



ACN 123 879 416

# **2017 FINANCIAL REPORT**

**For the Year Ended 30 June 2017**





GLOBALGOLD  
Holdings Ltd

## CORPORATE DIRECTORY

---

### Directors

Mr Robert Pertich  
Mr Harry Fung  
Mr Campbell McLeod

Non-Executive Director  
Non-Executive Director  
Non-Executive Director

### Auditors

Moore Stephens  
Level 15, 2 the Esplanade  
Perth, Western Australia, 6000

### Company Secretary

Mr Daniel Smith

### Bankers

Westpac  
109 St Georges Terrace  
Perth, Western Australia, 6000

### Principal Place of Business and Registered Office

Unit 5, Ground Floor  
1 Centro Avenue  
Subiaco WA 6008

Telephone: (61-8) 9486 4036  
Facsimile: (61-8) 9486 4799

### Solicitors

Mills Oakley  
2/225 St Georges Terrace  
Perth Western Australia 6000

Arianti Dipendra Jeremiah Advocates & Solicitors  
48-2, 2nd Floor, Jalan Medan Setia 2  
Plaza Damansara, Bukit Damansara  
50490 Kuala Lumpur

### Share Registry

Advanced Share Registry  
110 Stirling Hwy  
Nedlands WA 6009

Telephone: (61-8) 9389 8033  
Facsimile: (61-8) 9262 3723

### Stock Exchange

ASX Limited  
Central Park  
152-158 St Georges Terrace

ASX Code: GGH

---

	PAGE
Corporate Directory	
Directors' Report	1
Auditor's Independence Declaration	8
Remuneration Report	9
Financial Statements	16
Directors' Declaration	52
Independent Audit Report	53
Corporate Governance Statement	58
ASX Additional Information	59

---



## DIRECTORS' REPORT

---

*The directors present their report together with the financial report of Global Gold Holdings Limited (the "Company") and its controlled entities ("the Group" or "Consolidated entity"), for the financial year ended 30 June 2017 and the auditor's report thereon.*

### DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

**Mr. Benjamin Cooper**

*Non-Executive Chairman – appointed 19 May 2017 – resigned 8 September 2017*

Benjamin has worked exclusively in the finance and mining industry over the past 15 years as a licensed and qualified investment manager and company director. Mr. Cooper is especially experienced in providing corporate advisory and capital finance requirements to emerging mining companies, and has an extensive investor base throughout Australia & Asia.

**Mr. Harry Fung**

*Non-Executive Director – appointed 19 May 2017*

Mr. Fung's ongoing role with the company will encompass corporate advisory and capital raising services and he is well placed for this role as he has over 16 years of experience in commercial business transactions specializing in the financial services market. During this time Mr. Fung successfully completed a Diploma in Financial Markets.

Mr. Fung was previously the CEO of a boutique fund management company in Melbourne for 3 years. In his role he was responsible for the management of all operational areas of the business and has acquired a strong interpersonal skill set encompassing leadership, negotiation, communication and diplomacy, making him ideal for his role in the Company.

**Mr. Campbell Mcleod**

*Non-Executive Director – appointed 9 June 2017*

Coupling over a decade in property development sector with experience gained in private investment, Campbell is an industry forerunner in complex property transactions. Along with qualifications in project management and finance, Mr. Mcleod undertakes a number of roles in the company encompassing corporate governance and compliance.

**Mr. Robert Pertich**

*Non-Executive Director – appointed 8 September 2017*

Mr. Pertich has over 16 years practical experience in various business advisory and commercial roles including audit work, due diligence, forensic and corporate accounting and dealing with multinational companies and their specific requirements.

Mr. Pertich undertakes a variety of roles within the company due to his broad knowledge and skill base. Mr Pertich is a Certified Practicing Accountant, and holds a Bachelor of Economics (Accounting).

**Mr. Daniel Smith**

*Non-Executive Director – appointed 20 September 2016 – resigned 9 June 2017*

Daniel Smith is a member of the Governance Institute of Australia and the Australian Institute of Company Directors, with a background in finance. He has primary and secondary capital markets expertise, having been involved in a number of IPOs and capital raisings. Daniel is a director of Minerva Corporate, a private corporate consulting firm.



## DIRECTORS' REPORT (cont'd)

---

### **Mr Nicholas Ong**

*Non-Executive Director – appointed 1 February 2017 – resigned 9 June 2017*

Nicholas was a Principal Adviser at the Australian Securities Exchange (ASX) and brings 13 years' experience in IPO, listing rules compliance and corporate governance. He was an active member of the ASX JORC Group and has overseen the admission of over 100 companies to the official list of the ASX. Nicholas is a member of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia.

### **Mr Michael Soucik**

*Non-Executive Director – appointed 25 May 2016 – resigned 19 May 2017*

Mr Michael Soucik has 20 years of experience in investment banking and corporate finance, covering mergers and acquisitions, public offerings, secondary debt and equity raisings and asset acquisitions and disposals. Michael specialises in assisting small and mid-cap companies with corporate transactions and capital raisings.

### **Mr Leonard Math**

*Non-Executive Director and Company Secretary – appointed 25 May 2016 – resigned 1 February 2017*

Mr Leonard Math graduated from Edith Cowan University, majoring in Accounting and Information Systems in 2003 and is a member of the Institute of Chartered Accountants. He is also a member of the Australian Institute of Company Directors. In 2005 Mr Leonard Math worked in the audit division at Deloitte before joining GDA Corporate as Manager for Corporate Service.

### **Tunku Naquiyuddin**

*Non-Executive Chairman – appointed 20 June 2007 – resigned 20 September 2016*

Tunku Naquiyuddin is a prominent Malaysian businessman and is presently the Chairman of Sino Hua-An International Berhad, a company listed on Bursa Malaysia (formerly known as the Kuala Lumpur Stock Exchange) with a substantial business in China. He is also the Chairman of the Board of Kian Joo Can Factory Berhad, a company which is also listed on Bursa Malaysia.

Tunku Naquiyuddin was a former diplomat and represented the foreign mission of Malaysia in Paris. He is also a keen environmentalist and was a Committee Member for the World Wide Fund for Nature (Malaysia) and a council member of the Business Council for Sustainable Development in Geneva.

### **Dato Mohamad Nazir Bin Meraslam**

*Non-Executive Director – appointed 20 May 2009 - Resigned 20 September 2016*

Dato Nazir is Managing Director of Pembinaan Mohamad Nazir Meraslam Sdn Bhd, MNM Team Builders Sdn Bhd, MNM Piling Sdn Bhd and Vibrant Powers Sdn Bhd. These companies undertake projects ranging from building structures to power cables and high speed broad band systems to luxury condominiums. Dato Nazir's projects are for both the public and private sector in Malaysia.



## DIRECTORS' REPORT (cont'd)

### COMPANY SECRETARY

**Mr Daniel Smith**

Company Secretary – appointed 1 February 2017

**Mr Leonard Math**

Company Secretary – appointed 23 August 2013 – resigned 2 February 2017

**Mr Henko Vos**

Company Secretary – appointed 10 October 2016 - resigned 1 February 2017

### DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships of other listed entities held by directors of the Company during the last 3 years immediately before the end of the year are as follows:

Director	Company	Period of directorship	
		From	To
Robert Pertich	N/A	N/A	N/A
Harry Fung	Wolfstrike Rentals Group Limited	June 2010	March 2016
Campbell Mcleod	N/A	N/A	N/A

### DIRECTORS' INTERESTS

The relevant interest of each director in the shares issued by Global Gold at the date of this report is as follows:

Director	Ordinary shares
Robert Pertich	Nil
Harry Fung	7,000,000
Campbell Mcleod	Nil

### DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings		Audit and Risk Committee Meetings		Nomination and Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Mr B Cooper	6	2	-	-	-	-
Mr H Fung	6	2	-	-	-	-
Mr C Mcleod	6	-	-	-	-	-
Mr D Smith	6	5	-	-	-	-
Mr N Ong	6	2	-	-	-	-
Mr L Math	6	4	-	-	-	-
Mr M Soucik	6	4	-	-	-	-
Mr R Pertich	6	-	-	-	-	-



## **DIRECTORS' REPORT (cont'd)**

---

### **DIRECTORS' MEETINGS (cont'd)**

#### **Committee membership**

Following the board changes during and after the financial year, due to the size of the Board, the full Board assumes the role of the Nomination and Remuneration Committee and the Audit and Risk Committee.

### **PRINCIPAL ACTIVITY**

The principal activity of the consolidated entity during the financial year was the money lending business under the Company's money lending licence held by 100% owned subsidiary G- Vest Corporation Sdn Bhd ("G-Vest").

### **RESULTS**

The consolidated entity reported a net loss from operating activities of \$1,861,620 (2016: loss of \$1,086,738) after income tax for the financial year.

### **OPERATING AND FINANCIAL REVIEW**

On 17 October 2016 the Company announced the intention to consolidate its securities on a 30 for 1 basis, with shareholder approval being sought at the Company's AGM ("Consolidation"). Subsequent to shareholders approving the Consolidation, the Company's securities were consolidated from 1,580,300,001 to 52,677,103.

On 23 November the Company announced that it had completed the sale of 8.99 million shares in Niche Capital Emas Holdings Berhad ("Niche") at an average price of RM0.0868 for a net cash amount of RM776,102 (approximately \$250,000). The balance of the Niche shares were subsequently sold on or about 25 January at RM0.084 each, for an additional \$84,000.

On 25 January 2017 the Company announced that it had reached a conditional debt settlement agreement with Crossboarder Alliance Sdn Bhd ("Crossboarder") in respect of an outstanding loan originated by its wholly owned subsidiary, G-Vest. The settlement sum was RM800,000 before costs, and was finalised during H2 2017.

