



FRONTIER CAPITAL GROUP LIMITED

ACN 145 105 148

APPENDIX 4E

ASX PRELIMINARY UNAUDITED FINAL REPORT– 31 DECEMBER 2019

(CORRESPONDING PERIOD – YEAR ENDED 31 DECEMBER 2018)

LODGED WITH THE ASX UNDER LISTING RULE 4.3A

CONTENTS	PAGE
CORPORATE DIRECTORY	1
RESULTS FOR ANNOUNCEMENT TO THE MARKET	2
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	5
CONSOLIDATED STATEMENT OF CASHFLOW	6
NOTES TO THE FINANCIAL STATEMENTS	7
SUPPLEMENTARY APPENDIX 4E INFORMATION	11

The preliminary unaudited financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2018 and any public announcements made by Frontier Capital Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CORPORATE DIRECTORY

Frontier Capital Group Limited

ACN 145 105 148

ABN 88 145 105 148

Registered and Corporate Office

Level 2

Hudson House

131 Macquarie Street

Sydney NSW 2000

Telephone: +61 2 9251 7177

Fax: +61 2 9251 7500

Website: www.fcgl.com.au**Auditors**

K.S. Black & Co

Level 1

251 Elizabeth Street

Sydney NSW 2000

Telephone: +61 2 8839 3000

Lawyers

Piper Alderman

Level 23, Governor Macquarie Tower

1 Farrer Place

Sydney NSW 2000

Telephone: +61 2 9253 9999

Bankers

Australia & New Zealand Banking Group Limited

Level 16, 20 Martin Place

Sydney NSW 2000

Telephone: +61 2 9227 1818

St George Bank Limited

Level 14, 182 George St

Sydney NSW 2200

Telephone: +61 2 9236 2230

Directors

Henri Ho

Leung Foo Meng

Law Hun Seang

Bernard Say Kuan How

Matthew Chin

Company Secretary

Henry Kinstlinger

Share Registry

Computershare Investor Services Pty Limited

GPO Box 2975

Melbourne VIC 3001

Australia

Telephone: 1300 850 505

ASX Code – FCG

Frontier Capital Group Limited shares are listed on the Australian Securities Exchange.

This financial report covers the Consolidated Entity consisting of Frontier Capital Group Limited and its controlled entities.

Frontier Capital Group Limited is a company limited by shares, incorporated and domiciled in Australia.

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019
(PREVIOUS CORRESPONDING PERIOD: YEAR ENDED 31 DECEMBER 2018)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$'000
Revenue from continuing operations	Up	1,046%	to	28,812
Profit/(Loss) after income tax from continuing operations	Up	438%	to	3,057
Net profit/(loss) for the period attributable to members	Up	358%	to	2,139

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	\$Nil	N/A
Interim dividend	\$Nil	N/A

Explanation of revenue and Profit/(Loss) from ordinary activities after tax

The increase in profit \$2.13 million (2018: loss 0.82 million) was mainly due to reopening of casino business late 2019 in Philippines.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 31 December 2019

	Note	Consolidated	
		2019	2018
		\$'000	\$'000
Revenue	2	28,812	2,512
Other Income and Expenses	2	(1,906)	1,996
Cost of providing services and administrative expenses		(19,172)	(4,379)
Finance costs	3	(4,677)	(1,032)
Profit/(Loss) before income tax		3,057	(903)
Income tax		(918)	76
Profit /(Loss) after income tax		2,139	(827)
Other Comprehensive Income			
Other comprehensive income		-	-
Other comprehensive income for the year net of tax		-	-
Total comprehensive (loss)/income attributable to members of the consolidated entity		2,139	(827)
		Cents	Cents
Basic earnings/(loss) per share (cents)	8	0.77	(0.30)
Diluted earnings/(loss) per share (cents)	8	0.77	(0.29)

