6/18 \$
Cash flows from operating activities:		
Payments to suppliers and employees	(147,203)	(198,089)
Interest	778	23
Net cash used in operating activities	<u>(146,425)</u>	<u>(198,066)</u>
Cash flows from financing activities		
Issue of shares during the period	-	1,798,200
Repayment of director loan	-	(272,000)
Net receipts from related parties	-	137,388
Net cash provided by financing activities	<u>-</u>	<u>1,663,588</u>
Net change in cash and cash equivalents	(146,425)	1,465,522
Cash and cash equivalents at beginning of financial period	865,459	1,798
Effect of exchange rate fluctuations	(60)	-
Cash and cash equivalents at end of financial period	<u>718,974</u>	<u>1,467,320</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Statement of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting*.

This report should be read in conjunction with any public announcements made by the company during the interim reporting period.

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

For the half-year ended 30 June 2019 the Company recorded a loss of \$149,960 (30 June 2018: \$295,337 loss) and had net cash outflows from operating activities of \$146,425 with \$718,974 cash and cash equivalents. Subsequent to 30 June 2019, the Company made additional investments (see note 11). As a result, the cash balance of the company as at 13 September 2019 is \$81,345. Based on the cashflow budget for the next 12 months, the company is required to secure additional funding through debt or equity to continue to fund its operational activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business because the directors consider the company is able to raise additional funds through debt or equity for the following reasons:

- There is strong investor interest in the company's business model for investment into quality growth businesses;
- The Directors' track record in tapping into their personal networks for investor support through both equity and debt raisings; and
- Continuing strong interest in the wider eco-system for start-up funding

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the company not continue as a going concern.

The half-year report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous financial year and those of the corresponding interim reporting period unless otherwise stated.

Adoption of new and amended accounting standards

In the half year ended 30 June 2019, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2019.

The impact of the adoption of these standards and the new accounting policies are disclosed in Note a) below. The impact of these standards, and the other new and amended standards adopted by the Company, has not had a material impact on the amounts presented in the Company's financial statements.

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

a) Changes in accounting policies

AASB 16

This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, the objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity.

2 Revenue from continuing operations

	01/01/19 to 30/6/19	01/01/18 to 30/6/18
	\$	\$
Interest Income	8,330	23
	<u>8,330</u>	<u>23</u>

3 Cash and Other Financial Assets

	30/06/19	31/12/18
	\$	\$
Cash at bank and in hand	718,974	865,459

4 Convertible Preference Shares

	30/06/19	31/12/18
	\$	\$
Eyeport Redeemable Convertible Preference Shares (RCPS) (i)	258,098	258,000
Interest accrued	11,614	2,160
Closing balance	<u>269,712</u>	<u>260,160</u>

- i) Terms of the above RCPS:
Amount: RM750,000 (A\$258,098)
Interest: 6% per annum
Term: 6 months, with option to extend (ii)

4 Convertible Preference Shares (continued)

Conversion: At the election of AIG at an agreed valuation upon satisfaction of performance milestones

(ii) The RCPS was extended on 25 March 2019 for a further six months to 25 September 2019

5 Investments accounted for using the equity method	30/06/19	31/12/18
	\$	\$
Opening Balance	773,984	732,334
Share of net loss of associate after tax for the period	(20,217)	(37,626)
FX gain from translation investment asset	5,128	79,276
Closing Balance	<u>758,895</u>	<u>773,984</u>

6 Trade and Other Payables	30/06/19	31/12/18
	\$	\$
Trade payables	16,787	56,229
Advance payable (i)	53,243	47,935
Accruals	38,500	21,294
	<u>108,530</u>	<u>125,558</u>

(i) Advance payable

An amount of SGD 50,000 (AUD \$53,243) 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. 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.