The Company continues with its Malaysian based money lending business, including the monitoring of the existing loans portfolio. The Company is also actively looking for complimentary business opportunities in Malaysia and Australia.

### **BOARD CHANGES**

During the year, Mr Daniel Smith was appointed as Non-Executive Director of the Company on 20 September 2016, Tunku Naquiyuddin and Dato Mohamad Nazir Bin Beraslam resigned on the same day.

Mr Nicholas Ong was appointed as Non-Executive Director 1 February 2017, and Mr Leonard Math resigned from the Board on the same day.

On 19 May 2017, Mr Michael Soucik retired as Non-Executive Chairman of the Company, and Mr Benjamin Cooper and Mr Harry Fung were appointed a Non-Executive Chairman and Non-Executive Director respectively.

Mr Smith and Mr Ong subsequently resigned from the Board on 9 June 2017. On the same day, Mr Campbell Mcleod was appointed as a Non-Executive Director of the Company.

On 8 September 2017 Mr Robert Pertich was appointed to the Board and Mr Benjamin Cooper resigned on the same day.



## **DIRECTORS' REPORT (cont'd)**

---

### **ENVIRONMENTAL REGULATION**

The consolidated entity's activities are not subject to any significant environmental regulations under either Commonwealth or State Legislation. However, the directors believe that the consolidated entity has adequate systems and procedures in place for the awareness and management of its environmental requirements, and are not aware of any breach of those requirements as they apply to the consolidated entity.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

During the year, Mr Daniel Smith was appointed as Non-Executive Director of the Company on 20 September 2016, Tunku Naquiyuddin and Dato Mohamad Nazir Bin Beraslam resigned on the same day.

Mr Nicholas Ong was appointed as Non-Executive Director 1 February 2017, and Mr Leonard Math resigned from the Board on the same day.

On 19 May 2017, Mr Michael Soucik retired as Non-Executive Chairman of the Company, and Mr Benjamin Cooper and Mr Harry Fung were appointed a Non-Executive Chairman and Non-Executive Director respectively.

Mr Smith and Mr Ong subsequently resigned from the Board on 9 June 2017. On the same day, Mr Campbell Mcleod was appointed as a Non-Executive Director of the Company.

On 8 September 2017 Mr Robert Pertich was appointed to the Board and Mr Benjamin Cooper resigned on the same day.

There were no other significant changes in the state of affairs during the financial year ended 30 June 2017.

### **DIVIDENDS**

No dividend has been declared or paid by the consolidated entity to the date of this report.

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

GGH Financial Group Pty Ltd will continue the Australian operations of Global Gold Holdings Limited. The Company is also conducting an extensive review of its current Malaysian consumer finance subsidiaries to further enhance shareholder value.

### **EVENTS SUBSEQUENT TO BALANCE DATE**

Subsequent to the end of the reporting period, the Company announced that GGH Financial Group Pty Ltd, a 100% wholly owned subsidiary will apply for an Australian Financial Services License (AFSL).

If successful in obtaining an AFSL, GGH Financial Group Pty Ltd will be able to expand its current diverse financial services offering into further categories. Its current investments pertain to short and medium term convertible funding options to Australian companies who seek expansion capital

### **OPTIONS**

No options have been granted during or since the end of the financial year.





## DIRECTORS' REPORT (cont'd)

### INDEMNIFICATION AND INSURANCE OF OFFICERS

#### *Indemnification*

The Company has agreed to indemnify the current directors and company secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and company secretary of the Company, except where the liability did not arise out of conduct in good faith.

The agreement stipulates that the Company will meet, to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

#### *Insurance Premiums*

The total amount of insurance contract premiums paid is \$16,163.

### INDEMNIFICATION AND INSURANCE OF AUDITORS

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

### NON-AUDIT SERVICES

During the financial year, Moore Stephens, the Company's auditor, performed certain other services in addition to their statutory duties.

The Board have considered the non-audit services provided during the previous financial period by the auditor and are satisfied that the provision of those non-audit services during the previous financial period by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- (a) all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor.
- (b) the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to Moore Stephens, and its related practices for audit and non-audit services provided during the year are set out below:

	Consolidated 2017 \$	Consolidated 2016 \$
<b>Audit services:</b>		
<i>Auditors of the Company</i>		
-audit and review of financial reports (Moore Stephens, Australia)	30,020	26,000
	<u>30,020</u>	<u>26,000</u>



## DIRECTORS' REPORT (cont'd)

### Services other than statutory audit:

#### *Other services*

-tax compliance services (Moore Stephens, Australia)

4,500	15,821
4,500	15,821

### OFFICERS OF THE COMPANY WHO ARE FORMER AUDIT PARTNERS OF MOORE STEPHENS

There are no officers of the Company who are former audit partners of Moore Stephens.

### REMUNERATION REPORT

The Remuneration Report is set out on pages 9 to 15 and forms part of the Directors' Report.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 8 and forms part of the Directors' Report.

### AUDITOR

Moore Stephens continues in office in accordance with section 327 of the *Corporations Act 2001*.

Dated at Perth this 29<sup>th</sup> day of September 2017.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'Campbell McLeod', written over a horizontal line.

Campbell McLeod  
Director

Level 15 Exchange Tower,  
2 The Esplanade  
Perth WA 6000

PO Box 5785, St Georges Terrace  
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

[www.moorestephenswa.com.au](http://www.moorestephenswa.com.au)

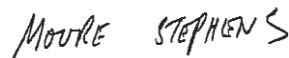
## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF GLOBAL GOLD HOLDINGS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.



SL TAN  
PARTNER



MOORE STEPHENS  
CHARTERED ACCOUNTANTS

Signed at Perth this 29<sup>th</sup> day of September 2017.



## REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the consolidated entity in accordance with the requirements of the *Corporations Act 2001* (the **Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

For the purposes of this report, key management personnel of the consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company. The Company does not presently employ any executives, other than executive directors.

### KEY MANAGEMENT PERSONNEL

The following were key management personnel of the consolidated entity at any time during the financial year and unless otherwise indicated were key management personnel for the entire financial year:

#### Directors – Parent

Name	Position held
Mr Benjamin Cooper	Non-Executive Chairman – Appointed 19 May 2017 – Resigned 8 September 2017
Mr Harry Fung	Non-Executive Director – Appointed 19 May 2017
Mr Campbell Mcleod	Non-Executive Director – Appointed 9 June 2017
Mr Daniel Smith	Non-Executive Director – Appointed 20 September 2016 – Resigned 9 June 2017
Mr Nicholas Ong	Non-Executive Director – Appointed 1 February 2017 – Resigned 9 June 2017
Mr Leonard Math	Non-Executive Director – Resigned 1 February 2017
Mr Michael Soucik	Non-Executive Director – Resigned 19 May 2017
Tunku Naquiyuddin	Non-Executive Chairman – Resigned 20 September 2016
Dato Nazir Bin Mersalam	Non-Executive Director – Resigned 20 September 2016

#### Director - Subsidiary

Name	Position held
Mr Dhamodaran Munusamy	Director, Rimbun Teratai Sdn Bhd

### REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing remuneration policies for the directors and executives. If necessary, the Nomination and Remuneration Committee obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the consolidated entity.

Further information on the Nomination and Remuneration Committee's role, responsibilities and membership is set out in the section entitled Corporate Governance Statement in this Financial Report.

### PRINCIPLES OF REMUNERATION

The remuneration structures explained below are competitively set to attract and retain suitably qualified and experienced candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the relevant segment/s' performance;
- the consolidated entity's performance including:
  - the consolidated entity's earnings;
  - the growth in share price and delivering constant returns on shareholder wealth; and
  - the amount of incentives within each key management person's compensation.



## REMUNERATION REPORT (cont'd)

---

### REMUNERATION STRUCTURE

In accordance with best practice corporate governance, the structure of non-executive directors' remuneration is clearly distinguished from that of executives.

#### Non-executive director remuneration

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. Total remuneration for all non-executive directors, last voted upon by shareholders at the 2007 General Meeting, is not to exceed \$240,000 per annum. Directors' fees cover all main board activities and membership of committees.

Non-executive directors do not receive any retirement benefits, other than statutory superannuation, nor do they receive any performance related compensation.

#### Executive remuneration

Remuneration for executives is set out in employment agreements. There is currently no executive director in the Company.

Executive directors may receive performance related compensation but do not receive any retirement benefits, other than statutory superannuation.

#### Fixed remuneration

Fixed remuneration consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles) as well as employer contributions to superannuation funds.

Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee through a process that considers individual and overall performance of the consolidated entity. As noted above, the Nomination and Remuneration Committee has access to external advice independent of management.

#### Long-term incentive

Long-term incentives ("LTI") may be provided to key management personnel via the Global Gold Holdings Limited Employee Share Option Plan ("ESOP"). The LTI are provided as options over ordinary shares of the Company to key management personnel based on their position within the consolidated entity. Vesting conditions may be imposed on any LTI if considered appropriate, in accordance with the ESOP's terms and conditions.

LTI are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth. Options may only be issued to directors subject to approval by shareholders in general meeting.

There were no options issued under the ESOP during financial year ended 30 June 2017.

The Company has introduced a policy that prohibits employees and directors of the consolidated entity from entering into transactions that operate or are intended to operate to limit the economic risk or are designed or intended to hedge exposure to unvested Company securities. This includes entering into arrangements to hedge their exposure to LTI granted as part of their remuneration package. This policy may be enforced by requesting employees and directors to confirm compliance.



