

**PLC Financial Solutions Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	PLC Financial Solutions Limited
ABN:	58 119 055 435
Reporting period:	For the half-year ended 31 December 2018
Previous corresponding period:	For the half-year ended 31 December 2017

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**2. Results for announcement to the market**

					\$
Revenues from ordinary activities					3,012
Loss from ordinary activities from continuing operations after tax	down	54%	to		409,620
Net loss for the period attributable to members	up	71%	to		1,711,124

*Dividends*

The company does not propose to pay any dividends in the current period

*Comments*

During the current period, operations were discontinued for the two Malaysian entities: Rimbun Teratai Sdn Bhd and G-Vest Corporation Sdn Bhd.

The loss for the period from continuing operations after providing for income tax amounted to \$409,620 (31 December 2017: \$930,892), and the loss for the period from discontinued operations after providing for income tax amounted to \$1,301,504 (31 December 2017: \$67,131).

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.43</u>	<u>0.83</u>

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**4. Control gained over entities**

Not relevant

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**5. Loss of control over entities**

Refer to the disclosures in Note 3 in the accompanying financial statements.

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**6. Details of associates and joint venture entities**

N/A

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**7. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. An *other matter* paragraph is included in-respect of the modification of opinion accompanying the 30 June 2018 financial statements.

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**8. Attachments**

*Details of attachments (if any):*

The Interim Report of PLC Financial Solutions Limited for the half-year ended 31 December 2018 is attached.

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**9. Signed**



Harry Fung  
Director  
Melbourne

Date: 28 February 2019

# **PLC Financial Solutions Limited**

**ABN 58 119 055 435**

## **Half-year Report - 31 December 2018**

The information in this half-year report should be read in-conjunction with the annual report of PLC Financial Solutions Limited for the year ended 30 June 2018 and any announcements to the market by PLC Financial Solutions Limited for the half-year ended 31 December 2018.

**PLC Financial Solutions Limited**  
**Directors' report**  
**31 December 2018**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'PLC') consisting of PLC Financial Solutions Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

**Directors**

As at the date of the Directors' Report, the following persons hold office as directors of PLC Financial Solutions Limited:

Harry Fung  
Campbell McLeod  
Chun Fong Leung

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Reviewing its short term loan business and target market to focus on particular loans for small to medium sized enterprises;
- Expanding its money lending business to Australia through the incorporation of GGH Financial Group Pty Ltd (GGH); and
- Reviewing potential loan book acquisition opportunities.

**Review of operations**

The net loss after tax of the consolidated entity for the half year was \$1,711,124 (2017: \$998,023).

During the half year ended 31 December 2018, the company has issued 12,000,000 shares to third parties in lieu of services, and an additional 17,500,000 in shares at 1 cent per share was issued for cash.

PLC is a money lending business that specializes in short term lending to small to medium sized enterprises (SMEs) in Australasia, with a particular focus on equipment finance and property development. Its key activities for the half-year ended 31 December 2018 included:

- Seeking out, and conducting due diligence on, Australian loan applications, conducting an extensive review and due diligence investigations into opportunities to expand the Australian lending business; and
- Investigating the business' requirement for an Australian Financial Services License (AFSL) and commencing (and subsequently ceasing) the process to apply for an AFSL.

Since its incorporation, GGH has sourced and received a number of loan applications. The company has conducted customary due diligence investigations in respect of all of these applications, some of which have resulted in applicants being deemed to be unsuitable for the company's risk profile. The company is continuing to complete its due diligence investigations in respect of several of these applications and anticipates that it may be in a position to execute a number of these loans during the next quarter.

The company is also currently reviewing various opportunities in relation to the acquisition of real estate loan books, rental equipment loan books and various other business loan books to provide better shareholder value for the company. The company will update the market as these opportunities are further progressed.

As previously announced, PLC is no longer pursuing an application for an AFSL on the basis that an AFSL is not required for GGH's current or intended business activities.

