GOLDEN SAINT TECHNOLOGIES LTD.

ANNUAL REPORT

For the financial year ended 31 March 2019

GOLDEN SAINT TECHNOLOGIES LTD.

ANNUAL REPORT
For the financial year ended 31 March 2019

CONTENTS **PAGE**

Directors' Report

The Directors present their Annual Report on the affairs of the Golden Saint Technologies Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), together with the financial statements and auditor's report, for the year ending 31 March 2019.

Principal Activities

GST provides optimal wireless, electronic cabling, security, and other solutions to clients operating in the infrastructure development space. GST builds on the profitable ICT business of its Singaporean subsidiary EMS Wiring Systems, which has been supplying governments and large private organisations with intelligent building solutions for the last 28 years. GST's strategy is to develop solutions to meet the needs of the ICT industry, acting on the surging opportunities in the technology and innovation sectors - data Centres, intelligent buildings, smart cities and the Internet of Things - particularly targeting emerging markets where the demand for ICT infrastructure is increasing rapidly.

Business Review

A review of the business during the period and to date, including comments on future developments, is contained in the Strategic Report.

Dividends

The Board believes that the interests of all stakeholders are best served by retaining capital within the Company and maintaining greater flexibility to be able to take advantage of, looking forward, the many attractive investment and business development opportunities open to GST at this time and over the next few years. GST is looking to generate long term value for customers and shareholders in a sustainable manner. As a result, GST's dividend policy for this financial year is not to pay dividends to shareholders but rather meet their interests by creating value that leads to capital growth.

Subsequent Events

There were no subsequent events for the year ended 31 March 2019 other than as reported in Note 24.

Financial Instruments

The Group's financial instruments primarily comprise cash, cash equivalents, and other instruments such as trade receivables and payables, which arise directly from its operations. Note 27 to the accounts gives details of the Group's risks and policies regarding financial instruments.

Directors' statement as to disclosure of information to the auditor

The Directors at the date of approval of this report confirm that:

- to the best of their knowledge and belief, there is no relevant audit information of which the Group's auditor is unaware and

- the Directors have taken all the steps that might reasonably be expected to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

On behalf of the Board

Tone Goh
Executive Chairman
31 July 2019

31 July 2019

Golden Saint Technologies Limited

("GST", the "Group" or the "Company")

Results for the year ended 31 March 2019

Golden Saint Technologies Limited (LSE: GST), the integrated information and communication technology infrastructure solutions provider, is pleased to announce the Company's results for the year ended 31 March 2019.

Highlights

- Admission to the Main Market of the London Stock Exchange in November 2018
- Appointed as a distribution, marketing, sales and services partner to P2Mobile Technologies Limited for Smart Virtual Fiber®
- In December 2018 awarded a US$1 million data centre project in Thailand
- Signed a Strategic Cooperation agreement with IT Care Ltd in February 2019

Post Period End Highlights

- Signed a Letter of Intent ("LOI") with Siam Motors Co Ltd ("SIAM") detailing the parties intention to enter into a joint venture to build, own and operate a tier three data centre facility in May 2019
- Appointment of Wilson Teng Wai Leung as Managing Director of GST (Thailand) Private Ltd

Chairman's Statement

On behalf of the Board of Directors of GST, I am pleased to present the annual results of the Company for the year ended 31 March 2019, a year which included our admission to trading on the Main Market of the London Stock Exchange.

The Asian economy generally performed well during the reporting period, despite the geo-political uncertainties in the global economic environment. 2018 was a year of growth in Singapore with a 3.2% increase in GDP, while the information communication technology industry continued to grow strongly.

With our continued focus, our ICT Solution provider business made significant improvements in both its sales and operations in the period under review, and our Data-Centre Division ("DC") also delivered fruitful results, with GST's top-line revenues increasing by 46% in US$ terms to US$6.7 million (2018 US$ 4,6 million), an increase of approximately 50% in local currency terms. The Company made a loss mainly because of the costs of the admission to trading on the London Stock Exchange. I believe we have a well-balanced and diversified IT business that will continue to deliver healthy long-term value to the Group.

Solid Foundation for Growth

In the first quarter of 2019 the data centre industry continued to demonstrate strong resilience and high growth in emerging East Asian countries such as Thailand, Cambodia, Vietnam and Myanmar, following the robust growth achieved in 2018.

The Group believes the demand for ICT, data centre products and associated services from South East Asia which includes Philippines, Malaysia and Indonesia, will continue to grow. We are committed to providing a unique mix of innovative products and solutions for both our corporate and governmental clients.

New Corporate 4i Vision

To maintain its position as specialist regional integrated information and communication technology infrastructure solutionsprovider,the Grouphasadopted apowerful"4i"strategyoffering:

- Infrastructure;
- Integration;
- Innovation; and
- Intelligence.

Withthenewlyestablishedtechnologyfocusedvisioncomesafreshlyformedexperiencedmanagementteamwith strong experience in the ICT space and proven track records, this includes the recently appointment of Wilson Teng Wai Leung as Managing Director of GST (Thailand). The Board is aware of the need for succession planning and is forming a strategy to ensure continuity. The focus on new exciting growth opportunities in the technology spaceprovidingrecurringrevenuesandprofitsremainkeytothe Company's futurestrategy.

TheBoardbelievesthatGSTcanleverageonitsexistingstrengthsandmoveintofurtherprofitableareasbyproviding innovative products and solutions and therefore expanding into new geographies with a more diversified client base.

Internet connectivity with significant demand for data remains strong in Asian emerging nations and is growing exponentially. We believe the Group is well positioned to capitalise on this opportunity in both the short and long-term.

The Group looks forward with confidence with its plans to deliver strong and healthy shareholder value in the current financial year.

Iwouldliketotakethisopportunitytoextendmyupmostgratitudetooourshareholders,clients,business partnersand staff for their trust and continued support. I would also like to thank my fellow directors for their concerted effort and insights throughout the past year.

Tone Kay Kim GOH Executive

Chairman

Financial Review

For the 12 month period ended 31 March 2019 the Company reports revenue of US$6.6 million (2018: US$4.6 million) and loss before tax of US$0.38 million (2018: US$0.27 million), after the costs of admission to trading on the London Stock Exchange.

The net assets at 31 March 2019 amounted to US$2.3 million (2018: US$1.7 million).