## REMUNERATION REPORT (cont'd)

### Consequences of performance on shareholder wealth

In considering the consolidated entity's performance and benefits for shareholder wealth, the directors have regard to the following indices in respect of the current financial year and the previous financial periods since year ended 2015:

	2017	2016	2015
Net (loss) / profit for the year	(1,861,620)	(1,086,738)	(859,916)
Dividends paid	-	-	-
Change in share price	-	-	-
Share price at beginning of the period	\$0.003	\$0.003	\$0.003
Share price at end of the period	\$0.05	\$0.003	\$0.003
Earnings/ (loss) per share	(0.27)	(0.001)	(0.001)

Total remuneration for all non-executive directors has remained unchanged since voted upon by shareholders in March 2007.

There were no performance related remuneration transactions during the financial year (2016: nil).



GLOBALGOLD  
Holdings Ltd

## REMUNERATION REPORT (cont'd)

### REMUNERATION OF KEY MANAGEMENT PERSONNEL

Details of the nature and amount of each major element of the remuneration of each key management person of the consolidated entity are:

		SHORT-TERM BENEFITS		POST-EMPLOYMENT		SHARE-BASED PAYMENTS			
		Salary & fees \$	Other \$	Superannuation benefits \$	Termination benefits \$	Options \$	Total \$	Proportion of remuneration performance related %	
Directors									
Non-executive									
Benjamin Cooper	2017	20,000	-	-	-	-	20,000	-	
	2016	-	-	-	-	-	-	-	
Harry Fung	2017	20,000	-	-	-	-	20,000	-	
	2016	-	-	-	-	-	-	-	
Campbell Mcleod	2017	3,000	-	-	-	-	3,000	-	
	2016	-	-	-	-	-	-	-	
Daniel Smith	2017	18,749 <sup>i</sup>	-	-	-	-	18,749 <sup>i</sup>	-	
	2016	-	-	-	-	-	-	-	
Nicholas Ong	2017	14,000 <sup>i</sup>	-	-	-	-	14,000 <sup>i</sup>	-	
	2016	-	-	-	-	-	-	-	
Tunku Naquiyuddin	2017	-	-	-	-	-	-	-	
	2016	-	-	-	-	-	-	-	
Mr J Choong	2017	-	-	-	-	-	-	-	
	2016	-	-	-	-	-	-	-	
Dato D Tan	2017	-	-	-	-	-	-	-	
	2016	-	-	-	-	-	-	-	
Mr A Kwa	2017	-	-	-	-	-	-	-	
	2016	-	-	-	-	-	-	-	
Dato Nazir	2017	-	-	-	-	-	-	-	
	2016	-	-	-	-	-	-	-	
Mr K Ramasamy	2017	-	-	-	-	-	-	-	
	2016	-	-	-	-	-	-	-	
Mr L Math	2017	8,000 <sup>ii</sup>	29,000 <sup>ii</sup>	-	-	-	37,000 <sup>ii</sup>	-	
	2016	-	36,000 <sup>ii</sup>	-	-	-	36,000 <sup>ii</sup>	-	
Mr M Soucik	2017	22,800	-	-	-	-	22,800	-	



GLOBALGOLD  
Holdings Ltd

## REMUNERATION REPORT (cont'd)

	2016	-	-	-	-	-	-	-
<b>Total, all directors</b>	<b>2017</b>	<b>106,549</b>	<b>29,000*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135,549</b>	<b>-</b>
	<b>2016</b>	<b>-</b>	<b>36,000*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,000*</b>	<b>-</b>

i During the year, the Company paid Minerva Corporate Pty Ltd \$18,000 (2016: nil) for Company Secretarial and Accounting services provided to the company. Mr Daniel Smith and Mr Nicholas Ong are both directors of Minerva Corporate Pty Ltd.

ii During the year, the Company paid Nexia Perth Pty Ltd (previously GDA Corporate) \$37,000 (2016: \$36,000) for Company Secretarial services provided to the Company. Mr Leonard Math was an employee of Nexia and has no beneficial interest in Nexia and GDA Corporate.





GLOBALGOLD  
Holdings Ltd

## REMUNERATION REPORT (cont'd)

### REMUNERATION OF KEY MANAGEMENT PERSONNEL (cont'd)

		SHORT-TERM BENEFITS		POST-EMPLOYMENT		SHARE-BASED PAYMENTS			
		Salary & fees	Other	Superannuation benefits	Termination benefits	Options	Total	Proportion of remuneration performance related	
		\$	\$	\$	\$	\$	\$	%	
<b>Executives</b>									
Mr Munusamy	2017	25,219	-	3,914	-	-	29,133	-	
	2016	39,897	-	8,326	-	-	48,223	-	
<b>Total, all executives</b>	<b>2017</b>	<b>25,219</b>	<b>-</b>	<b>3,914</b>	<b>-</b>	<b>-</b>	<b>29,133</b>	<b>-</b>	
	<b>2016</b>	<b>39,897</b>	<b>-</b>	<b>8,326</b>	<b>-</b>	<b>-</b>	<b>48,223</b>	<b>-</b>	
<b>Total, all directors and executives</b>	<b>2017</b>	<b>131,768</b>	<b>29,000</b>	<b>3,914</b>	<b>-</b>	<b>-</b>	<b>164,682</b>	<b>-</b>	
	<b>2016</b>	<b>39,897</b>	<b>36,000</b>	<b>8,326</b>	<b>-</b>	<b>-</b>	<b>84,223</b>	<b>-</b>	

## REMUNERATION REPORT (cont'd)

### SHARE BASED PAYMENTS

#### Options and rights over equity instruments granted as compensation

There were no options granted as compensation to key management person during the reporting period (2016: nil).

#### Other key management personnel transactions with the Company or its controlled entities

There were no transactions with KMP or their related entities with the Company or its controlled entities during the year ended 30 June 2017.

#### Movements in shares

The movement during the year in the number of ordinary shares in Global Gold Holdings Limited held, directly, indirectly or beneficially by each key management person, including their personally-related entities, is as follows:

2017	Held at 1 Jul	Held at date of appointment	Purchased	Disposed	Held at date of resignation	Other changes	Held at 30 Jun 2017
<b>Directors</b>							
Tunku Naquiyuddin <sup>1</sup>	91,450,000	N/A	-	-	3,048,333 <sup>8</sup>	-	3,048,333 <sup>8</sup>
Dato Nazir <sup>1</sup>	55,000,000	N/A	-	-	1,833,334 <sup>8</sup>	-	1,833,334 <sup>8</sup>
Mr L Math <sup>2</sup>	20,000,000	N/A	-	-	666,667 <sup>8</sup>	-	666,667
Mr M Soucik <sup>3</sup>	238,321,500	N/A	-	-	7,944,050 <sup>8</sup>	-	262,969
Daniel Smith <sup>4</sup>	-	-	-	-	-	-	-
Nicholas Ong <sup>5</sup>	-	-	-	-	-	-	-
Benjamin Cooper <sup>6</sup>	-	5,216,667	-	-	N/A	-	5,216,667
Harry Fung <sup>6</sup>	-	7,000,000	-	-	N/A	-	7,000,000
Campbell Mcleod <sup>7</sup>	-	-	-	-	N/A	-	-
<b>Executives</b>							
Mr Munusamy	7,000,000	N/A	-	-	N/A	-	233,334

<sup>1</sup> Resigned 20 September 2016

<sup>2</sup> Resigned 1 February 2017

<sup>3</sup> Resigned 19 May 2017

<sup>4</sup> Appointed 20 September 2016, Resigned 9 June 2017

<sup>5</sup> Appointed 1 February 2017, Resigned 9 June 2017

<sup>6</sup> Appointed 19 May 2017, Mr Benjamin Cooper resigned 8 September 2017

<sup>7</sup> Appointed 9 June 2017

<sup>8</sup> After consolidation of share capital (30:1)

2016	Held at 1 Jul	Held at date of appointment	Purchased	Disposed	Held at date of resignation	Other changes	Held at 30 Jun 2016
<b>Directors</b>							
Tunku Naquiyuddin	36,580,000	N/A	54,870,000	-	N/A	-	91,450,000
Mr J Choong <sup>1</sup>	20,000	N/A	-	-	20,000	-	20,000
Mr A Kwa <sup>1</sup>	-	-	-	-	-	-	-
Mr K Ramasamy <sup>1</sup>	380,000	N/A	-	-	380,000	-	380,000
Dato Nazir	22,000,000	N/A	33,000,000	-	N/A	-	55,000,000
Dato D Tan <sup>1</sup>	15,880,000	N/A	-	-	15,880,000	-	15,880,000
Mr L Math <sup>2</sup>	-	20,000,000	-	-	N/A	-	20,000,000
Mr M Soucik <sup>2</sup>	-	238,321,500	-	-	N/A	-	238,321,500
<b>Executives</b>							
Mr Munusamy	1,020,000	N/A	5,980,000	-	N/A	-	7,000,000

<sup>1</sup> Resigned 25 May 2016

<sup>2</sup> Appointed 25 May 2016

No shares or options were granted to key management personnel as compensation in the year ended 30 June 2017 (2016: Nil).

