



Actcelerate International Group Ltd

Company Number 295464, ARBN Number 621 882 424

P.O. Box 31119 Grand Pavilion Hibiscus way,
802 West Bay Road, Grand Cayman KY1-1205,
Cayman Islands.

ACTCELERATE INTERNATIONAL GROUP LIMITED **(a Cayman Islands Exempted Company)** **ARBN 621 882 424**

FINANCIAL REPORT **FOR THE YEAR ENDED 31 DECEMBER 2019**

CONTENTS

	Page
Corporate Directory	1
Directors' Report	2
Financial Report	10
Directors' Declaration	32
Independent Auditor's Report to the Members	33

Directors	Cheong Chen Khan (Chief Executive Officer) Rodney James Huey (Independent Non-executive Chairman) Derrick De Souza (Independent Non-executive Director) Mohd Azmi Mohd Lila (Non-executive Director)
Company Secretary	Daniel Smith
Registered office (Cayman Islands)	P.O. Box 31119 Grand Pavillion Hibiscus Way, 802 West Bay Road Grand Cayman, KY1-1205 Cayman Islands
Registered office (Australia)	Level 8, 99 St Georges Terrace Perth WA 6000 Australia
Nominated Advisor	Minerva Corporate Pty Ltd Level 8, 99 St Georges Terrace Perth WA 6000 Australia
Company number	295464
Share Registry	Advanced Share Registry Services 110 Stirling Hwy Nedlands WA 6009 Australia
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco, WA 6008
Solicitor (Australia)	Atkinson Corporate Lawyers Level 8, 99 St Georges Terrace Perth WA 6000 Australia
Solicitor (Cayman Islands)	Collas Crill (Singapore) Pte. Limited Level 40, Ocean Financial Centre 10 Collyer Quay Singapore 049315
Manager	Actcelerate Asset Management Limited Willow House, Cricket Square George Town, P.O. Box 709 Grand Cayman, KY1-1107 Cayman Islands

DIRECTOR'S REPORT

Your directors present their report on Actcelerate International Group Limited ("ACT" or the "Company") for the year ended 31 December 2019. All amounts are stated in Australian dollars (\$) unless otherwise noted.

DIRECTORS OF ACTCELERATE INTERNATIONAL GROUP LIMITED

The Directors and Company Secretary of the Company at any time during or since the end of the year are as follows:

Directors:

Cheong Chen Khan (Chief Executive Officer)

Mr Cheong graduated from the University of Nottingham, United Kingdom, with a Bachelor of Science degree in Plant Biotechnology.

Mr Cheong had been involving in business and entrepreneurship since the age of eighteen. He started his career by assisting his family business as part of the management team in manufacturing, trade and exporting factory. He ventured into the consumer goods and manufacturing industry, starting his own company in Malaysia and China back to 2013. He developed strong business & risk management skills, entrepreneurial skills and strategy planning in the international marketing. Mr Cheong also took the position as a partner in a Food & Beverages company, involving in business development and corporate exercises.

Rodney James Huey (Independent Non-executive Chairman)

Mr Huey is a high level non-executive director and consultant with extensive consulting, board, and chief/senior executive experience across a range of industries in Australia and overseas, predominantly in financial services. He holds wide functional experience in corporate governance, general management, strategy formulation, business planning, information systems, human resource management, finance/accounting, training and development, as well as corporate advisory, in different cultures.

During more than 30 years' service with a major Australian bank, Mr Huey reviewed many hundreds of applications from businesses for finance, business plans, annual performance reviews, etc., for their creditworthiness, to substantiate approval or ongoing support.

Mr Huey is a Fellow of both the Australian Institute of Company Directors and the Governance Institute of Australia, holds a Bachelor of Science (with Honours in Financial Services) from the University of Manchester, and brings over fifty years of commercial and international experience to the Company.

Cameron Luu (Independent Non-executive Director) resigned 20 March 2020

Mr Luu holds a BCom with majors in Accounting and Finance, and an MCom majoring in Finance from the University of NSW, as well as a professional qualification in Graduate Diploma in Applied Finance and Investment and Diploma in Financial Planning from Kaplan Professional. Mr Luu has completed the CFA Program Level II Exam from the CFA Institute.

Mr Luu has over 20 years of business and financial analysis, and company valuation experience in the Australian financial markets, dealing with Chief Executive Officers, Chief Financial Officers and other senior management personnel of public and private companies in Australia and overseas. During this time, Mr Luu evaluated company's business models, growth strategies and prospects with a view to making well-researched investment decision to buy, hold or sell a particular company. In doing so, he has established and maintains a network of corporate, institutional and industry relationships, speaking with suppliers, competitors and other executive contacts, to gather diverse perspectives about a particular company.

Mr Luu has significant skills and expertise in evaluating business models, financial analysis and company valuation. Consequently, he is well qualified and experienced to assist the Company make investment decisions.