**Significant changes in the state of affairs**

During the period the company discontinued its operations for the two Malaysian: Rimbun Teratai Sdn Bhd and G-Vest Corporation Sdn Bhd.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

**PLC Financial Solutions Limited**  
**Directors' report**  
**31 December 2018**

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to be 'H. Fung', with a long horizontal stroke extending to the right.

Harry Fung  
Director

28 February 2019  
Melbourne

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF PLC FINANCIAL SOLUTIONS  
LIMITED AND ITS CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief during the period ended 31 December 2018 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

*William Buck*

**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136

*N.S. Benbow*

**N.S. Benbow**  
Director

Melbourne, 28 February 2019

**CHARTERED ACCOUNTANTS  
& ADVISORS**

Level 20, 181 William Street  
Melbourne VIC 3000  
Telephone: +61 3 9824 8555  
**williambuck.com**

## **PLC Financial Solutions Limited**

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### **General information**

The financial statements cover PLC Financial Solutions Limited as a consolidated entity consisting of PLC Financial Solutions Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is PLC Financial Solutions Limited's functional and presentation currency.

PLC Financial Solutions Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

#### **Registered office**

1 Alfred Place  
South Melbourne VIC 3205

#### **Principal place of business**

1 Alfred Place  
South Melbourne VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on the date of signing the accompanying directors' declaration.

**PLC Financial Solutions Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2018**

	<b>Consolidated</b>	
<b>Note</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
<b>Revenue from continuing operations</b>	-	-
Other revenue	3,012	3,826
<b>Expenses</b>		
Corporate and administrative expenses	(412,632)	(934,718)
<b>Loss before income tax expense from continuing operations</b>	(409,620)	(930,892)
Income tax expense	-	-
<b>Loss after income tax expense from continuing operations</b>	(409,620)	(930,892)
Loss after income tax expense from discontinued operations	3 (1,301,504)	(67,131)
<b>Loss after income tax expense for the half-year</b>	<u>(1,711,124)</u>	<u>(998,023)</u>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign exchange gains on translation of foreign reserves	-	5,989
Realised foreign exchange losses subsequently recognised in the profit or loss upon derecognition of foreign controlled operations	1,248,050	-
Other comprehensive income for the half-year, net of tax	<u>1,248,050</u>	<u>5,989</u>
<b>Total comprehensive income for the half-year</b>	<u>(463,074)</u>	<u>(992,034)</u>
Total comprehensive income for the half-year is attributable to:		
Continuing operations	(409,620)	(924,903)
Discontinued operations	(53,454)	(67,131)
Owners of PLC Financial Solutions Limited	<u>(463,074)</u>	<u>(992,034)</u>
	<u>(463,074)</u>	<u>(992,034)</u>
	<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share – continuing and discontinued operations	(1.13)	(1.76)
Basic and diluted loss per share – continuing operations	(0.27)	(1.64)
Basic and diluted loss per share – discontinued operations	(0.86)	(0.12)
Number of shares used in calculating basic and diluted loss per share	151,883,205	56,365,568

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**PLC Financial Solutions Limited**  
**Statement of financial position**  
**As at 31 December 2018**

**Consolidated**  
**31 Dec 2018    30 Jun 2018**

**Assets**

**Current assets**

Cash and cash equivalents	504,275	1,012,297
Financial assets held at amortised cost – loan portfolio	53,000	-
Other current assets	14,400	17,019
<b>Total current assets</b>	<u>571,675</u>	<u>1,029,316</u>

**Non-current assets**

Property, plant and equipment	184,251	318,800
<b>Total non-current assets</b>	<u>184,251</u>	<u>318,800</u>

<b>Total assets</b>	<u>755,926</u>	<u>1,348,116</u>
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**Liabilities**

**Current liabilities**

Trade and other payables	63,088	487,204
<b>Total current liabilities</b>	<u>63,088</u>	<u>487,204</u>