#### End of Remuneration Report.



# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Revenue – sale of goods		-	-
Other revenue	4	18,177	804
Cost of sales		-	-
Gross profit / (loss)		18,177	804
Other income	4	6,993	81,204
Administrative expenses	4	(546,768)	(296,644)
Other expenses	4	(1,340,022)	(868,864)
<b>(Loss)/ Profit before income tax</b>		<b>(1,861,620)</b>	<b>(1,083,500)</b>
Income tax	6	-	(3,238)
<b>Net (loss)/profit for the year from continuing operations</b>		<b>(1,861,620)</b>	<b>(1,086,738)</b>
<b>Net (loss) for the year</b>		<b>(1,861,620)</b>	<b>(1,086,738)</b>



# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017**

	Note	Consolidated	
		2017	2016
		\$	\$
Items that may be reclassified to profit or loss:			
Forex Reserve on deregistration of Hong Kong subsidiary reclassified to Profit or Loss		1,007,029	-
Net gain/(loss) on re-measurement of available for sale financial assets and associates, net of tax expense		67,621	(145,331)
Foreign exchange gains / (losses) arising from translations of financial statements of foreign operations		(125,540)	(57,953)
Other comprehensive income for the period, net of tax		949,110	(203,284)
<b>Total comprehensive (loss) for the year</b>		<b>(912,510)</b>	<b>(1,290,022)</b>
<b>Net (loss) attributable to:</b>			
-Equity holders of the parents		(1,861,620)	(1,086,738)
-Non-controlling interests		-	-
		(1,861,620)	(1,086,738)
<b>Total comprehensive income / (loss) attributable to :</b>			
-Equity holders of the parents		(912,510)	(1,290,022)
-Non-controlling interests		-	-
		(912,510)	(1,290,022)
Basic and diluted (loss) / earnings per share (cents)	17	(0.27)	(0.15)

The consolidated statement of profit or loss & other comprehensive income is to be read in conjunction with the accompanying notes



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Note	Consolidated 2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	1,179,790	1,009,462
Trade and other receivables	8	43,668	620,434
Other current assets	9	14,388	19,063
Held for trading investments	10	5,300	4,800
<b>Total Current Assets</b>		<b>1,243,146</b>	<b>1,653,759</b>
<b>NON CURRENT ASSETS</b>			
Available for sale investments	10	-	397,333
Property, plant and equipment	12	108,979	124,761
<b>Total Non Current Assets</b>		<b>108,979</b>	<b>522,094</b>
<b>TOTAL ASSETS</b>		<b>1,352,125</b>	<b>2,175,853</b>
<b>CURRENT LIABILITIES</b>			
Current tax liability	11	-	(1,965)
Trade and other payables	13	142,378	55,561
<b>Total Current Liabilities</b>		<b>142,378</b>	<b>53,596</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liability	6	-	-
		-	-
<b>TOTAL LIABILITIES</b>		<b>142,378</b>	<b>53,596</b>
<b>NET ASSETS</b>		<b>1,209,747</b>	<b>2,122,257</b>
<b>EQUITY</b>			
Equity attributable to equity holders of the parent			
Issued capital	14	29,010,276	29,010,276
Reserves	14	(1,262,321)	(1,018,963)
Retained earnings/ (accumulated losses)	15	(26,538,208)	(25,869,056)
<b>TOTAL EQUITY</b>		<b>1,209,747</b>	<b>2,122,257</b>

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.



# **CONSOLIDATED STATEMENT OF CASH FLOWS** for the year ended 30 June 2017

		Consolidated	
	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		312,368	-
Cash payments to suppliers		(370,303)	(301,163)
Cash payments to employees		(42,505)	-
Interest received		19,283	21,805
Income tax paid		-	(4,510)
<b>Net cash from/(used in) operating activities</b>	21	(81,157)	(283,868)
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		4,423	99,743
Proceeds from sale of held for trading investments		328,878	358
<b>Net cash used in investing activities</b>		333,301	100,101
<b>Cash flows from financing activities</b>			
Proceed from issuance of shares		-	831,290
Advancement/(repayment) of loans - other entities		-	3,164
<b>Net cash provided by/ (used in) financing activities</b>		-	834,454
<b>Net increase in cash and cash equivalents</b>		252,144	650,687
<b>Cash and cash equivalents at 1 July</b>		1,009,462	374,144
Effect of exchange rate fluctuations on cash and cash equivalents		(81,816)	(15,369)
<b>Cash and cash equivalents at 30 June</b>	7	1,179,790	1,009,462

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.



GLOBAL GOLD  
Holdings Ltd.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2017

Consolidated	Issued Capital \$	Reserves \$	Retained Earnings/ (Accumulated Losses) \$	Total \$
<b>Balance at 1 July 2016</b>	29,010,276	(1,018,963)	(25,869,056)	2,122,257
Forex reserve on deregistration of HK recycled to profit or loss	-	1,007,029	-	1,007,029
Changes in fair value of available for sale investments	-	67,621	-	67,621
Foreign currency translation	-	(125,540)	-	(125,540)
Profit/(loss) for the year	-	-	(1,861,620)	(1,861,620)
<b>Total comprehensive income for the year</b>	-	<b>949,110</b>	<b>(1,861,620)</b>	<b>(912,510)</b>
Reclassification of reserve to accumulated loss	-	(1,192,468)	1,192,468	-
Issuance of shares	-	-	-	-
<b>Total transactions with owners and other transfers</b>	-	<b>(1,192,468)</b>	<b>(1,192,468)</b>	-
<b>At 30 June 2017</b>	<b>29,010,276</b>	<b>(1,262,321)</b>	<b>(26,538,208)</b>	<b>1,209,747</b>

Consolidated	Issued Capital \$	Reserves \$	Retained Earnings/ (Accumulated Losses) \$	Total \$
<b>Balance at 1 July 2015</b>	28,178,986	(815,679)	(24,782,318)	2,580,989
Changes in the fair value of available for sale investments	-	(145,331)	-	(145,331)
Foreign currency translation	-	(57,953)	-	(57,953)
Profit/(loss) for the year	-	-	(1,086,738)	(1,086,738)
<b>Total comprehensive income for the year</b>	-	<b>(203,284)</b>	<b>(1,086,738)</b>	<b>(1,290,022)</b>
Issuance of shares	831,290	-	-	831,290
<b>Total transactions with owners and other transfers</b>	<b>831,290</b>	-	-	<b>831,290</b>
<b>At 30 June 2016</b>	<b>29,010,276</b>	<b>(1,018,963)</b>	<b>(25,869,056)</b>	<b>2,122,257</b>

The statement of changes in equity is to be read in conjunction with the accompanying notes.



## NOTES TO THE FINANCIAL STATEMENTS

---

### 1. CORPORATE INFORMATION

The financial report of Global Gold Holdings Limited (the “Company” or “Group”) for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 29 September 2017.

Global Gold Holdings Limited (the parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the consolidated entity are described in the Directors’ Report.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of preparation**

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. It has also been prepared on the basis of historical costs, except for held for trading and available-for-sale investments, which have been measured at fair value. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Except for cash flow information, the financial statements have been prepared on an accruals basis.

The financial report is presented in Australian Dollars.

#### **Compliance with IFRS**

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board.

#### **New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

#### **Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

#### ***(i) Significant accounting judgments***

##### *Impairment of non-financial assets*

The consolidated entity assesses impairment of all assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.



## NOTES TO THE FINANCIAL STATEMENTS

---

### Significant accounting judgments, estimates and assumptions (cont'd)

#### *(ii) Significant accounting estimates and assumptions*

##### *Estimation of useful lives of assets*

The estimation of useful lives of assets has been based on historical experience as well as manufacturers' warranties, lease terms and turnover policies. In addition, the condition of the assets is assessed annually and considered against remaining useful life. Adjustments to useful lives are made when necessary.

Useful lives of property, plant and equipment – The cost of property, plant and equipment are depreciated on a straight-line basis over the asset's useful life. Management estimates the useful life of property, plant and equipment to be 5 to 50 years based on the level of expected usage. Management also estimates that these assets will have minimal residual values at the end of its useful life. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

##### *Impairment of available-for-sale financial assets*

The Group classifies investment in quoted shares as available-for-sale financial assets and recognizes movements in its fair value in equity. When there is a significant or prolonged decline in fair value below their cost, management determine whether it is an impairment that should be recognized in profit or loss. The determination of what is "significant" or "prolonged" requires judgment.

##### *Impairment loss on receivables*

The Group assess at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

##### *Taxation*

Significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.



## NOTES TO THE FINANCIAL STATEMENTS

---

### Summary of Significant Accounting Policies

#### Principles of consolidation

The consolidated financial statements comprise the financial statements of Global Gold Holdings Limited and its subsidiaries (as outlined in Note 19) as at 30 June each year (the “consolidated entity”).

#### *Subsidiaries*

Subsidiaries are entities controlled by the parent entity. The parent controls an entity when it is expected to, or has right to, variable returns of its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

In the Company’s financial statements, investments in subsidiaries are carried at cost.

#### *Transactions eliminated on consolidation*

Inter-entity balances, and any unrealised income and expenses arising from inter-entity transactions, are eliminated in preparing the consolidated financial statements.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

#### Foreign currency translation

Both the functional and presentation currency of Global Gold Holdings Limited is Australian Dollars (\$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to the income statement.

The functional currency of the overseas subsidiaries are as follows:

- Rimbun Teratai Sdn Bhd is Malaysian Ringgit (RM);
- G-Vest Corporation Sdn Bhd is Malaysian Ringgit (RM);

As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Global Gold Holdings Limited at the rate of exchange ruling at the balance sheet date and the income statements are translated at the average exchange rates for the period.

The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the cumulative amount recognised in equity relating to that particular foreign operation is reclassified into profit or loss in the period in which the operation is disposed of.

#### Non-controlling interests

Non-controlling interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the consolidated entity, whether direct or indirectly through subsidiaries. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the consolidated entity. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit and loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the consolidated entity.



## NOTES TO THE FINANCIAL STATEMENTS

---

### Summary of Significant Accounting Policies (cont'd)

#### Revenue

Revenue is recognised and measured the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured.