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2019

	Notes	Consolidated	
		2019	2018
		\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	5	16,027	14,181
Trade and other receivables		10,045	1,640
Financial Assets		312	-
Other current assets		51	1,457
Total current assets		26,435	17,278
Non-current assets			
Building, furniture and equipment - net		47,413	18,724
Intangible Assets		5,592	-
Other non-current assets		78	98
Total non-current assets		53,083	18,822
Total Assets		79,518	36,100
LIABILITIES			
Current liabilities			
Trade and other payables		23,273	19,258
Financial Liabilities		198	3
Other current liabilities		418	-
Total current liabilities		23,889	19,261
Non-current liabilities			
Trade and other payables		17,577	14,057
Financial Liabilities		4,284	-
Employee benefits provision		362	341
Other non-current liabilities		6,188	-
Total non-current liabilities		28,411	14,398
Total Liabilities		52,300	33,659
Net Assets		27,218	2,441
EQUITY			
Issued capital	6	59,870	59,870
Reserves		23,717	1,079
Accumulated losses		(56,369)	(58,508)
Total Equity		27,218	2,441

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2019

Consolidated	Notes	Issued Capital \$'000	Option Reserves \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
At 1 January 2019		59,870	2,425	(1,346)	(58,508)	2,441
Share issued		-	-	-	-	-
Share issuing cost		-	-	-	-	-
Profit for the year		-	-	-	2,139	2,139
Property evaluation		-	-	22,075	-	22,075
Movement for the year		-	-	563	-	563
At 31 December 2019	6	59,870	2,425	21,292	(56,369)	27,218
At 1 January 2018		59,870	2,425	(1,461)	(57,681)	3,153
Share issued		-	-	-	-	-
Share issuing cost		-	-	-	-	-
Profit/(loss) for the year		-	-	-	(827)	(827)
Movement for the year		-	-	115	-	115
At 31 December 2018	6	59,870	2,425	(1,346)	(58,508)	2,441

The above statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOW
for the Year Ended 31 December 2019

	Notes	Consolidated	
		2019	2018
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		19,154	3,909
Payments to suppliers and employees		(9,061)	(5,027)
Interest paid		(212)	-
Interest received		14	-
Net cash provided by/(used in) operating activities	7	9,895	(1,118)
Cash flows from investing activities			
Payment for properties and equipment		(8,775)	(9,229)
Payment for prospects and Investment		(5,905)	-
Advance to suppliers		-	(1,378)
Advance from other party		2,151	11,818
Net cash (used in)/ provided by investing activities		(12,529)	1,211
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Share issuing cost		-	-
Deposit for future stock subscriptions		-	13,500
Proceed/(Repayment) from bank borrowing		4,480	(13)
Net cash (used in)/provided by financing activities		4,480	13,487
Net (decrease)/increase in cash held		1,846	13,580
Cash and cash equivalents at the beginning of the year		14,181	601
Cash and cash equivalents at the end of the year	5	16,027	14,181

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS**for the Year Ended 31 December 2019****1. ACCOUNTING POLICIES, ESTIMATION METHODS AND MEASUREMENT BASIS**

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half year report.

Rounding

The amounts contained in the half year financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

2. REVENUE FROM CONTINUING OPERATIONS

	Consolidated	
	2019	2018
	\$'000	\$'000
Revenue		
Residence income	543	865
Gaming revenue/fee income	27,746	106
Sales	509	1,541
Interest income	14	-
	28,812	2,512
Other Income and expenses		
Plant and equipment written off	(929)	-
Bad and doubtful debt write back/(provided)	(1,176)	1,988
Others	199	8
	(1,906)	1,996

3. EXPENSES**Specific Items**

Profit before income tax includes the following revenues and expenses to which disclosure is relevant in explaining the performance of the entity.

	Consolidated	
	2019	2018
	\$'000	\$'000
Consultancy and professional fees	(359)	(187)
Director and employee expenses	(2,334)	(1,163)
Commission	(7,448)	-
Finance costs		
Others	-	(1)
Interest	(2,710)	(1)
Depreciation	(1,967)	(1,030)
	(4,677)	(1,032)

4. DIVIDENDS

The Directors do not recommend a dividend relating to the year ended 31 December 2019 (2018: \$nil) to be paid.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5. CASH AND CASH EQUIVALENTS

	Consolidated	
	2019	2018
	\$'000	\$'000
Cash at bank and on hand	1,754	681
Deposits held in trust and escrowed	14,273	13,500
	16,027	14,181

6. ISSUED CAPITAL

	Consolidated		Consolidated	
	2019	2018	2019	2018
	No. of shares	No. of shares	\$	\$
Ordinary shares Issued	276,290,000	276,290,000	59,870,455	59,870,455

(a) Movements in ordinary share capital during the period:

Consolidated	2019	2018	2019	2018
Details	No. of shares	No. of shares	\$	\$
Opening Balance	276,290,000	276,290,000	59,870,455	59,870,455
Share issued	-	-	-	-
Share issuing costs	-	-	-	-
Closing Balance	276,290,000	276,290,000	59,870,455	59,870,455

(b) Options

No option issued or granted over unissued shares during the reporting period.