Cash at the year-end stood at US$0.9 million (2018: US$0.7 million).

Enquiries

The Company

Tone Goh, Executive Chairman Singapore +65 6444 2988

Financial PR & Investor Relations

IFC Advisory Limited London +44 20 3934 6636

Tim Metcalfe / Graham Herring / Heather Armstrong

About GST

GST provides optimal wireless, electronic cabling, security, and other solutions to clients operating in the infrastructure development space. GST builds on the profitable ICT business of its Singaporean subsidiary EMS Wiring Systems, which has been supplying governments and large private organisations with intelligent building solutions for the last 28 years. GST's strategy is to develop solutions to meet the needs of the ICT industry, acting on the surging opportunities in the technology and innovation sectors - data Centres, intelligent buildings, smart cities and the Internet of Things - particularly targeting emerging markets where the demand for ICT infrastructure is increasing rapidly.

For more information please see: www.goldensaint.com

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	2019	2018
		US$'000	**US$'000**
Net operating income			
Sales		6,662	4,608
Other income		25	33
		6,687	**4,641**
Net operating expenses			
Continuing operations	7	(6,700)	(4,334)
Foreign exchange loss		(6)	(3)
Impairment of goodwill on reverse takeover	25	(350)	-
Operating (loss)/profit		**(369)**	**304**
Income tax expense		(16)	(34)
Net (loss)/ profit for the year		**(385)**	**270**
Other comprehensive income			
Movement in foreign exchange reserve		(678)	-
Total comprehensive (loss)/income for the year		**(1,063)**	**270**
Net income for the year attributable			
Equity holders for the parent		(385)	270
Non-controlling interest		-	-
Total comprehensive (loss)/ income for the year attributable to:			
Equity holders for the parent		(1,063)	270
Non-controlling interest	21	-	-
		(1,063)	**270**
(Loss)/earnings per share attributable to members of the Parent			
Basic earning per share	10	(0.00)	1.14
Diluted earning per share-cents	10	(0.00)	1.14

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2019

	Note	2019 US$'000	2018 US$'000
ASSETS			
Non-Current Assets			
Plant and equipment	15	177	158
Intangible assets	17	6	-
Total non-current assets		183	158
Current assets			
Cash and cash equivalents	12	871	788
Trade and other receivables	13	2,142	1,182
Work in progress	16	550	208
Inventories	14	315	14
Total current assets		**3,878**	**2,192**
TOTAL ASSETS		**4,061**	**2,350**
EQUITY			
Share capital	20	1,804	181
Forex Reserve		(678)	-
Retained earnings		1,222	1,607
Total equity		**2,348**	**1,788**
Equity attributable to owners of the parent		2,348	1,788
Non-controlling equity interest	21	-	-
		2,348	**1,788**
LIABILITIES			
Current liabilities			
Trade and other payables	22	1,713	562
TOTAL LIABILITIES		**1,713**	**562**
TOTAL EQUITY & LIABILITIES		**4, 061**	**2,350**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	Note	2019 US$'000	2018 US$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation from operations		(385)	270
Adjustments:			
Depreciation of property, plant and equipment		36	35
Exchange loss		6	-
Gain on disposal		(2)	(17)
Operating (loss)/profit before working capital changes		**(345)**	**288**
(Increase)/decrease in inventories		(301)	37
Increase in trade and other receivables		(960)	(92)
Decrease / (increase) in trade and other payables		1,151	(251)
Net cash flow (used in)/from operating activities		**(455)**	**18**
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition property, plant and equipment		(76)	(110)
Addition in Capital work in progress		(343)	-
Proceeds from disposal of property, plant and equipment		15	31
Net cash used in investing activities		**(404)**	**(79)**
Cash flows from financing activities			
Proceeds of ordinary share issue		1,620	-
Forex reserves		(678)	-
Net cash flow from financing activities		**942**	**-**
Net increase/(decrease) in cash and cash equivalents		**83**	**(61)**
Cash and cash equivalents at beginning of the year		**788**	**791**
Cash and cash equivalents at end of the year	12	**871**	**730**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2019

2019 CONSOLIDATED	Shareholder Capital US$000	FX Reserve US$000	Retained Earnings US$000	Total US$000
Balance at 1 April 2018	(181)	-	(1,607)	(1,788)
Comprehensive income				
Loss for the year	-	-	385	385
Other comprehensive loss for the year	-	678	-	678
Total comprehensive loss for the year	**-**	**678**	**385**	**1,063**
Transactions with owners in their capacity as owners:				
Issue of share capital on acquisition	(1,171)	-	-	(1,171)
				-
Shares issued during the year	(1,121)	-	-	(1,121)
Share issue costs	669	-	-	669
	(1,623)	**-**	**-**	**(1,623)**
Balance at 31 March 2019	**(1,804)**	**678**	**(1,222)**	**(2,348)**

2018 CONSOLIDATED	Shareholder Capital US$000	FX Reserve US$000	Retained Earnings US$000	Total US$000
Balance at 1 April 2017	(181)		(1,336)	(1,517)
Comprehensive income				
Profit for the year	-	-	(271)	(271)
Other comprehensive income/ (loss) for the year	-	-	-	-
Total comprehensive loss for the year	**(181)**	**-**	**(1,607)**	**(1,788)**
Balance at 31 March 2018	**(181)**	**-**	**(1,607)**	**(1,788)**

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

1. General Information

1.1 Corporate information

The consolidated financial statements of Golden Saint Technologies Ltd ("the Company") and its subsidiaries (collectively referred to as "the Group") for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Directors on 31 July 2019. The shares of the Company are publicly traded on London Stock Exchange.

The registered office of Golden Saint Technologies Ltd, the ultimate parent of the Group, is Intertrust Corporate Services (BVI) Limited, Ritter House, Wickhams Cay II, Tortola , BVI VG1110.

The principal activity of the Group is data infrastructure, storage and technology services following the acquisition by reverse takeover of EMS.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) as they apply to the financial statements of the Group for the year ended 31 March 2019.

The consolidated financial statements have been prepared on a historical cost convention basis, except for certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand except when otherwise indicated. Following the reverse takeover, and in accordance with IFRS, the acquired entity is taken to have acquired the parent entity and accordingly comparative information represents that of the acquired entity.