##### *Sale of goods*

Revenue from the sale of goods is recognised when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed (for shipped goods this is the bill of lading date).

##### *Interest Income*

Revenue is recognised as interest accrues using the effective interest method.

#### Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

The corporate tax rate for eligible Australian companies will reduce from 30% to 25% by 30 June 2027 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances for Global Gold Holdings Limited be measured at 27.5% (2016: 30%).

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

## NOTES TO THE FINANCIAL STATEMENTS

---

### Summary of Significant Accounting Policies (cont'd)

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### Cash and cash equivalents

Cash and cash equivalents in the balance sheet compromise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject an insignificant risk of change in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

#### Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible monies. An allowance for doubtful debts is made when there is objective evidence that the consolidated entity will not be able to collect the debts. Bad debts are written off when identified.

#### Financial Instruments

##### Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

##### Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

*Amortised cost* is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

*Fair value* is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### Summary of Significant Accounting Policies (cont'd)

#### Financial Instruments (cont'd)

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### Summary of Significant Accounting Policies (cont'd)

#### Financial Instruments (cont'd)

##### Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

##### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

##### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Land and buildings are measured at cost less any impairment losses recognised.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the specific asset as follows:

Land	not depreciated
Buildings	50 years
Plant and equipment	5 years
Motor vehicles	5 years
Office furniture and equipment	5 to 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

##### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

---

### Summary of Significant Accounting Policies (cont'd)

#### Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of those goods and services.

#### Provisions and employee benefits

A provision is recognised when a legal or constructive obligation exists as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The time value of money is not material to the currently recognised provisions and they are not discounted to expected future cash flows at a pre-tax rate.

#### *Employee benefits - wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave in respect of employees' services up to the reporting date and expected to be settled within 12 months of the reporting date are recognised in current provisions and are measured at amounts expected to be paid when liabilities are settled.

#### Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### Earnings per share

Earnings per share is determined by dividing net profit after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus element.

#### Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### Summary of Significant Accounting Policies (cont'd)

#### Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

#### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items.

The directors anticipate that the adoption of AASB 9 will not have a significant impact on the Group's financial instruments.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

---

### Summary of Significant Accounting Policies (cont'd)

#### New Accounting Standards and Interpretations not yet mandatory or early adopted (cont'd)

The directors anticipate that the adoption of AASB 15 will not have a significant impact on the Group's financial statements.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors anticipate that the adoption of AASB 16 will not have a significant impact on the Group's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

---

### 3. FINANCIAL RISK MANAGEMENT

#### Overview

The Company and the consolidated entity have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's and consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included in Note 16.

Global Gold's risk management framework is supported by the Board, and management. The Board is responsible for approving and reviewing the Company's and consolidated entity risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. The Board and management are responsible for identifying, monitoring and managing significant business risks faced by the Company and consolidated entity and considering the effectiveness of its internal control system. Management report to the Board.

The Board has established an overall Risk Management Policy which sets out the Company's and consolidated entity's system of risk oversight, management of material business risks and internal control.

#### Financial risk management objectives

The overall financial risk management strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

#### Credit risk

Credit risk is the risk of financial loss to the consolidated entity if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents. For the Company it arises from receivables due from subsidiaries and from money lending customers.

The consolidated entity does not hold any credit derivatives to offset its credit exposure.

#### *Trade and other receivables*

It is the consolidated entity's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Purchase limits are set for each individual customer in accordance with parameters set by the Board. These purchase limits are regularly monitored.

The consolidated entity trades only with recognised, creditworthy third parties, but safeguards its position by requesting and accepting tangible collaterals.

#### Liquidity risk

Liquidity risk arises from the financial liabilities of the consolidated entity and the consolidated entity's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

---

### 3. FINANCIAL RISK MANAGEMENT (cont'd)

#### *Foreign currency risk*

The consolidated entity is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies of the consolidated entities, primarily the Australian dollar (AUD), but also the Malaysian Ringgit (RM). The currencies in which these transactions primarily are denominated are AUD, RM, and United States Dollars (USD).

In respect of monetary assets and liabilities denominated in foreign currencies, the consolidated entity ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Company's investments in subsidiaries are not hedged as that currency position is considered to be long-term in nature.

The Board believes the balance date risk exposures are representative of the risk exposure inherent in financial instruments.

#### *Interest rate risk*

The consolidated entity's exposure to interest rates primarily relates to the consolidated entity's cash at bank. The consolidated entity manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.

#### *Other market price risk*

The consolidated entity is exposed to equity securities.

The Board has determined an appropriate price risk management and diversification framework for the management of the Company's investments in equity securities. The Group has ceased trading in gold and gold related products.

Equity securities price risk arises from investments in equity securities. To limit this risk the consolidated entity diversifies its portfolio in accordance with limits set by the Board. The equity investments are of a high quality and are publicly traded on the ASX.

### **Capital management**

When managing capital, the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board are constantly adjusting the capital structure to take advantage of favorable costs of capital or high return on assets. As the market is constantly changing, management may issue new shares, sell assets to reduce debt or consider payment of dividends to shareholders.

The Board has no current plans to issue further shares on the market.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels. The consolidated entity had no bank loans and interest bearing borrowings at 30 June 2017 (2016: nil).

The consolidated entity has no formal financing and gearing policy or criteria during the year having regard to the early status of its development and low level of activity. This position has not changed from the previous year.

There were no changes in the consolidated entity's approach to capital management during the year. The consolidated entity is not subject to any externally imposed capital requirements.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 4. REVENUE AND EXPENSES

	Consolidated	
	2017	2016
	\$	\$
<b>(a) Other revenue</b>		
Interest	18,177	804
	<u>18,177</u>	<u>804</u>
<b>(b) Other income</b>		
Fair value gain on investment classified as held for trading	500	4,200
Interest income from money lending business	1,106	21,001
Gain on disposal of classified as held for trading	-	932
Gain on disposal of property, plant and equipment	4,422	54,350
Reversal of previous year impairment of trade receivables	928	-
Other	37	721
	<u>6,993</u>	<u>81,204</u>
<b>(c) Administrative expenses</b>		
Corporate and administrative expenses	416,234	148,169
Employee benefits expense [4(e)]	126,910	131,744
Depreciation expense	3,624	16,731
	<u>546,768</u>	<u>296,644</u>
<b>(d) Other expenses</b>		
Impairment Loss on disposal of investments	136,884	-
Reversal of previous year impairment of receivables	(68,187)	-
Impairment loss recognised on available-for-sale investment	394	-
Forex reserve on deregistration of GGHK- recycled to PL	1,007,028	-
Impairment losses on trade receivables	263,903	868,611
Exchange loss	-	253
	<u>1,340,022</u>	<u>868,864</u>
<b>(e) Employee benefits expense</b>		
Wages and salaries	149,054	131,744
Employee entitlement provision	(22,144)	-
	<u>126,910</u>	<u>131,744</u>



GLOBALGOLD  
Holdings Ltd.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 5. AUDITOR'S REMUNERATION

	Consolidated	
	2017	2016
	\$	\$
Audit services:		
Auditors of the Company		
Moore Stephens, Australia	30,020	26,000
-audit and review of financial report		
Baker Tilly, Malaysia		
audit and review of financial report	6,186	10,639
	<hr/>	<hr/>
	36,206	36,639
	<hr/>	<hr/>
<b>Other services:</b>		
Moore Stephens, Australia		
- tax compliance	4,500	15,821
Baker Tilly, Malaysia		
- tax compliance	3,003	3,258
	<hr/>	<hr/>
	7,503	19,079
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 6. INCOME TAX

	2017 \$	2016 \$
<b>(a) Income tax expense</b>		
The major components of income tax expense are:		
<b>Income statement</b>		
<i>Current income tax</i>		
Current income tax charge	-	3,043
Adjustment in respect of current income tax of previous years	-	195
<i>Deferred income tax</i>		
Deferred income tax credit	-	-
Adjustment in respect of current income tax of previous years	-	-
Income tax benefit reported in statement of comprehensive income	-	3,238

### (b) Reconciliation

The reconciliation of income tax expense applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax is as follows:

Accounting profit/(loss) before tax from continuing operations	(1,861,620)	(1,083,500)
Prima facie income tax expense/(benefit) at the statutory income tax rate of 27.5% (2016: 30%)	(511,946)	(325,050)
Non-allowable items	650,903	233,816
Losses and deferred tax balance not recognised	56,698	44,526
Effect of lower tax rate	(190,205)	56,101
Other assessable items	639	-
Adjustment in respect of income tax of previous years	-	195
Other non-assessable items	(6,089)	(1,596)
Loss recouped not previously recognised	-	(4,754)
Income tax benefit reported in statement of comprehensive income	-	3,238

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 6. INCOME TAX (CONT'D)

#### (c) Recognised deferred tax assets and liabilities

	2017 \$	2016 \$
<i>Deferred tax liabilities</i>		
Investments	-	-
<i>Deferred tax assets</i>		
Carry forward revenue losses	-	-
Capital raising costs	-	-
Provisions and accruals	-	-
	-	-

#### (d) Deferred tax assets not recognised

Carry forward revenue losses	1,691,753	5,703,858
Carry forward capital losses	2,894,819	201,204
Investments	3,225,131	5,080,479
Provisions and accruals	4,125	4,500
Capital raising costs	33,593	30,752
Other	874	9,833
	7,850,295	11,030,626

The tax benefits of the above deferred tax assets will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the company in utilising the benefits.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

<b>7. CASH AND CASH EQUIVALENTS</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	1,179,790	1,009,462
	<u>1,179,790</u>	<u>1,009,462</u>

## 8. TRADE AND OTHER RECEIVABLES

### Current

Trade receivables	43,668	620,434
	<u>43,668</u>	<u>620,434</u>

### Non-Current

Trade receivables	-	-
	<u>-</u>	<u>-</u>

The consolidated entity's exposure to credit risks relating to trade and other receivables is disclosed in Note 16.