<b>Total liabilities</b>	<u>63,088</u>	<u>487,204</u>
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<b>Net assets</b>	<u>692,838</u>	<u>860,912</u>
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**Equity**

Issued capital	30,580,765	30,285,765
Reserves	-	(1,248,050)
Accumulated losses	(29,887,927)	(28,176,803)

<b>Total equity</b>	<u>692,838</u>	<u>860,912</u>
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*The above statement of financial position should be read in conjunction with the accompanying notes*

**PLC Financial Solutions Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2018**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated loss \$</b>	<b>Total equity \$</b>
Balance at 1 July 2017	29,010,276	(1,262,321)	(26,538,208)	1,209,747
Loss after income tax expense for the half-year	-	-	(998,023)	(998,023)
Other comprehensive income for the half-year, net of tax	-	5,989	-	5,989
Total comprehensive income for the half-year	-	5,989	(998,023)	(992,034)
<i>Transactions with owners in their capacity as owners:</i>				
Vesting of share-based payments	326,000	-	-	326,000
Balance at 31 December 2017	<u>29,336,276</u>	<u>(1,256,332)</u>	<u>(27,536,231)</u>	<u>543,713</u>
Balance at 1 July 2018	30,285,765	(1,248,050)	(28,176,803)	860,912
Loss after income tax expense for the half-year	-	-	(1,711,124)	(1,711,124)
Other comprehensive income for the half-year, net of tax	-	1,248,050	-	1,248,050
Total comprehensive income for the half-year	-	1,248,050	(1,711,124)	(463,074)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares through placement	175,000	-	-	175,000
Vesting of share-based payments	120,000	-	-	120,000
Balance at 31 December 2018	<u>30,580,765</u>	<u>-</u>	<u>(29,887,927)</u>	<u>692,838</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**PLC Financial Solutions Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2018**

	<b>Consolidated</b>	
<b>Note</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Cash payments in the course of operations	(485,014)	(637,375)
Interest received	<u>3,012</u>	<u>3,929</u>
Net cash used in operating activities	<u>(482,002)</u>	<u>(633,446)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(201,000)	-
Divestment of Malaysian Operations	<u>(20)</u>	<u>-</u>
Net cash used in investing activities	<u>(201,020)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Proceed from issuance of shares	175,000	-
Repayment of loan from other entities	<u>-</u>	<u>6,096</u>
Net cash from financing activities	<u>175,000</u>	<u>6,096</u>
Net increase/(decrease) in cash and cash equivalents	(508,022)	(627,350)
Cash and cash equivalents at the beginning of the financial half-year	1,012,297	1,179,790
Effects of exchange rate changes on cash and cash equivalents	<u>-</u>	<u>(31,875)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>504,275</u></u>	<u><u>520,565</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

*Basis of Preparation*

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

The consolidated entity has reported a net loss after tax of \$1,711,124 and a net cash operating outflow of \$482,002 for the half-year ended 31 December 2018. At balance date, the consolidated entity had cash assets of \$504,275. In considering the going concern basis of accounting and management of cash flows, the directors have considered the following matters:

- The directors have an appropriate plan to raise additional funds as and when it is required and have demonstrated an ability to do such a course of action;
- With the exception of its lease commitment at approximately \$90,000 per year and the liabilities disclosed in the statement of financial position, the consolidated entity has no ongoing contracted expenditures with any contractors or any of its directors and the consolidated entity has no employees; and
- The directors are able to scale down a majority of its operating and administrative expenditure if appropriate funding is unavailable.

Presently the directors are seeking out and evaluating potential acquisitions and business opportunities that complement PLC Financial Solution's business model being money lending to small to medium enterprises (SMEs), with the intention of creating value of shareholders.

As a consequence of all these matters, these accounts have been prepared on the basis that the entity can continue normal business activities and meet its commitments as and when they fall due, and the realisation of assets and liabilities in the ordinary course of business.