2.1 Consolidation

The consolidated financial statements comprise the financial statements of the Group as at 31 March 2019, and for the period then ended.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Golden Saint Technologies Ltd. (parent company), using consistent accounting.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance. A change ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Pooling of Interests on Incorporation of Parent Entity
On incorporation of the entity, subsidiaries have been consolidated using the pooling of interests method on the basis that the entities being combined are ultimately controlled by the same parties, both before and after the combination.

2. Basis of Preparation *(continued)*

Under this method the assets and liabilities of the acquiree are recorded at book value and intangible assets and contingent liabilities are only recognised if they were previously recognised by the acquiree. No goodwill is recorded, and expenses of the combination are written off immediately in profit or loss.

The excess of consideration over the value of the acquiree's net assets is recognised in the merger reserve, a negative reserve within equity.

Any non-controlling interest in the acquiree is recognised as the proportion of the assets and liabilities of the acquiree at the date of acquisition. From the date of acquisition forward, a proportionate share of profits, or losses, in the related subsidiary is then attributed to the noncontrolling interest.

Subsequent Business Combinations
Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is re-measured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Acquisition of Golden Saint Technologies Ltd

On 31 May 2018 Golden Saint Technologies Ltd completed the legal acquisition of EMS Wiring Systems Pte. Ltd. Under the International Accounting Standards EMS Wiring Systems Pte. Ltd. was deemed to be the accounting acquirer because the substance of the transaction was such that upon completion of the acquisition the former shareholders of EMS Wiring Systems Pte. Ltd.as a group had the largest portion of the voting rights in the combined entity. IFRS 3 *Business Combinations* sets out the accounting principles to be followed in a reserve acquisition. However, the directors concluded that the Company does not meet the definition of a "business" as prescribed in IFRS 3 and, as such, it was deemed that the acquisition cannot be accounted for as a "business combination". Therefore, the acquisition has been accounted for as a share based payment by which EMS Wiring Systems Pte. Ltd. acquired the net assets and listing status of Golden Saint Technologies Ltd.

Accordingly, the 2019 consolidated financial statement of Golden Saint Technologies Ltd are prepared as a continuation of the business and operations of EMS Wiring Systems Pte. Ltd. As the deemed acquirer EMS Wiring Systems Pte. Ltd. has accounted for the acquisition of Golden Saint Technologies Ltd from 31 May 2018.

The implications of the acquisition by EMS Wiring Systems Pte. Ltd. on the financial statements are as follows:

2. **Basis of Preparation** *(continued)*

(i) Consolidated Statement of comprehensive income

- The 2019 Consolidated Statement of comprehensive income comprises the total comprehensive income for the 12 months ended 31 March 2019 for EMS Wiring Systems Pte. Ltd. and the period from 31 May 2018 until 31 March 2019 for Golden Saint Technologies Ltd. The comparative information as at 31 March 2018 is the statement of comprehensive income of EMS Wiring Systems Pte. Ltd.

(ii) Consolidated Statement of financial position

- The 2019 Consolidated Statement of financial position as at 31 March 2019 represents the combination of EMS Wiring Systems Pte. Ltd., Golden Saint Technologies Ltd and their controlled entities.
- The comparative information as at 31 March 2018 is the Statement of financial position of EMS Wiring Systems Pte. Ltd.

(iii) Consolidated Statement of changes in equity

- The 2019 changes in equity comprises:
  - The equity balance of EMS Wiring Systems Pte. Ltd. as at the beginning of the financial year (1 April 2018);
  - The total comprehensive income for the financial year and transactions with equity holders, being the year ended 31 March 2019 for EMS Wiring Systems Pte. Ltd. and from the period from 31 May 2018 until 31 March 2019 for Golden Saint Technologies Ltd.
  - The equity balance of the combined EMS Wiring Systems Pte. Ltd., Golden Saint Technologies Ltd and their controlled entities at 31 March 2019.
- The comparative information for the year to 31 March 2018 is the Statement of changes in equity of EMS Wiring Systems Pte. Ltd.

(iv) Consolidated Statement of cash flows;

- The 2019 Statement of cash flows comprises:
  - The cash balance of EMS Wiring Systems Pte. Ltd. at the beginning of the financial year (1 April 2018);
  - The transactions for the year ended 31 March 2019 for EMS Wiring Systems Pte. Ltd. and for the period from 31 May 2018 until 31 March 2019 for Golden Saint Technologies Ltd.
  - The cash balance of the combined EMS Wiring Systems Pte. Ltd., Golden Saint Technologies Ltd and their controlled entities at the end of the financial year 31 March 2019.
- The comparative information for the year to 31 March 2108 is the statement of cash flows of EMS Wiring Systems Pte. Ltd.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes would differ from these estimates if different assumptions were used and different conditions existed.

3. Significant accounting judgements, estimates and assumptions *(continued)*

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required, and where actual results were to differ, may materially affect the financial position or financial results reported in future periods. Further information on these and how they impact the various accounting policies is located in the relevant notes to the consolidated financial statements.

Going concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 31 March 2019, the Group held cash reserves of $871,000 (2018: $788,000).

The Directors are confident that the Group will generate revenue from data and technology services which will contribute to cash flow in the next 6-month period.

On this basis, the Directors believe that there are sufficient funds to meet the Group's working capital requirements.

The Group recorded a loss of US$385,000 for the year ended 31 March 2019 and had net assets of $2,348,000 as at 31 March 2019 (2018: profit of $270,000 and net assets of $1,788,000).

Accruals

Management have used judgement and prudence when estimating certain accruals for contractor claims. The accruals recognised are based on work performed but are before settlement.

Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Please refer to Note 23 for further details.

3. Significant accounting judgements, estimates and assumptions *(continued)*

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses (ECL) on trade receivables and contract assets

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward- looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Company's trade receivables at the end of the reporting period is disclosed in Note 13 to the financial statements.

Revenue recognition

The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured in accordance with the accounting policy stated in Note 6. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract cost and the recoverability of the contracts. In making these assumptions, management has relied on past experience and the work of specialists.

Significant judgement is also required to assess allowance made for foreseeable losses, if any, where the contract cost incurred for any job exceeds its contract sum. The carrying amounts of contract balances at the reporting date are disclosed in Note 16 to the financial statements.