## 9. OTHER CURRENT ASSETS

### Current

Other	14,388	19,063
	<u>14,388</u>	<u>19,063</u>

## 10. OTHER INVESTMENTS

### Current

Held for trading investments – Australian listed shares	5,300	4,800
At fair value	<u>5,300</u>	<u>4,800</u>

### Non-Current

Available for sale investments – at fair value	-	397,333
	<u>-</u>	<u>397,333</u>

Available-for-sale and held for trading investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate. The fair value of listed securities has been determined directly by reference to published price quotations in an active market.

Investment in Niche Capital Emas Holding Berhad as at 30 June 2017 was valued at \$Nil (2016:\$ 397,333).

The consolidated entity's exposure to price, currency and interest rate risks related to other investments is disclosed in Note 16.

## 11. TAX

### Current

Current tax receivable	-	1,965
	<u>-</u>	<u>1,965</u>





GLOBALGOLD  
Holdings Ltd

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 12. PROPERTY, PLANT & EQUIPMENT

	Freehold land	Buildings	Plant & equipment	Consolidated Office furniture & equipment	Leasehold improvements	Motor vehicles	Total
At 1 July 2016	31,673	88,925	2	4,159	-	2	124,761
Other additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Exchange differences	(3,100)	(8,670)	-	(386)	-	(2)	(12,158)
Depreciation charge for the year	-	(1,891)	-	(1,733)	-	-	(3,624)
At 30 June 2017, net of accumulated depreciation	28,573	78,364	2	2,040	-	-	108,979
<b>At 30 June 2017</b>							
Cost	28,573	92,555	16,052	151,567	-	91,084	379,831
Accumulated depreciation	-	(14,191)	(16,050)	(149,527)	-	(91,084)	(270,852)
Net carrying amount	28,573	78,364	2	2,040	-	-	108,979
At 1 July 2015	46,922	127,176	2	10,991	-	8,113	193,204
Other additions	-	-	-	-	-	-	-
Disposals	(13,857)	(31,975)	-	-	-	-	(45,832)
Exchange differences	(1,392)	(3,799)	-	(373)	-	(316)	(5,880)
Depreciation charge for the year	-	(2,477)	-	(6,459)	-	(7,795)	(16,731)
At 30 June 2016, net of accumulated depreciation	31,673	88,925	2	4,159	-	2	124,761
<b>At 30 June 2016</b>							
Cost	31,673	102,605	17,494	168,040	-	100,987	420,799
Accumulated depreciation	-	(13,680)	(17,492)	(163,881)	-	(100,985)	(296,038)
Net carrying amount	31,673	88,925	2	4,159	-	2	124,761

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 13. TRADE AND OTHER PAYABLES

Trade creditors (a)	142,378	55,561
Other creditors and accruals (b)	-	-
	<u>142,378</u>	<u>55,561</u>

- (a) Trade creditors are non-interest bearing and are normally settled on 30 day terms.  
(b) Other creditors and accruals are provision of interest expenses and have no fixed terms of repayment.

### 14. ISSUED CAPITAL AND RESERVES

#### (i) Issued capital

52,677,103 (2016: 1,580,300,001) fully paid ordinary shares	<u>29,010,276</u>	<u>29,010,276</u>
---	-------------------	-------------------

The following movements in issued capital occurred during the year:

	2017 Number of Shares	2016 Number of Shares
Balance at beginning of year	1,580,300,001	632,120,001
Consolidation of Shares (30 for 1 basis)	(1,527,622,898)	-
Issue during the year	-	948,180,000
Balance at end of year	<u>52,677,103</u>	<u>1,580,300,001</u>

#### Reserves

##### Foreign currency translation reserve

Balance at the beginning of the year	(2,143,810)	(2,085,857)
Currency translation differences	(125,540)	(57,953)
Forex reserve on deregistration of HK recycled to profit or loss	1,007,029	-
Balance at the end of the year	<u>(1,262,321)</u>	<u>(2,143,810)</u>

##### Fair value reserve

Balance at the beginning of the year	1,124,847	1,270,178
Fair value movement – available for sale investment net of tax	67,621	(145,331)
Reclassification of reserve to accumulated loss	(1,192,468)	-
Balance at end of the year	<u>-</u>	<u>1,124,847</u>
Reserves at the end of the year	<u>(1,262,321)</u>	<u>(1,018,963)</u>



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 14. ISSUED CAPITAL AND RESERVES (CONT'D)

#### *Foreign currency translation reserve*

This reserve is used to record the value of exchange differences arising from the translation of the financial statements of foreign subsidiaries.

#### *Fair value reserve*

This reserve is used to record movements in the fair value of investments in associates and available for sale assets.

#### (ii). **Capital Management**

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. Management aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. The gearing ratios for the years ended 30 June 2017 and 30 June 2016 are as follows:

The gearing ratio is calculated as net debt divided by total capital. Net debt is defined as interest bearing liabilities less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

As noted below, the Group's gearing ratio is nil as it has no net debt.

	<b>2017</b>	<b>2016</b>
Gearing ratio	nil	nil

### 15. RETAINED EARNINGS/ (ACCUMULATED LOSSES)

	<b>Consolidated 2017 \$</b>	<b>2016 \$</b>
Retained earnings/ (accumulated losses) at the beginning of the year	(25,869,056)	(24,782,318)
Reclassification of reserve to Accumulated loss	1,192,468	-
Profit/ (loss) for the year	(1,861,620)	(1,086,738)
Retained earnings/ (accumulated losses) at the end of the year	(26,538,208)	(25,869,056)

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 16. FINANCIAL INSTRUMENTS DISCLOSURE

#### Credit risk

##### Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

	<b>Consolidated Carrying Amount</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	1,179,790	1,009,462
Trade and other receivables – current	43,668	620,434
Trade and other receivables – non current	-	-
Held for trading investments	5,300	4,800
Available for sale investments	-	397,333
	<u>1,228,758</u>	<u>2,032,029</u>

##### Exposure to credit risk

The Group's maximum exposure to credit risk for trade receivables at reporting date by geographic region was:

	<b>Carrying Amount</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Australia	-	-
Asia	43,668	620,434
	<u>43,668</u>	<u>620,434</u>

#### Impairment losses

The aging of the consolidated entity's trade receivables at reporting date was:

	<b>Gross 2017</b>	<b>Impairment 2017</b>	<b>Net 2017</b>	<b>Gross 2016</b>	<b>Impairment 2016</b>	<b>Net 2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Not past due	-	-	-	95,073	-	95,073
Past due 0-30 days	-	-	-	-	-	-
Past due 31-90 days	-	-	-	-	-	-
Past due 91-180 days	148,238	(104,570)	43,668	1,797,307	(1,271,946)	525,361
	<u>148,238</u>	<u>(104,570)</u>	<u>43,668</u>	<u>1,892,380</u>	<u>(1,271,946)</u>	<u>620,434</u>

At 30 June 2017, the consolidated entity has made allowance for any impairment on its trade receivables of \$263,903 (2016: \$868,611).

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 16. FINANCIAL INSTRUMENTS DISCLOSURE (CONT'D)

#### Liquidity risk

The following are the contractual maturities of financial liabilities on an undiscounted basis, including estimated interest payments: Cash flows for liabilities without fixed amount or timing are based on conditions existing at year end.

#### Consolidated

30 JUNE 2017	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	2-5 years
Trade and other payables	142,378	(142,378)	(142,378)	-	-	-	-
30 JUNE 2016	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	2-5 years
Trade and other payables	55,561	(55,561)	(55,561)	-	-	-	-

#### Price risk

Equity price risk is the risk that the fair value of equities will decrease as a result of change in the value of individual stocks. The consolidated entity holds all of its equities as held for trading and available for sale. See note 2 for the accounting policy.

#### Exposure to equity price risk

The consolidated entity's exposure to equity price risk at balance date was as follows, based on carrying amounts:

	Consolidated Carrying Amount	
	2017 \$	2016 \$
Held for trading investments	5,300	4,800
Available-for-sale investments	-	397,333
	5,300	402,133

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 16. FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)

#### Price risk

##### *Sensitivity analysis*

The analysis below demonstrates the impact of a 30% movement in the price of listed securities. The Board considers a 30% movement to be reasonable in light of recent historical movements. This analysis assumes a post-tax profit (at the statutory rate of 30%) and is performed on the same basis for 2016.

#### Consolidated

30 JUNE 2017	Profit or loss		Other Equity	
	30% increase	30% decrease	30% increase	30% decrease
Held for trading investments	1,590	(1,590)	-	-
Available-for-sale investments	-	-	-	-

30 JUNE 2016	Profit or loss		Other Equity	
	30% increase	30% decrease	30% increase	30% decrease
Held for trading investments	1,440	(1,440)	-	-
Available-for-sale investments	-	-	119,200	(119,200)

#### Foreign currency risk

##### *Exposure to foreign currency risk*

The parent entity carries inter-company loans with its subsidiaries. The consolidated entity's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

30 JUNE 2017	Consolidated MYR	
Loan to Rimbun Teratai Sdn Bhd		4,677,302
Loan to G-Vest Corporation Sdn Bhd		2,825,498
Less: Provision for non-recovery		(7,502,800)
Net balance sheet exposure		-

30 JUNE 2016	Consolidated MYR HKD	
Loan to Rimbun Teratai Sdn Bhd	4,677,302	-
Loan to G-Vest Corporation Sdn Bhd	3,208,512	-
Loan to Global Gold Holdings (HK) Limited	-	3,695,396
Less: Provision for non-recovery	(7,885,814)	(3,695,396)
Net balance sheet exposure	-	-

The loans are denominated in the functional currency of the subsidiaries (MYR), and are translated at reporting date at the prevailing spot rates through the income statement. To the extent appropriate, the parent entity has provided for the non-recovery of the loans. The net carrying value (in AUD) of the loans in the financial statements of the parent entity (after provision) at 30 June 2017 is \$nil (2016: \$nil).



