

Simble Holdings (Hong Kong) Limited

**Special purpose financial report
for the financial period 17 July 2015 (date of
incorporation) to 30 June 2016**

Special purpose financial statements for the period ended 30 June 2016

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Directors' report

The directors of Simble Holdings (Hong Kong) Limited submit herewith the annual report of the company for the financial period 17 July 2015 (date of incorporation) to 30 June 2016. The directors report as follows:

The names of the directors of the company during or since the end of the financial period are:

Name

Justin Dibb (appointed 17 July 2015, resigned 21 October 2016)

David Lawrence Astill (appointed 21 October 2015)

Fadi Geha (appointed 21 October 2016)

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal activities

The entity's principal activities are to build technology applications for businesses and individuals that assist with simplifying operations and scalability.

No significant change in the nature of these activities occurred during the period.

Review of operations

The company was incorporated on 17 July 2015, under the name Expert Cave Limited. The company changed its name Simble Holdings (Hong Kong) Limited on 31 October 2016.

A review of the operations of the company during the financial period and the results of those operations found that during the period, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

The loss of the company for the financial period after providing for income tax amounted to \$443,346.

Changes in state of affairs

There was no significant change in the state of affairs of the company during the financial period.

Subsequent events

Since the period end, Simble Corporate Limited, the company's previous parent entity, forgave the loan payable owing to it by Simble Holdings (Hong Kong) Limited of \$806,288.

There has not been any other matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial periods.

Future developments

Disclosure of information regarding likely developments in the operations of the company in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

Dividends

In respect of the financial period ended 30 June 2016, no dividend was declared or paid.

Indemnification of officers and auditors

During or since the end of the financial period, the Company secretary and all executive officers of the Company and any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by law. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the period.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Director

Fadi Geha

Sydney, 23 October 2017

Independent Auditor's Report to the Members of Simble Holdings (Hong Kong) Limited

We have audited the accompanying financial report, being a special purpose financial report, of Simble Holdings (Hong Kong) Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 5 to 15.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 2 is appropriate to meet the financial reporting requirements of the directors and is appropriate to meet the needs of the directors. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion


In our opinion, the financial report presents fairly, in all material respects, the financial position of Simble Solutions IP Pty Limited as at 30 June 2016 and its financial performance for the period then ended in accordance with the financial reporting requirements of the directors as described in Note 2.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Simble Holdings (Hong Kong) Limited to meet the financial reporting requirements of the directors. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the directors and should not be distributed to or used by parties other than the directors.



DELOITTE TOUCHE TOHMATSU



Alfred Nehama
Partner
Chartered Accountants
Sydney, 23 October 2017

Directors' declaration


As detailed in Note 2 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements.

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes present fairly the financial position and performance of the company in accordance with the accounting policies set out in Note 2, including compliance with accounting standards

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Director

Fadi Geha

Sydney, 23 October 2017

Statement of profit or loss and other comprehensive income for the period ended 30 June 2016

| | <u>Notes</u> | <u>2016</u> <u>\$</u> |
|-----------------------------------|--------------|--------------------------|
| Revenue | | - |
| Administration expenses | | (197,855) |
| Research and development expenses | | (199,841) |
| Marketing expenses | | (39,491) |
| Finance costs | | (6,159) |
| Loss before income tax | | (443,346) |
| Income tax expense | | - |
| Loss for the period | 3 | (443,346) |

Notes to the financial statements are included on pages 10 to 15.

Statement of financial position at 30 June 2016

| | <u>Notes</u> | <u>2016 \$</u> |
|----------------------------------|--------------|--------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 4 | 6,529 |
| Trade and other receivables | 5 | 423,432 |
| Total current assets | | 429,961 |
| Non-current assets | | |
| Property, plant and equipment | 6 | 5,633 |
| Total non-current assets | | 5,633 |
| Total assets | | 435,594 |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 7 | 878,840 |
| Total current liabilities | | 878,840 |
| Total liabilities | | 878,840 |
| Net liabilities | | (443,246) |
| Equity | | |
| Issued capital | 8 | 100 |
| Accumulated losses | | (443,346) |
| Deficit | | (443,246) |

Notes to the financial statements are included on pages 10 to 15.

Statement of changes in equity for the period ended 30 June 2016

| | Issued capital \$ | Retained earnings \$ | Total \$ |
|--|----------------------|-------------------------|------------------|
| Balance on incorporation | 100 | - | 100 |
| Dividends paid or provided during the period | - | - | - |
| Loss for the period | - | (443,346) | (443,346) |
| Balance at 30 June 2016 | 100 | (443,346) | (443,246) |

Notes to the financial statements are included on pages 10 to 15.

Statement of cash flows for the period ended 30 June 2016

| | Notes | 2016 \$ |
|---|-------|------------|
| Cash flows from operating activities | | |
| Payments to suppliers and employees | | (376,326) |
| Net cash provided by/(used in) operating activities | 10(b) | (376,326) |
| Cash flows from financing activities | | |
| Net movements in related party loans | | 382,855 |
| Net cash provided by financing activities | | 382,855 |
| Net increase/(decrease) in cash and cash equivalents | | 6,529 |
| Cash and cash equivalents at the beginning of the period | | - |
| Cash and cash equivalents at the end of the period | 10(a) | 6,529 |

Notes to the financial statements are included on pages 10 to 15.