Allowance for inventory obsolescence

The Group reviews the ageing analysis of inventories at each reporting date, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based on the most reliable evidence available at the reporting date. These estimates take into consideration market demand, competition, selling price and cost directly relating to events occurring after the end of the financial year to the extent that such events confirm conditions existing at the end of the financial year. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amounts of the Company's inventories at the reporting date are disclosed in Note 14 to the financial statements.

4. Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group after 1 April 2018. Except for the adoption of FRS 109/IFRS 9 Financial Instruments and FRS 115/IFRS 15 Revenue from Contracts with Customers described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

FRS 109/FRS 9 Financial Instruments

FRS 109/IFRS 9 replaces FRS 39/IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied FRS 109/IFRS 9 retrospectively, with an initial application date of 1 April 2018. The Company has not restated comparative information which continues to be reported under FRS 39/IAS 39 and the disclosure requirements of FRS 107/IFRS 7 Financial Instruments: Disclosures relating to items within the scope of FRS 39/IAS 39. The impact arising from FRS 109/IFRS 9 adoption was included in the opening retained earnings and other components of equity at the date of initial application.

The effects of adopting FRS 109/IFRS 9 as at 1 April 2018 are described below:

Classification and measurement

Under FRS 109/IFRS 9, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The adoption of FRS 109/IFRS 9 did not have a significant impact to the Company other than changes to the classification of the Company's financial assets. Trade and other receivables and cash and cash equivalents classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 April 2018.

The Company has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of FRS 109/IFRS 9, the Company had the following required or elected reclassifications as at 1 April 2018:

4. Adoption of new and amended standards and interpretations *(continued)*

		FRS 109/IFRS9 measurement category		
FRS 39/IAS 39 measurement category	**US$**	**FVPL US$**	**FVOCI US$**	**Amortised cost US$**
Loan and receivables				
Trade and other receivables	2,142	-	-	2,142
Cash and cash equivalents	871			871
	3,013	-	-	3,013

Impairment

The adoption of FRS 109/IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing FRS 39/IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109/IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at FVPL.

The adoption of FRS 109/IFRS 9 did not have a material effect on the impairment losses recognised by the Company as at | April 2018.

The accounting policies for financial instruments under FRS 109/IFRS 9 are disclosed in Note 6.

FRS 115/IFRS 15 Revenue from Contracts with Customers

FRS 115/IFRS 15 supersedes FRS 11/IAS 11 Construction Contracts, FRS 18/IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115/IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115/IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted FRS 115/IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying FRS 115/IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under FRS 11/IAS 11, FRS 18/IAS 18 and related interpretations.

The adoption of FRS 115/IFRS 15 did not have a material effect on the Company's opening retained earnings as at 1 April 2018.

The accounting policies under FRS 115/IFRS 15 are disclosed in Note 6.

5. Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2018, and have not been applied in preparing these financial statements. The Group expects that the adoption of the new standards, amendments to standards and interpretations that have been issued but not yet effective will not have any impact on the financial statements in the period of initial application except for FRS 116/IFRS 16 *Leases*:

FRS 116/IFRS 16 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. FRS 116/IFRS 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company plans to adopt FRS 116/IFRS 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 April 2019. The Company is currently assessing the potential impact of adopting FRS 116/IFRS 16.

6. Summary of significant accounting policies

Plant and equipment

Plant and equipment are shown at cost less accumulated depreciation and impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, any incidental cost of purchase, and associated borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Directly attributable costs include employee benefits, professional fees and costs of testing whether the asset is functioning properly. Capitalised borrowing costs include those that are directly attributable to the construction of mining and infrastructure assets.

Property, plant and equipment relate to plant, machinery, fixtures and fittings and are shown at historical cost less accumulated depreciation and impairment losses.

The depreciation rates applied to each type of asset are as follows:

Plant and machinery	2 to 10 years
Motor Vehicles	2 to 10 years
Fixtures and fittings	3 years
Lease Improvements	5 years

Subsequent expenditure is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred. Assets that are replaced and have no future economic benefit are derecognised and expensed through profit or loss. Repairs and maintenance which neither materially add to the value of assets nor appreciably prolong their useful lives are charged against income. Gains/ losses on the disposal of fixed assets are credited/charged to income. The gain or loss is the difference between the net disposal proceeds and the carrying amount of the asset.

The asset's residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively if appropriate.

6. Summary of significant accounting policies *(continued)*

Inventories

Inventories are valued at the lower of cost and net realisable value

Financial instruments

These accounting policies are applied on and after the initial application date of FRS 109/IFRS 9, 1 April 2018:

(a) Financial assets

(i) Classification, initial recognition and measurement

The Company classifies its financial assets into the following measurement categories:

amortised cost; fair value through other comprehensive income (FVOCI); and fair value through profit or loss (FVPL).

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

(ii) Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Debt instruments of the Company comprise cash and cash equivalents and trade and other receivables.

Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

6. Summary of significant accounting policies *(continued)*

Financial instruments *(continued)*

(iii) Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

(ii) Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Financial liabilities measured at amortised cost comprise trade and other payables.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

These accounting policies are applied before the initial application date of FRS 109/IFRS 9, 1 April 2018:

(a) Financial assets

(i) Classification, initial recognition and measurement

The Company classified non-derivative financial assets into the following categories: financial assets at FVPL, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company initially recognised loans and receivables and deposits on the date that they were originated. All other financial assets (including assets designated at FVPL) were recognised initially on the trade date, which was the date that the Company became a party to the contractual provisions of the instrument. When financial assets were recognised initially, they were measured at fair value, plus, in the case of financial assets not at FVPL, directly attributable transaction costs.

(ii) Subsequent measurement

Financial assets at FVPL

A financial asset was classified at FVPL if it was classified as held for trading or was designated as such upon initial recognition. Financial assets were designated at FVPL if the Company managed such investments and made purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs were recognised in profit or loss as incurred. Financial assets at FVPL were measured at fair value, and changes therein, which took into account any dividend income, were recognised in profit or loss.

6. Summary of significant accounting policies *(continued)*

Financial instruments *(continued)*

(a) Financial assets *(continued)*

Held-to-maturity financial assets

If the Company had the positive intent and ability to hold debt securities to maturity, then such financial assets were classified as held-to-maturity. Subsequent to initial recognition, held-to-maturity financial assets were measured at amortised cost using the effective interest method, less any impairment losses.