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 16. FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2017 \$	2016 \$	2017 \$	2016 \$
MYR	3.2331	3.0077	3.3023	2.9789
HKD	-	5.6530	-	5.7609

#### *Sensitivity analysis*

Based on the financial instruments held at 30 June, a 10% strengthening/weakening of the Australian Dollar against the Malaysian Ringgit at 30 June would have increased the parent entity's loss for the year by nil and reduced the loss by nil respectively (2016: increased the loss for the year by nil and reduced the loss by nil respectively), mainly as a result of foreign exchange losses/gains on translation of foreign currency denominated loans to subsidiaries.

The foreign exchange movement for the above sensitivity analysis was based on foreign exchange risk exposures existing at balance sheet date.

Management assessed a 10% movement as being reasonably possible based on short term historical movements.

#### **Interest rate risk**

##### *Profile*

At the reporting date the interest rate profile of the consolidated entity's interest bearing financial instruments was:

	Consolidated Carrying Amount	
	2017 \$	2016 \$
<b>Variable rate instruments</b>		
Financial assets	1,179,790	1,009,462
	<u>1,179,790</u>	<u>1,009,462</u>

#### *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The Board assessed a 100 basis point movement as being reasonably possible based on short term historical movements. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2017.

A change of 100 basis points in interest rates would have increased or decreased the consolidated entity's profit or loss by \$11,798 (2016: \$10,095).

#### **Fair value of financial instruments**

The fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flows. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 16. FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)

#### Financial instruments measured at fair value

The financial instruments recognized at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Consolidated Group 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
- Investments – held for trading	5,300	-	-	5,300
Available for sale financial assets:				
- Associate	-	-	-	-
- Listed investments	-	-	-	-
- Other	-	-	-	-
	<u>5,300</u>	<u>-</u>	<u>-</u>	<u>5,300</u>

Consolidated Group 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
- Investments – held for trading	4,800	-	-	4,800
Available for sale financial assets:				
- Associate	-	-	-	-
- Listed investments	397,333	-	-	397,333
- Other	-	-	-	-
	<u>402,133</u>	<u>-</u>	<u>-</u>	<u>402,133</u>

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available have been adopted to determine the fair values of these investments.

Derivative instruments are included in Level 2 of the hierarchy with the fair values being determined using valuation techniques incorporating observable market data relevant to the hedged position.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 17. EARNINGS/ (LOSS) PER SHARE

#### Basic and diluted earnings/ (loss) per share

The calculation of basic and diluted (loss) / earnings per share at 30 June 2017 was based on the loss attributable to ordinary shareholders of \$1,861,620 (2016: loss of \$1,086,738) and a weighted average number of ordinary shares outstanding during the year of 693,023,140 shares (2016: 725,639,124) calculated as follows:

	Consolidated	
	2017 \$	2016 \$
<b>Profit/(loss) attributable to ordinary shareholders</b>		
Net profit/(loss) for the year	(1,861,620)	(1,086,738)
	<b>Number</b>	<b>Number</b>
<b>Weighted average number of ordinary shares</b>		
Issued ordinary shares at 1 July <sup>1</sup>	693,023,140	725,639,124

<sup>1</sup> After consolidation of share capital (30:1)

No potential ordinary shares therefore no diluted EPS.

### 18. SEGMENT INFORMATION

#### Identification of reportable segments

The Group has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports that are used by the board of directors (chief operating decision makers) in order to allocate resources and assess performance.

The Group considers its sole operating segments to be that of money lending activities and investments in gold equities and gold related activities. Monthly financial information is provided to the board detailing the money lending and investment performance.

Geographically the consolidated entity operates its money lending activities predominantly in Malaysia.

#### Basis of accounting for purposes of reporting by operating segments

##### *Accounting policies adopted*

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

##### *Inter-segment transactions*

An internally determined transfer price is set for all inter-entity sales. This price is based on what would be realised in the event the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation for the Group's financial statements.

##### *Segment assets*

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

##### *Unallocated items*

The following items of revenue, expense, assets and liabilities are not allocated to the money lending and investment segments as they are not considered part of the core operations of this segment:

- Net gains/losses on foreign exchange; and
- Deferred tax assets & liabilities.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 18. SEGMENT INFORMATION (cont'd)

#### (a) Segment Performance

The following table presents segment revenue and profit information for the respective year ends.

Money Lending	<b>Consolidated</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Sales to external customers	-	-
Interest income	3,428	21,004
<b>Total segment revenue</b>	<b>3,428</b>	<b>21,004</b>
<b>Total segment result before tax</b>	<b>(268,146)</b>	<b>(990,099)</b>

Investments in gold equities & gold related entities	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Gain on fair value revaluation of investment	500	-
Loss on sale of investment	(136,884)	-
Gain on fair value revaluation of investments classified as held for trading	-	4,200
Interest and dividend income from investments classified as held for available for sale	15,855	802
<b>Total segment revenue</b>	<b>(120,529)</b>	<b>5,002</b>
<b>Total Segment Result before tax</b>	<b>(591,833)</b>	<b>(148,166)</b>



GLOBALGOLD  
Holdings Ltd

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 18. SEGMENT INFORMATION (cont'd)

Reconciliation of segment result to net profit /(loss) before tax

Amounts not included in segment result but reviewed by the Board:

	<b>Consolidated</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
• Net gain on foreign exchange	928	(253)
• Other income	4,459	55,018
• Forex loss on deregistration of Hong Kong subsidiary	(1,007,028)	-
<b>Net loss before tax – continuing operations</b>	<b>(1,861,620)</b>	<b>(1,083,500)</b>

#### Segment Assets

Trade receivables – money lending	43,668	599,849
Investment in gold equities & gold related entities	5,300	402,132
Increase for the period		
• capital expenditure	-	-
• acquisitions		
	-	-

#### Reconciliation of segment assets to group assets

Unallocated assets:

Corporate assets	1,303,157	1,173,872
Total assets as at 30 June	1,352,125	2,175,853

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 18. SEGMENT INFORMATION (cont'd)

#### (a) Segment Liabilities

All liabilities of the consolidated entity and company relate to the investment in gold entities and money lending segments.

#### (b) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	<b>Consolidated</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Malaysia	3,428	21,004
	<u>3,428</u>	<u>21,004</u>

#### (c) Assets by geographical region

Australia	1,186,204	1,246,204
Malaysia	165,921	929,602
Hong Kong	-	47
<b>Total Assets</b>	<u>1,352,125</u>	<u>2,175,853</u>

#### (d) Major customers

There were no major customers during the years ended 30 June 2017 and 2016.

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 19. CONTROLLED ENTITIES

#### (a) Subsidiaries

The consolidated financial statements include the financial statements of Global Gold Holdings Limited and the subsidiaries listed in the following table:

	Country of Incorporation	% Equity interest		Investment (\$)	
		2017	2016	2017	2016
Rimbun Teratai Sdn Bhd	Malaysia	100%	100%	1	1
G-Vest Corporation Sdn Bhd	Malaysia	100%	100%	-	-
Global Gold Holdings (HK) Limited (deregistered)	Hong Kong	-	100%	-	-

#### (b) Ultimate parent

Global Gold Holdings Limited is the ultimate parent of the consolidated entity.

### 20. RELATED PARTIES

#### Key management personnel compensation

	Consolidated	
	2017 \$	2016 \$
Short-term employee benefits	160,768	75,897
Other benefits	3,914	8,326
Termination benefits	-	-
	164,682	84,223

### 21. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

	Consolidated	
	2017 \$	2016 \$
<b>Cash flows from operating activities</b>		
Profit/(loss) for the year	(1,861,620)	(1,086,738)
Less: non-cash transactions		
Gain on revaluation of investment classified as held for trading	(500)	(4,200)
Impairment losses on trade receivables	263,903	868,611
Reversal of Impairment	(68,187)	-
Loss on disposal of property, plant and machinery	(4,422)	(54,350)
Net (gain) /loss on disposal of investments	137,278	(932)
Depreciation	3,624	16,731
Forex reserve on deregistration of Hong Kong subsidiary	1,007,028	-
Unrealised Forex	(928)	-
Other	18,366	20,255
Operating profit/(loss) before changes in working capital and provisions	(505,458)	(240,623)
Change in trade and other receivables	312,368	(20,976)
Change in prepayments	24,384	(16,163)
Change in trade and other payables	87,549	(4,834)
Change in income tax receivables	-	(1,272)
Net cash (used in) operating activities	(81,157)	(283,868)



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 22. CONTINGENCIES

The consolidated entity does not have any contingent assets or liabilities at balance and reporting dates.

### 23. RELATED PARTY TRANSACTIONS

During the year, the Company paid Nexia Perth Pty Ltd (previously GDA Corporate) \$37,000 (2016: \$36,000) for Company Secretarial services provided to the Company. Mr Leonard Math is an employee of Nexia and has no beneficial interest in Nexia and GDA Corporate.

During the year, the Company paid Minerva Corporate Pty Ltd \$18,000 (2016: nil) for Company Secretarial and Accounting services provided to the company. Mr Daniel Smith and Mr Nicholas Ong are both directors of Minerva Corporate Pty Ltd.