*New or amended Accounting Standards and Interpretations adopted*

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

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

There was no material impact arising in these financial statements from the adoption of any of those new or amended Standards.

**Note 2. Operating segments**

For the half-year ended 31 December 2018, the consolidated entity operated in one segment, being money lending in Australasia.

**PLC Financial Solutions Limited**  
**Notes to the financial statements**  
**31 December 2018**

**Note 3. Discontinued operations**

As at 31 December 2018 the directors reviewed their operations in Malaysia and resolved to wind down operations there. Consequently, all results arising from Malaysia have been recorded as discontinued operations in these financial statements. The major components of amounts charged to the profit or loss in-respect of the discontinued operations, which are also adjusted in the comparative results, are the following:

Item	31 Dec 2018 \$	31 Dec 2017 \$
Foreign exchange losses, not realized	(1,248,050)	-
Net assets, written down upon reclassification to non-current assets held for sale	(47,993)	-
Administrative and corporate costs	(5,461)	(67,131)
Total	<u>(1,301,504)</u>	<u>(67,131)</u>

**Note 4. Equity - issued capital**

	31 Dec 2018 Shares	Consolidated 30 Jun 2018 Shares	31 Dec 2018 \$'000	30 Jun 2018 \$'000
Ordinary shares - fully paid	<u>160,710,436</u>	<u>131,210,436</u>	<u>30,580,765</u>	<u>30,285,765</u>

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2018	131,210,436		30,285,765
Issue of shares	7 August 2018	17,500,000	\$0.01	175,000
Share-based payments	7 September 2018	<u>12,000,000</u>	<u>\$0.01</u>	<u>120,000</u>
Balance	31 December 2018	<u>160,710,436</u>		<u>30,580,765</u>

The share-based payment was made, in-lieu of cash to an externally based contractor, in-respect of consulting services for due diligence activities. This contractor has no related party relationship with the consolidated entity.

**Note 5. Contingent assets and liabilities**

There has been no change in contingent liabilities since the last annual reporting date.

**Note 6. Events after the reporting period**

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements

**PLC Financial Solutions Limited**  
**Directors' declaration**  
**31 December 2018**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Harry Fung  
Director

28 February 2019  
Melbourne

## PLC Financial Solutions Limited

### Independent auditor's review report to members

## Report on the Review of the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of PLC Financial Solutions Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PLC Financial Solutions Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Other Matter

We were appointed as auditor to PLC Financial Solutions Limited upon the date of their most recent annual general meeting, being 30 November 2018. Prior to this date, we note that the incumbent auditor issued a disclaimer of opinion accompanying the financial report for the year ended 30 June 2018. The two major areas leading to that disclaimer opinion as set out in the Basis of Disclaimer Opinion related to the following:

- a) Being unable to obtain sufficient and appropriate evidence supporting amounts paid or invoiced from third parties for leasehold improvements totalling \$201,000; and
- b) Being unable to obtain sufficient and appropriate evidence supporting administrative expenses totalling \$540,000, including corporate advisory, promotional, marketing and professional services.

In meeting the requirements of ASA 510 *Initial Audit Engagements*, we were able to obtain the sufficient and appropriate evidence cited by the incumbent auditor in their disclaimer of opinion. As a consequence, our Conclusion set out above is unmodified.

**CHARTERED ACCOUNTANTS  
& ADVISORS**

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Melbourne VIC 3000  
Telephone: +61 3 9824 8555  
[williambuck.com](http://williambuck.com)

**Responsibilities of the Directors for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibilities for the Review of the Half-Year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

As the auditor of PLC Financial Solutions Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'William Buck'.

**William Buck Audit (Vic) Pty Ltd**

ABN: 59 116 151 136

A handwritten signature in blue ink that appears to read 'N.S. Benbow'.

**N.S. Benbow**

Director

Melbourne, 28 February 2019