(ii)Subsequent measurement

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses. Gains and losses were recognised in profit or loss when the loans and receivables were derecognised or impaired, and through the amortisation process.

Loans and receivables comprised cash and cash equivalents and trade and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets were non-derivative financial assets that were designated as available-for-sale or were not classified in any of the above categories of financial assets. Subsequent to initial recognition, they were measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, were recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment was derecognised, the gain or loss accumulated in equity was reclassified to profit or loss.

(iii)Derecognition

A financial asset was derecognised when the contractual right to receive cash flows from the asset had expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that had been recognised in other comprehensive income) was recognised in profit or loss.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities (including liabilities designated at FVPL) were recognised initially on the trade date, which was the date that the Company became a party to the contractual provisions of the instrument. All financial liabilities were recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

(ii) Subsequent measurement

After initial recognition, financial liabilities that were not carried at FVPL were subsequently measured at amortised cost using the effective interest method. Gains and losses were recognised in profit or loss when the liabilities were derecognised, and through the amortisation process. These financial liabilities comprised trade and other payables

6. Summary of significant accounting policies *(continued)*

Financial instruments *(continued)*

(iii) Derecognition

A financial liability was derecognised when the obligation under the liability was discharged, cancelled or expires. When an existing financial liability was replaced by another from the same lender on substantially different terms, or the terms of an existing liability were substantially modified, such an exchange or modification was treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts was recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits that are readily convertible to known amount of cash and that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

Impairment – Financial Assets

These accounting policies are applied on and after the initial application date of FRS 109/IFRS 9, 1 April 2018:

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are past due for more than 90 days. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

These accounting policies are applied before the initial application date of FRS 109/IFRS 9, 1 April 2018:

6. Summary of significant accounting policies *(continued)*

Impairment – Financial Assets (continued)

A financial asset not carried at FVPL was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicates that a loss event had occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) were impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Financial assets

Loans and receivables and held-to-maturity financial assets

The Company considered evidence of impairment for loans and receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and receivables and held-to-maturity investment securities were assessed for specific impairment. Those found not to be specifically impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company used historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or less than suggested by historical trends.

An impairment loss was calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets were recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The amount reclassified was the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss recognised previously in profit or loss. Ifthe fair value of an impaired available-for-sale debt security subsequently increased and the increase was related objectively to an event occurring after the impairment loss was recognised, then the impairment loss was reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale were not reversed through profit or loss.

Impairment - Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

6. Summary of significant accounting policies *(continued)*

Impairment - Non-financial assets *(continued)*

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

Trade and other payables

Trade and other payables are non-derivative financial liabilities that are not quoted in an active market. It represents liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 7-30 day payment terms. Trade and other payables are presented as current liabilities unless payment is not during within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest (EIR) method. The fair value implies the rate of return on the debt component of the facility. This rate of return reflects the significant risks attaching to the facility from the lenders' perspective.

Determination of Fair Values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

The fair values of trade and other receivables are estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement date. Current receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

Non-derivative financial liabilities

Non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

Other financial assets and liabilities

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values.

6. Summary of significant accounting policies *(continued)*

Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax amount that reflects current market assessments of the time value of money, and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Finance income

Interest income is made up of interest received on cash and cash equivalents.

Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised, except:
• In respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.
The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

6. Summary of significant accounting policies *(continued)*

Foreign currencies

i) Functional and presentation currency

Group has continued to use US dollars as its functional currency however since acquisition Group's major transactions have been in Singapore Dollars. Group plans to grow its business in other South East Asian countries and will reassess its functional currency within the next 12 months. Group's presentation currency is also US dollars.

ii) Transaction and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange ruling at the reporting date. All differences are taken to the profit or loss, should specific criteria be met.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• Assets and liabilities for each statement of financial position presented as translated at the closing rate at the date of the statement of financial position.
• Income and expenses for each income statement and statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which case income and expenses are translated at the dates of the transactions), and
• All resulting exchange differences are recognised in other comprehensive income

Revenue Recognition

These accounting policies are applied on and after the initial application date of FRS 115/IFRS 15, 1 April 2018:

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

6. Summary of significant accounting policies *(continued)*

Revenue Recognition *(continued)*

Rendering of services

Revenue from rendering of services is recognised as performance obligations are satisfied. Payments are due from customers based on the agreed billing milestone stipulated in the contracts or based on the amounts certified by the customers.

Where performance obligations are satisfied over time as work progresses, revenue is recognised progressively based on the percentage of completion method. The stage of completion is assessed by reference to the cost incurred relative to total estimated costs (input method). The related costs are recognised in profit or loss when they are incurred, unless they relate to future performance obligations.

If the value of services rendered for the contract exceeds payments received from the customer, a contract asset is recognised and presented separately on the balance sheet. The contract assets are transferred to receivables when the entitlement to payment becomes unconditional. If the amounts invoiced to the customer exceeds the value of services rendered, a contract liability is recognised and separately presented in the statement of financial position.

These accounting policies are applied before the initial application date of FRS 115/IFRS 15, 1 April 2018:

Interest Income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Contract assets and liabilities

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date on project work. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company invoices the customer.

Contract liabilities primarily relate to advance consideration received from customers and progress billings issued in excess of the Company's rights to the consideration.

7. Net Operating Expenses

	2019 US$'000	2018 US$'000
Continuing operations		
Cost of goods sold	3,147	1,771
Employee costs	2,793	1,452
Travel expenses	78	-
Admin expenses	327	859
Lease expenses	111	127
Distribution, Advertising and promotion expenses	107	88
General expenses	78	-
Depreciation of property plant and equipment	39	35
Occupancy costs	19	-
Income tax expenses	17	36
	6,716	**4,368**

8. Key management personnel

	2019 US$'000	2018 US$'000
Directors' emoluments	370	122

9. Employee cost

	2019 US$'000	2018 US$'000
Wages and salaries	1,177	1,610
Wages and salaries – Cost of sales	561	122
Total	**1,738**	**1,732**

10. Earnings per share

	2019 US$'000	2018 US$'000
Profit/ (loss) for the period attributable to members of	(385)	270
Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent by the weighted average number of ordinary share in issue during the year.		
Basic weighted average number of ordinary shares in issue	669,126,659	235,002
Basic earnings per share-cents	(0.00)	1.14
Diluted earnings per share-cents	(0.00)	1.14

11. Segment Reporting

The consolidated entity's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the consolidated entity's operations and allocation of working capital.