### 24. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the end of the reporting period, the Company announced that GGH Financial Group Pty Ltd, a 100% wholly owned subsidiary will apply for an Australian Financial Services License (AFSL).

If successful in obtaining an AFSL, GGH Financial Group Pty Ltd will be able to expand its current diverse financial services offering into further categories. Its current investments pertain to short and medium term convertible funding options to Australian companies who seek expansion capital

### 25. PARENT ENTITY FINANCIAL INFORMATION

#### (a) Summary financial information

	2017 \$	2016 \$
Current assets	1,180,903	850,114
Non-Current assets	5,301	396,091
Total assets	<u>1,186,204</u>	<u>1,246,205</u>
Current liabilities	135,575	45,648
Non-Current liabilities	-	-
Total liabilities	<u>135,575</u>	<u>45,648</u>
<b>Net assets</b>	<u>1,050,629</u>	<u>1,200,557</u>
<b>Shareholders' Equity</b>		
Contributed equity	29,010,276	29,010,276
Reserves	-	(58,893)
Accumulated profit/(loss)	<u>(27,959,647)</u>	<u>(27,750,826)</u>
<b>Net equity</b>	<u>1,050,629</u>	<u>1,200,557</u>
Profit/(loss) for the year after tax	<u>(208,820)</u>	<u>5,252</u>
Total comprehensive income/(loss)	<u>(208,820)</u>	<u>(137,925)</u>

#### (b) Contractual commitments for the acquisition of property, plant and equipment

As at 30 June 2017, the parent entity had no contractual commitments for the acquisition of property, plant or equipment.

#### (c) Guarantees and contingent liabilities

As at 30 June 2017, the parent entity had no guarantees or contingent liabilities.



## DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 16 to 51, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards, which, as stated in accounting policy Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated group.
2. The Chairman and acting Chief Finance Officer have each given the declarations required by s295A of the Corporations Act 2001,
3. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to read 'Campbell McLeod', is written over a horizontal line.

**Campbell McLeod**  
Director

Perth, Western Australia  
29 September 2017

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL GOLD HOLDINGS LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of Global Gold Holdings Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matters (continued)

Recoverability of Money Lending Receivables	
Refer to Note 8 "Trade and Other Receivables"	
<p>As at 30 June 2016, the Group's trade and other receivables was \$620,434 which represented 28.5% of the Group's then total assets. As at 30 June 2017, the Group's trade and other receivables has decreased to \$43,668.</p> <p>The recoverability of these trade (money lending) receivables is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>- the significance of the carrying values to the Group (aside from cash and cash equivalents);</li> <li>- the high degree of management estimation and judgment (subjectivity) in assessing the recoverability of the receivables;</li> <li>- Consistent with our assessment in prior periods, there was significant exposure to credit risk identified in relation to a major money lending debtor.</li> </ul> <p>Consequently, a significant amount of audit effort was directed towards obtaining sufficient and appropriate audit evidence supporting the recoverability and adequacy of any impairment write-downs of the receivables.</p>	<p>Our audit procedures to address the recoverability of money lending receivables included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Obtained and reviewed the terms of the settlement proposal and subsequent deed of settlement reached with a major debtor as approved by the directors.</li> <li>• For settled debtors, tested the receipt of funds to supporting documents and ensured the satisfaction of the conditions in settlement deed.</li> <li>• For outstanding receivables, evaluated the likelihood of recovery of the funds by reference to historical rate of recoveries, subsequent cash receipt and status of negotiations</li> <li>• Discussions with management including reviewing and assessing the adequacy of management's provision for doubtful debt</li> <li>• Enquired management appointed external legal counsel in respect of any dispute, legal proceeding and possible contingent liabilities in relation to money lending receivables</li> <li>• Reviewed relevant disclosures in the financial statements to ensure appropriateness and adequacy</li> </ul>

## Decentralised Operations

### Refer to Note 2 “Summary of Significant Accounting Policies” & Note 19 “Controlled Entities”

The Group’s money lending business (its primary principal activity) is carried on by its 100% wholly owned subsidiary, G-Vest Corporation Sdn Bhd (“G-Vest”), in Malaysia.

The money lending debtors and property, plant and equipment, which comprise 11.3% of the Group’s total assets at balance date are all fully held by G-Vest.

The decentralised nature of these operations requires significant oversight by the Company’s directors to monitor these activities, review component financial report and undertake the Group consolidation.

This was a key audit matter for us given the magnitude of these operations on the Group. We focused on:

- Understanding the Malaysian component and identifying the significant risks of material misstatement within it;
- The scoping of relevant procedures consistent with the risks identified and to enable coverage of significant aggregated balances
- The assessment of the component’s compliance with Group accounting policies, particularly regarding impairment of assets; and;
- The consolidation process and aggregating results from the component procedures

Our procedures included:

- We instructed the Malaysian component auditor of G-Vest to perform procedures on the financial information prepared for consolidation purposes.
- The component auditor performed a full scope audit of G-Vest based on specific group reporting package information we issued to them and local statutory financial reporting obligations. We worked with the component audit team to understand the component, to identify risks that are significant to the auditor of the Group and to plan relevant procedures. We discussed the audit as it progressed to identify and address any issues, working with the component audit team as appropriate. We read their audit reports to us and the underlying memos explaining component results. We evaluated the work performed by the component audit team for sufficiency for our overall audit purpose. We also considered the component auditor’s reporting about G-Vest’s compliance with the Group’s accounting policies.
- We tested the financial data used, in both the consolidation process and Group management review, for consistency with the financial data audited by the G-Vest audit team. We also assessed the consolidation process for compliance with accounting standards.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Global Gold Holdings Limited, for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

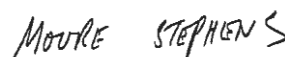
### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



SL TAN  
PARTNER

Signed at Perth on the 29<sup>th</sup> day of September 2017



MOORE STEPHENS  
CHARTERED ACCOUNTANTS



## CORPORATE GOVERNANCE STATEMENT

---

The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable, the Company has adopted the Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council.

The following corporate governance charters, codes and policies have been implemented and are available on the Company's website at [www.globalgold.com.au](http://www.globalgold.com.au):

- a. Board Charter
- b. Risk Management policy
- c. Performance Evaluation Process
- d. Shareholder Communication Policy
- e. Continuous Disclosure Policy
- f. Appointment and Selection of New Directors
- g. Code of Conduct
- h. Audit and Risk Committee Charter
- i. Nomination and Remuneration Committee Charter
- j. Summary of Dealing Rules for Employees and Directors
- k. Securities Trading Policy



## ASX ADDITIONAL INFORMATION

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 20 September 2017.

### Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	28	15,334	0.03
1,001 - 5,000	54	158,422	0.30
5,001 - 10,000	47	401,675	0.76
10,001 - 100,000	252	7,345,661	13.94
100,001 - 9,999,999,999	70	44,756,011	84.96
<b>Total</b>	<b>451</b>	<b>52,677,103</b>	<b>100.00</b>

### Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

Rank	Name	Units	% of Units
1.	MR HARRY FUNG	4,500,000	8.54
2.	KARANTZIAS INVESTMENTS PTY LTD <KARANTZIAS FAMILY A/C>	2,500,000	4.75
3.	CAPITAL CORPORATE SOLUTIONS PTY LTD	2,500,000	4.75
4.	MR GEORGE KARANTZIAS	2,500,000	4.75
5.	RAGE TRADING PTY LTD	2,000,000	3.8
6.	H2H HOLDINGS PTY LTD	2,000,000	3.8
7.	ALPHA SECURITIES PTY LTD	2,000,000	3.8
8.	ROCK POINT ALLIANCE SDN BHD	1,966,667	3.73
9.	MOHAMED NAZIR BIN MERASLAM	1,833,334	3.48
10.	MR ROBERT MONACO	1,333,333	2.53
11.	MR GEORGE KARANTZIAS + MRS HELEN KARANTZIAS <KARANTZIAS SUPER FUND A/C>	1,333,333	2.53
12.	NORTH EAST DEVELOPMENT GROUP PTY LTD	1,216,667	2.31
13.	PHEAKES PTY LTD <SENATE A/C>	1,171,488	2.22
14.	PLATINUM PARADE SDN. BHD	1,000,000	1.9
15.	ARIS NOMINEES PTY LTD <SHREEVE SUPER FUND A/C>	1,000,000	1.9
16.	PARAMSOTHY SIVAPAKIAM	874,800	1.66
17.	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	800,000	1.52
18.	CITICORP NOMINEES PTY LIMITED	788,597	1.5
19.	TUANKU AMPUAN NAJIHAH BINTI {AL-MARHUM TUNKU BESAR BURHANUDDIN}	786,667	1.49
20.	TUANKU JA'AFAR IBNI {AL-MARHUM TUANKU ABDUL}	780,000	1.48
<b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)</b>		<b>32,884,886</b>	<b>52.43</b>
<b>Total Remaining Holders Balance</b>		<b>19,792,217</b>	<b>37.57</b>



GLOBALGOLD  
Holdings Ltd

## ASX ADDITIONAL INFORMATION (cont'd)

---

### Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

<u>Substantial Shareholder</u>	<u>Number of Shares</u>
GEORGE KARANTZIAS	8,333,333
HARRY FUNG	7,000,000
BENJAMIN COOPER	5,216,667

### Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 23,810 as at 20 September 2017):

<u>Holders</u>	<u>Units</u>
172	2,780,738

### Voting Rights

The voting rights attaching to ordinary shares are:

On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### On-Market Buy Back

There is no current on-market buy-back.