(c) Terms and Conditions

Each ordinary share participates equally in the voting rights of the Company. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

(d) Performance options

No performance options were granted or exercised during the year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2019	2018
	\$'000	\$'000
Profit/(Loss) for the year	2,139	(827)
Plant and equipment written off	929	-
Provision for doubtful debt	1,176	(1,988)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(8,072)	3,052
(Increase)/Decrease in other current assets	1,406	(98)
Increase/(Decrease) in trade and other creditors	12,264	(1,329)
(Increase) in deferred tax assets	-	-
Increase/(Decrease) in deferred tax liabilities	53	72
Net cash used in operating activities	9,895	(1,118)

8. EARNINGS PER SHARE

	Consolidated	
	2019	2018
	Cents	Cents
Basic earnings/(loss) per share	0.77	(0.30)
Fully diluted earnings/(loss) per share	0.77	(0.29)
	2019	2018
	\$'000	\$'000
Profit/(loss) from continuing operations used in calculating basic and fully diluted earnings per share	2,139	(827)
	2019	2018
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share:	276,290,000	276,290,000
Adjustments for calculation of diluted earnings per share:		
Options	3,050,000	6,550,000
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	279,340,000	282,840,000

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

9. CONTINGENT LIABILITIES AND COMMITMENT

Commitments

There are no material commitments as at the date of the report.

10. EVENTS OCCURRING AFTER REPORTING DATE

The Coronavirus may have an impact on future revenues. The extent of this is currently unknown and is being monitored closely.

At the date of this report there are no other matters or circumstances, which have arisen since 31 December 2019 that has significantly affect or may significantly affect:

- The operations, in the financial year subsequent to 31 December 2019 of the Group;
- The results of those operations;
- The state of affairs, in the financial year subsequent to 31 December 2019 of the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11. SEGMENT NOTE

SEGMENT INFORMATION

Business segments

The consolidated entity is organised into the following divisions by product and service type:

- **Gaming and hospitality operation**
Operating 3 storey 239 room hotel and casino in Philippines.
- **3D Multimedia Operations**
3D Visual communication and multimedia support for property developers operating in Malaysia.

	Gaming and hospitality	3D Multimedia Operations	Unallocated/ eliminated	Consolidated
	\$'000	\$'000	\$'000	\$'000
Primary reporting business segments 2019				
Segment revenue	28,360	437	15	28,812
Segment result				
Profit/(loss) from operations before income tax expense	6,727	(942)	(3,646)	2,139
Primary reporting business segments 2018				
Segment revenue	1,812	700	-	2,512
Segment result				
Profit/(loss) from operations before income tax expense	(2,275)	(1,174)	2,622	(827)

SUPPLEMENTARY APPENDIX 4E INFORMATION**NTA Backing**

	31/12/2019	31/12/2018
Net tangible asset backing per ordinary share	11.88 cents	0.88 cents

Controlled entities acquired during the period

No entity has been acquired during the reporting period.

Loss of control of entities during the period

No entities were disposed during the reporting period.

Subsequent Events

The Coronavirus may have an impact on future revenues. The extent of this is currently unknown and is being monitored closely. There have been no other events subsequent to reporting date which affects the results contained in this report or the continuing operations of the Group. Please refer note 10 for details.

Accounting Standards

Australian Accounting Standards have been used in the preparation of this report.

Commentary on results

The consolidated entity has a long-term strategic investment in business operation in Malaysia and Philippines. The increase in revenue is consistent with the new investments in both countries.

Other Significant Information

All significant information in relation to the financial performances and position of the Company has been disclosed in the attached report.

Returns to shareholders

No distributions/dividend this year. The Company has no dividend reinvestment plan.

Results of segments

The consolidated entity operates predominately in one business and one geographical segment being investment in commercial properties, mining and resources within Australia.

Audit Report

This report is based upon financial statements which are in the process of being audited, and therefore no audit report has been attached.