Due to the size and nature of the consolidated entity, the Board as a whole has been determined as the chief operating decision maker.

The consolidated entity operates in one business segment, being information data technology and infrastructure.

The revenues and results are those of the consolidated entity as a whole and are set out in the statement of profit and loss and other comprehensive income. The segment assets and liabilities of this segment are those of the consolidated entity and are set out in the Statement of Financial Position.

12. Cash and cash equivalents

	2019 US$'000	2018 US$'000
Cash at bank	871	788

There are no restrictions on the cash currently held by the Group.

13. Trade and Other Receivables

	2019 US$'000	2018 US$'000
Trade receivables	1,889	1,182
Other receivables	253	-
	2,142	**1,182**

14. Inventories

	2019 US$'000	2018 US$'000
Inventories	605	334
Less: Allowance for inventory obsolescence	(290)	(322)
	315	12

The movement in the allowance for inventory obsolescence is as follows:

	2019 US$'000	2018 US$'000
Balance at beginning of year	322	336
Write-back of allowance for inventory obsolescence	(32)	(14)
Balance at end of year	290	322

15. Property, plant and equipment

	Building and improvements	Renovation in progress	Furniture & Office equipment	Vehicle	Total
Cost			USD' 000		
As at 1 April 2017	34	37	374	218	664
Additions / Transfer in	38	(37)	3	108	111
Disposal / Write-off	-	-	-	(87)	(87)
As at 31 March 2018	72	-	377	239	688
Additions / Transfer in	-	-	70	-	70
Disposal / Write-off	(34)	-	-	(48)	(82)
As at 31 March 2019	**38**	**-**	**447**	**191**	**676**
Accumulated depreciation					
As at 1 March 2017	34	-	369	148	551
Charge for the year	12	-	3	20	35
Adjustments for disposal	-	-	-	(56)	(56)
As at 31 March 2018	**46**	**-**	**372**	**112**	**530**
Charge for the year	12	-	8	15	35
Adjustments for disposal	(34)	-	-	(33)	(67)
As at 31 March 2019	25	-	380	94	498
As at 31 March 2018	**26**	**-**	**5**	**127**	**158**
As at 31 March 2019	**13**	**-**	**67**	**97**	**177**

During the period all residual mining assets were divested via an in-specie distribution to shareholders. Upon acquiring EMS, the Company increased its net asset position through the issue of consideration shares to EMS shareholders.

16. Work in progress

	2019 US$'000	2018 US$'000
Contract assets	595	208
Contract liabilities	(45)	-
	550	208

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. If the value of services rendered exceeds payments received from the customer, a contract asset is recognised and presented separately. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

The contract liabilities primarily relate to advance consideration received from customers for contract revenue. If the amounts invoiced to the customer exceeds the value of services rendered, a contract liability is recognised and presented separately.

The changes in contract balances are due to the differences between the agreed payment schedule and progress of project work.

17. Intangible Assets

	2019 US$'000	2018 US$'000
Cost as at 1 April and 31 March	6	-
Fair value :		
As at 1 April	6	-
As at 31 March	6	-

There was no impairment during the period.

18. Subsidiaries

Details of the Company's subsidiaries at 31 March 2019 are as follows:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Proportion of Voting Power
Golden Saint Technologies (Australia) Pty Ltd	Australia	100	100
EMS Wiring Systems Pte. Ltd	Singapore	100	100

EMS Wiring Systems Pte. Ltd. completed a reverse takeover during the period and accordingly, the presentation of the financial statements represents the operations of this entity, with the legal parent entity treated as acquiree. Financial comparatives are therefore of EMS Wiring Systems Pte. Ltd.

19. Taxation

Unrecognised tax losses
Where the realisation of deferred tax assets is dependent on future taxable profits, losses carried forward are recognised only to the extent that business forecasts predict that such profits will be available to the companies in which losses arose.

The parent, Golden Saint Technologies Ltd, is not liable to corporation tax in BVI, so it has no provision for deferred tax. However, Golden Saint Technologies (Australia) Pty Ltd is liable to tax in Australia and EMS is liable for tax in Singapore.

	2019 US$'000	2018 US$'000
Current income tax	5	25
Adjustments for prior year	-	-
	5	25
Deferred tax expenses	11	9
	16	34

The tax expense on the results of the financial year for the Company varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on Company's profit as a result of the following differences:

20. Share capital and reserves

The share capital of the Company is denominated in UK Pounds Sterling. Each allotment during the period was then translated into the Group's functional currency, US Dollars at the spot rate on the date of issue.

	Number of Shares	US$
Authorised		
Ordinary shares		
Issued and Fully Paid – Common Shares At 31 December 2013	**420,172,001**	**48,753,609**
Issued during the period 1 January 2014 to 30 June 2014	-	-
At 30 June 2014	**420,172,001**	**48,753,609**
Issued during the period 1 July 2014 to 31 December 2014	60,124,397	1,326,007
At 31 December 2014	**480,296,398**	**50,079,616**
Issued during the period 1 January 2015 to 30 June 2015	639,946,772	2,119,902
At 30 June 2015	**1,120,243,170**	**52,199,518**
Issued during the period 1 July 2015 to 31 December 2015	1,006,785,674	660,195
At 31 December 2015	**2,127,028,884**	**52,859,713**
Issued during the period 1 January 2016 to 30 June 2016	2,374,694,364	1,825,971
At 30 June 2016	**4,501,723,248**	**54,685,684**
Issued during the period 1 July 2016 to 31 December 2016	1,333,333,333	391,587
At 31 December 2016	**5,835,056,581**	**55,077,271**
Issued during the period 1 January 2017 to 30 June 2017	2,987,200,001	812,370
At 30 June 2017	**8,822,256,582**	**55,868,865**
Issued during the period 1 July 2017 to 31 December 2017	2,927,714,286	947,135
At 31 December 2017	**11,749,970,868**	**56,816,000**
Issued during the period 1 January 2018 to 31 March 2018	1,220,333,332	259,000
At 31 March 2018	**12,970,304,200**	**57,075,000**
Elimination of shares on reverse takeover	**(12,970,304,200)**	**(57,075,000)**
Existing shares on acquisition	**259,406,084**	**-**
Issued during the period 1 April to 31 March 2019	736,075,918	1,623,000
At 31 March 2019	**995,482,002**	**1,623,000**

21. Non-controlling equity interest

All entities within the group are currently 100% owned and accordingly a non-controlling interest does not arise.