7 Issued Capital	30/6/19	31/12/18
	\$	\$
Share capital		
Fully paid ordinary shares (a)	<u>2,353,849</u>	<u>2,353,849</u>

(a) Movement in shares - period ended 30 June 2019	Date	1/1/19 to 30/6/19 No.	1/1/19 to 30/6/19 \$
(1) Fully paid ordinary shares			
Opening balance	1/1/19	<u>62,982,000</u>	<u>2,353,849</u>
Closing balance	30/6/19	<u>62,982,000</u>	<u>2,353,849</u>

7 Issued Capital (continued)

(b) Movement in shares - period ended 30 June 2018	Date	1/1/18 to 30/6/18 No.	1/1/18 to 30/6/18 \$
<i>(1) Fully paid ordinary shares</i>			
Opening balance	1/1/18	45,000,000	615,959
Issue of Shares	25/06/18	17,982,000	1,798,200
Equity raising costs		-	(49,310)
Closing balance	30/6/18	62,982,000	2,364,849

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

8 Contingent Liabilities

There has been no material change to contingent liabilities since 31 December 2018.

9 Commitments for Expenditure

There has been no material change to commitments since 31 December 2018.

10 Related Party Transactions

There have been no new related party transactions with directors, key management personnel or related parties in the current period.

11 Events Subsequent to Reporting Date

On 1 July the Company announced that it had executed a convertible note deed with Ideaqu Pte Ltd for an investment of SGD\$400,000 by way of subscribing for convertible notes. The key terms of the Notes are:

- Face value of Notes of SGD\$1 each;
- In the occurrence of a Conversion Event, such as listing on a recognised stock exchange, the Notes will convert at an agreed valuation;
- 24-month maturity date; and
- Coupon of 9% per annum paid half-yearly.

On 26 July 2019 the Company announced it had entered into a funding agreement with WOBB Sdn Bhd (WOBB). The funding totalling US\$100,000 was made by way of redeemable convertible preference shares (RCPS). The key terms of the RCPS are:

- Face value of RCPS US\$44.16 per RCPS;
- Entitled dividends of 50% of the retained earnings except for funds allocation for R&D and expansion purposes approved by investors; and
- 4 year maturity date with an option to extend for an additional 2 years.

DECLARATION BY DIRECTORS

The Directors of the Company declare that:

1. The financial statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and accompanying notes:
 - a) comply with AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements; and
 - b) present fairly of the Company's financial position as at 30 June 2019 and of its performance as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Cheong Chen Khan
Director
13 September 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Actcelerate International Group Limited

Report on the Half-Year Financial Report

Disclaimer of conclusion

We were engaged to review the half-year financial report of Actcelerate International Group Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

We do not express a conclusion on the accompanying half-year financial report of the Company. Because of the significance of the matter described in the Basis for disclaimer of conclusion section of our report, we have not been able to obtain sufficient evidence to provide a basis for a review conclusion on this financial report.

Basis for disclaimer of conclusion

- (i) During the year ended 31 December 2017, the Company acquired a 30% interest in Eyeport Sdn Bhd and accounted for the interest as an investment in associate. As disclosed in note 5 to the financial report, the investment in associate is carried at \$758,895 on the statement of financial position as at 30 June 2019.
- (ii) As disclosed in note 4 to the financial report, the convertible preference shares receivable is carried at \$269,712 on the statement of financial position as at 30 June 2019. This receivable relates to Redeemable Convertible preference shares issued to Eyeport Sdn Bhd.

As there are no audited financial statements available for Eyeport Sdn Bhd for its most recent financial year ended 31 December 2018, we have not been able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on the matters described above, which are significant to the financial statements as at 30 June 2019.

We issued a disclaimer of an opinion on the audit of the financial report for the year ended 31 December 2018 as a result of the same matters.

Emphasis of matter - Material Uncertainty Related to Going Concern

We draw attention to note 1 in the half-year financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not presented fairly, in all material respects, in accordance with Accounting Standard AASB 134 Interim Financial Reporting. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

BDO Audit (WA) Pty Ltd

BDO


Phillip Murdoch

Director

Perth, 13 September 2019