Notes to the Financial Statements

1. General information

Simble Holdings (Hong Kong) Limited is a proprietary company, incorporated in Hong Kong.

The entity's principal activities are to provide software applications to businesses and organisations that assist with mobility and operations.

2. Significant accounting policies

Financial reporting framework

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting needs. For the purposes of preparing the financial statements, the company is a for-profit entity.

Statement of compliance

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 'Australian Additional Disclosures'.

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Deferred tax

Deferred tax assets in respect of tax losses have not been recognised. Determining the extent to which deferred tax asset balances should be recognised requires an estimation of future taxable profits. Budgets will be closely monitored and adjustments made in future periods if such adjustments are appropriate.

There were no other critical accounting judgements nor critical accounting estimates in applying the company's accounting policies during the period.

Development Costs

The Company has adopted a policy of capitalising development costs only for products for which an assessment is made that the product is technically feasible and will generate definite economic benefits for the company going forward. The capitalised costs are subsequently amortised over the expected useful life of the product.

Adoption of new and revised Accounting Standards

In the current period, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

2. Significant accounting policies (continued)

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in the current liabilities in the statement of financial position.

(b) **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(c) **Income tax**

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date.

Deferred tax

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in branches and associates, and interests in joint ventures except where the group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

2. Significant accounting policies (continued)

(c) Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

(d) Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful life, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Computers 1-2 years

(e) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date

(f) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive), the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

(g) Financial liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

2. Significant accounting policies (continued)

(h) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the company's financial report.

| Standard/Interpretation | Effective for annual reporting periods beginning on or after | Expected to be initially applied in the financial year ending |
|--|---|--|
| AASB 9 'Financial Instruments', and the relevant amending standards | 1 January 2018 | 30 June 2019 |
| AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15' | 1 January 2017 | 30 June 2018 |
| AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation' | 1 January 2016 | 30 June 2017 |
| AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle' | 1 January 2016 | 30 June 2017 |
| AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101' | 1 January 2016 | 30 June 2017 |
| AASB 16 'Leases' | 1 January 2019 | 30 June 2020 |

(f) Going concern

As at 30 June 2016, the statement of financial position reflected a working capital deficiency of \$448,879.

Notwithstanding the working capital deficiency position, the financial report has been prepared on a going concern basis as the loan from Simble Corporate Limited of \$806,352 was forgiven since the period end.

(g) Comparative information

Simble Holdings (Hong Kong) Limited was incorporated on 17 July 2015. Accordingly, comparative information is not presented.

2016
\$

3. Loss for the period

Loss for the period has been arrived at after (crediting)/charging the following items of income and expense:

| | |
|----------------------------------|--------------|
| Research and development expense | 199,841 |
| Interest expense | <u>6,159</u> |

4. Cash and cash equivalents

| | |
|--------------------------|--------------|
| Cash at bank and in hand | <u>6,529</u> |
|--------------------------|--------------|

5. Trade and other receivables

| | | |
|--|-----|----------------|
| Amounts receivable from related entities | (i) | <u>423,432</u> |
|--|-----|----------------|

(i) Amounts receivable from related entities :-

| | |
|--|----------------|
| Simble Solutions (Hong Kong) Ltd | 221,798 |
| Incipient Capital Limited | 188,192 |
| Incipient IT (Vietnam) Company Limited | <u>13,442</u> |
| | <u>423,432</u> |

6. Property, plant and equipment

Computers

| | |
|--|---------------------|
| At cost | 5,633 |
| Less accumulated depreciation | <u>-</u> |
| Total property, plant and equipment | <u>5,633</u> |

7. Trade and other payables

| | |
|------------------|---------------|
| Trade payables | 59,046 |
| Accrued expenses | <u>13,442</u> |
| | <u>72,488</u> |

Amounts payable to related entities

| | |
|--------------------------|-----------------------|
| Simble Corporate Limited | <u>806,352</u> |
| | <u>878,840</u> |

8. Issued capital

| | |
|--------------------------------|------------|
| 100 fully paid ordinary shares | <u>100</u> |
|--------------------------------|------------|

2016
\$

9. Contingent liabilities

There are no contingent liabilities as at 30 June 2016.

10. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

| | |
|--------------|-------|
| Cash at bank | 6,529 |
|--------------|-------|

(b) Reconciliation of profit/(loss) from ordinary activities after related income tax to net cash flows from operating activities

| | |
|---------------------|-----------|
| Loss for the period | (443,346) |
|---------------------|-----------|

Changes in net assets and liabilities:

Decrease/(Increase) in assets:

| | |
|--------------|---------|
| Other assets | (5,633) |
|--------------|---------|

(Decrease)/Increase in liabilities:

| | |
|--------------------------|--------|
| Trade and other payables | 72,653 |
|--------------------------|--------|

| | |
|---|-----------|
| Net cash provided by operating activities | (376,326) |
|---|-----------|

11. Subsequent Event

Since the period end, Simble Corporate Limited forgave the loan payable to it by Simble Holdings (Hong Kong) Limited of \$806,352.

Subsequent to this, the shares in the company were transferred from Simble Corporate Limited to Simble Solutions Limited.

There has not been no other matters or circumstances occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial periods.