22. Trade and other payables

	2019 US$'000	2018 US$'000
Trade payables	1,365	562
Accruals	291	-
Other payables	57	-
	1,713	**562**

Trade payables are non-interest bearing and are normally settled on 60-days terms.

23. Commitments and Contingencies

The Group is subject to no material commitments or contingent liabilities.

24. Subsequent Events

Subsequent to the reporting date, the Company made an investment of US$22,000 in a newly-incorporated company, IS-EMS Pte Ltd. As a result of this investment, IS-EMS Pte Ltd became an associate of the Company.

25. Acquisition of EMS Wiring Systems Pte. Ltd.

On 31 May 2018 Golden Saint Technologies Ltd ("GST") completed the legal acquisition of EMS Wiring Systems Pte. Ltd. ("EMS") and it's controlled entities.

Under the International Financial Reporting Standards, EMS Wiring Systems Pte. Ltd. was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which EMS Wiring Systems Pte. Ltd. acquires the net assets and listing status of Golden Saint Technologies resulting in the Golden Saint Technologies Group.

The purchase consideration is calculated as follows:

a) The issue of 605,280,863 shares in GST to the existing shareholders of EMS in consideration for 100% ownership of EMS.
b) The purchase consideration is deemed to have a value of US$1,170,966 (US$7.54*155,367) calculated as below:

- US$ 7.54 per share net asset value of EMS as at 31 March 2018.
- EMS additional shares of 155,367 to be issued had the business combination taken place in the form of EMS issuing additional shares to GST shareholders in exchange for their shares in GST for the ratio of ownership interest in the combined entity to be the same.

25. Acquisition of EMS Wiring Systems Pte. Ltd. *(continued)*

c) The fair value of the identifiable assets and liabilities of Golden Saint Technologies Ltd as at the date of acquisition: US$ 821,000
d) Excess of deemed purchase consideration over net assets acquired

	US$000
Deemed consideration	1,171
Net assets of Golden Saint Technologies Limited	(821)

Impairment of goodwill on reverse takeover	350
	------

26. Related party transactions

During the period 1 April 2018 to 31 March 2019, there were no related party transactions other than loans between wholly owned subsidiaries.

27. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks. The Group's Board provides certain specific guidance in managing such risks, particularly as relates to credit and liquidity risk. Any form of borrowings requires approval from the Board and the Group does not currently use any derivative financial instruments to manage its financial risks. The key financial risks and the Group's major exposures are as follows:

Credit risk

The maximum exposure to credit risk is represented by the carrying amount of the financial assets. In relation to cash and cash equivalents, the Group limits its credit risk with regards to bank deposits by only dealing with reputable banks. In relation to sales receivables, the Group's credit risk is managed by credit checks for credit customers and approval of letters of credit by the Group's advising bank.

Foreign Currency Risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The table below indicates the currencies to which the Group had significant exposure at 31 March 2019 on its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against the US dollar, with all other variables held constant on the statement of comprehensive income (due to the fair value of currency sensitive nontrading monetary assets and liabilities). A positive amount in the table reflects a potential net increase in the consolidated statement of comprehensive income.

28. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Numbers in the table below represent the gross, contractual, undiscounted amount payable in relation to the financial liabilities.

28. Liquidity risk *(continued)*

The Group monitors its risk to a shortage of funds using a combination of cash flow forecasts, budgeting and monitoring of operational performance.

	On Demand US$'000	Less than three months US$'000	Three to twelve months US$'000	One to five years US$'000	Total US$'000
As at 31 March 2019:					
Trade and other payables		1,365	348	-	**1,713**

29. Operating lease commitments

Capital includes equity attributable to the equity holders of the parent. Refer to the statement of changes in equity for quantitative information regarding equity.

The Group's primary objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders. For details of the capital managed by the Group as at 31 March 2019, please see Note 15.

The Group is not subject to any externally imposed capital requirements.

30. Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to shareholders through the optimisation of the debt and equity balance.

Capital consists of total equity.

The directors review the capital structure on an ongoing basis. As a part of the review, the directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendation of the directors, the Company will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or the redemption of existing debt.

There were no changes in the Company's approach to capital management during the year.

The Company is registered with the Building and Construction Authority and is required to maintain certain minimum capital and net worth. The Company has complied with the applicable capital requirements for the financial years ended 31 March 2019 and 31 March 2018.

31. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A sensitivity analysis is not presented, as all borrowing costs have been capitalised as at 31 March 2019; therefore, profit or loss and equity would have not been affected by changes in the interest rate.

Directors' Renumeration

Policy and practice
The Group operates on a strictly "capital efficient' approach and therefore director's renumeration has been based on conservative market matching rates in order to act in the best interest of the company during the growth phase. At this time, outside of the existing shareholdings, there are no performance components included in directors' renumeration. A renumeration committee has been formed to oversee this aspect of the Group's operations.

Remuneration Committee is chaired by Mr. Malcolm Groat and Mr William Knight is the other participating member and is responsible for determining and reviewing compensation arrangements for all Executive Directors.

The remuneration Committee is undertaking a strategic review of the structure of the director renumeration to ensure that the correct mix of fixed renumeration and performance-related incentives are provided to maintain the Company's competitiveness in the corporate marketplace.

Contracts
Directors' renumeration in its various forms was historically agreed by the Executive Chairman but is now overseen exclusively by the renumeration committee.

All contracts are continuous until terminated by either party.

Amounts of emoluments & compensation

	Salary US$'000	CPF US$'000	Total US$'000
Tone Goh	117	6	123
Pierre Fourie	43		43
Raphael Teo	177	9	186
William Knight	16		16
Malcolm Groat	2		2
	355	**15**	**370**

On behalf of the Board

Tone Goh
Executive Chairman
31 July 2019

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 March 2019

	2019 US$'000
ASSETS	
Non-Current Assets	
Intangible assets	6
Intercompany loan	356
Total non-current assets	**362**
Current assets	
Cash and cash equivalents	38
Trade and other receivables	1
Inventories	299
Total current assets	**338**
TOTAL ASSETS	**700**
EQUITY	
Share capital	58,698
Reserves	-
Retained earnings	(58,032)
Total equity	**666**
LIABILITIES	
Current liabilities	
Trade and other payables	34
TOTAL LIABILITIES	**34**
TOTAL EQUITY & LIABILITIES	**700**

In accordance with section 408 of the UK Companies Act 2006, the Company is availing itself of the exemption from presenting its individual statement of profit or loss and other comprehensive income. The Company's profit for the financial year as determined in accordance with IFRS is US$ 152,761. The Company had no operating cash flows in the period, and therefore no cash flow statement has been prepared.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

	Share Capital US $'000	Reserves US $'000	Retained Earnings **US $'000**	**Total Equity US $'000**
As at 1 April 2018	(57,075)	-	58,185	1,110
Comprehensive income for the year	-	-	(153)	(153)
Total comprehensive income for the year	**-**	**-**	**(153)**	**(153)**
Transaction with owners in their capacity as owners				
Shares issued during the period	(2,292)	-	-	(2,292)
Share issue costs	669	-	-	669
Listing reserves	-	-	-	-
As at 31 March 2019	**(58,698)**	**-**	**58,032**	**(666)**

Greenwich & Co UK
Level 2, 35 Outram Street, West Perth WA 6005
PO Box 983, West Perth WA 6872 Australia
T + 61 8 6555 9500
www.greenwichco.com

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF GOLDEN SAINT TECHNOLOGIES LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Golden Saint Technologies Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") affairs as at 31 March 2019 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with applicable law and IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Whom we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

What we have audited

The financial report of Golden Saint Technologies Limited for the year ended 31 March 2019, which comprises the following statements:

- Consolidated Statement of Comprehensive Income,
- Consolidated Statement of Financial Position,
- Consolidated Statement of Changes in Equity,
- Consolidated Statement of Cash Flows,
- Parent Company Statement of Financial Position,
- Parent Company Statement of Changes in Equity, and
- All related notes to the above.

The financial reporting framework that has been applied in the preparation of the Group and parent company financial statements is applicable law and IFRSs as adopted by the European Union.

Overview of Audit Approach

We set materiality for the Group at 1.5% of revenue: USD 99,000.

We performed full scope audit procedures over all Group entities.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be a key audit matter to be communicated in our report.

Accounting for acquisition of EMS Wiring Systems PTE. Limited

Refer to Note 25, Acquisition of EMS Wiring System PTE. Ltd. and Note 2 Basis of Preparation

Key audit matter	How our report addressed the report
The acquisition of EMS Wiring System PTE. Ltd has been accounting for by the Company as a continuation of the financial statements of the accounting acquirer (EMS Wiring Systems Pte. Limited), together with share base payment measured in accordance with IFRS 2 *Share Based Payment*s. Accounting for this transaction is complex, requiring management to exercise judgment to determine whether the acquisition should give rise to reverse acquisition accounting methodology and whether the accounting acquire meets the definition of a business under IFRS 3 Business combinations. We focused on this area as a key audit matter due to the size and scope of the acquisition and the judgments and complexity involved in accounting for this transaction.	Our audit work includes, but was not restricted to, the following; • Reviewing the share sale agreement involving Golden Saint Technologies Ltd. and the Company, and reviewing the Company's prospectus to understand key terms and conditions; • Critically evaluating the bases for management adoption of reverse acquisition and share based payment accounting methodology. This included an analysis of the aforementioned factors; • Assessing management mathematical application of reverse acquisition accounting methodology, including the calculation of relative voting rights in the combined entity after the transaction • Testing whether the accounting acquiree comprised an integrated set of activities and assets comprises input and process and hence constitute a business • Assessing the appropriateness of relevant disclosures in the financial statements.

Our application of materiality and an overview of the scope of our audit

Materiality

We define materiality as the magnitude of a misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work. We determined materiality for the Group financial statements as a whole to be USD 99,000, which represents 1.5% of the Group's revenue for the year ended 31 March 2019.

This benchmark is considered the most appropriate because this is a key performance measure used by the Board of Directors to report to investors on the financial performance of the Group.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the Group financial statements. We also determine a lower level of specific materiality for certain areas such as Directors' remuneration and related party transactions.

We agreed with the Board that we would report all audit differences in excess of USD 4,900, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Overview of the scope of our audit

A description of the generic scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeprivate. We conducted our audit in accordance with International Standards on Auditing (ISAs) (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Group in accordance with the Auditing Practices Board's Ethical Standards for auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

The Group has operations in the Singapore and Australia and are managed by the Group's management, which operates from Singapore. Through our procedures, all Group entities were subjected to a comprehensive audit approach. Our audit approach was based on a thorough understanding of the Group's business and is risk based, and in particular included:

- undertaking interim procedures before the year end date to evaluate the Group's internal control environment, including IT systems and controls;
- at this visit, we performed an evaluation of the design effectiveness of controls over key financial statement risk identified as part of our risk assessment, reviewed the accounts production process and performed certain transactional procedures for the first nine months of the year in advance of the year end;
- at the final audit visit, we undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks; and
- the scope of the current year audit has remained consistent with the scope of that of the prior year.

Opinion on Other Matters prescribed by the Companies Act 2006

Our opinion on other matters prescribed by the Companies Act 2006 are unmodified. In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the Directors' statements in relation to going concern and longer-term viability; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the Audit Committee which we consider should have been disclosed.

We have nothing to report in respect of any of the above matters.

We also confirm that we do not have anything material to add or to draw attention to in relation to:

- the Directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity;

- the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether they have considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the Directors' explanation in the annual report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Responsibilities for the financial statements and the audit

What the Directors are responsible for:

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Nicholas Hollens

NICHOLAS HOLLENS

Senior Statutory Auditor for and on behalf of *Greenwich & Co UK*

Statutory Auditor, Chartered Accountants

Perth, Australia

31 July 2019