Mohd Azmi Mohd Lila (Non-executive Director)

Dr Mohd Azmi is currently a Professor (in Virology/Immunology) at the Faculty of Veterinary Medicine, Universiti Putra Malaysia (UPM). He was a former Deputy Vice Chancellor (Research & Innovation) at UPM. He received his first degree (DVM) from Universiti Putra Malaysia (UPM) and PhD from the University of Cambridge (UK). He also holds MBA in Finance/Marketing from UPM and Masters of Law (LLM in Business Law) from the International Islamic University Malaysia (IIUM).

Dr Mohd Azmi has vast experience with regards to technology/IP commercialization, investment and entrepreneurship. He was a former Director of Investment at Malaysian Technology Development Corporation, former CEO of NINEBIO Sdn Bhd, and former CEO of UPM Innovations Sdn Bhd. He was a director of a number of investee companies, including private and publicly listed companies (Main Board, KLSE). He was a former founding president and advisor of Innovation and Technology Managers Association of Malaysia (ITMA). He is a co-founder and director of the International Intellectual Property Commercialization Council (IIPCC, Hong Kong) for the Malaysian Chapter.

Dr Mohd Azmi has more than 25 years' experience in the life sciences, biotechnology and agriculture sectors. He has an extensive exposure in areas of research and development (R&D), innovations, technology acquisitions and investments, entrepreneurship, commercialisation of Intellectual Property, technology management, having established or nurtured more than 40 start-ups, and also helping several companies going achieving an IPO.

Derrick De Souza (Non-executive Director) appointed 20 March 2020

Mr De Souza has been a CPA for the past 30 years and his work experience includes working in various capacities in accounting, Australian and international taxation, auditing, international banking, insurance, mergers and acquisitions, corporate restructuring for stock market listings, valuations and strategic planning and financial advisory.

Having worked in banking and finance in Singapore, Malaysia, London, Korea, Hong Kong, and Australia, Derrick has a good understanding of the financial and business practices in Asia and Australia. He advises Asian clients on in-bound Australian investments and Australian clients on out-bound off-shore business investments.

From 2006 to 2013 Derrick was the Managing Partner of a mid-tier Accounting practice in Sydney. He is currently a director of several private and public companies in Australia and has ASX-listed board experience. Derrick is a Registered Tax Agent with the Australian Tax Agents Board and also holds a New South Wales Real Estate Licence.

Company Secretary:

Daniel Smith

Mr Smith holds a BA, is a member of AICD & GIA, and has in excess of 12 years' primary and secondary capital markets expertise. As a director of Minerva Corporate, he has advised on and been involved in numerous IPOs, RTOs and capital raisings on the ASX and NSX. His focus is on corporate governance and compliance, commercial due diligence and transaction structuring, as well as ongoing investor and stakeholder engagement.

OPERATING RESULT

The loss from operations of the Company for the year ended 31 December 2019 was \$1,343,934 (31 December 2018: \$490,581).

REVIEW OF OPERATIONS

On 2 July 2018, the Company was officially listed on the NSX under the code ACT. The NSX listing assisted the Company in raising funds to invest mainly into small and medium businesses across the Southeast Asian region, which the Board believes may have potential for growth. By tapping into these markets, the Company aims to derive investment returns.

The Company plans to invest in growth industries which may bring positive results to its investment portfolio, with a target investment amount between \$250,000 and \$1,000,000. These industries include financial services, information and communication technology, new age retail and green technology which leverages on technology advancement and contribute to the development of the creative economy. The Company intends to invest in businesses that take pride in their own brands and origins, will help the businesses to grow, and aim to exit with worthwhile returns for our Shareholders.

Eyeport Sdn Bhd

The Company's initial investment is a 30% interest in Eyeport Sdn Bhd (www.eye-port.com) trading as Trendy County (<http://trendycounty.com/>), a retail concept in the Southeast Asian market that AIG believes may redefine the retail industry. Eyeport provides consumers with a refreshing new shopping experience through a rich and innovative platform to shop and pay and a personalized brand that focuses on customer centricity giving shoppers a shopping experience via its three sales channels - automated store, e-store and mobile app purchase.

In September 2018, the Company advised shareholders that it had entered into a funding arrangement with Eyeport Sdn Bhd (**Eyeport**). The funding, totalling RM750,000, was been made by way of a

redeemable convertible preference share (**RCPS**). The funding provided by the RCPS will be utilised by Eyeport for rolling out at least 20 more digital kiosk machines in targeted locations, including at Kuala Lumpur International Airport, which is now integrated with cashless payments and with enhanced AI & Big Data capabilities. The RCPS were for an initial 6 month term, with an interest rate of 6% per annum.

On 26 March 2019, the Company announced that it had agreed to extend the RCPS investment in Eyeport for an additional 6 months (initially due for redemption on 25 March 2019). The Company announced on 9 October 2019, that Eyeport had not repaid the principal and accrued interest under the RCPS agreement, and that the Company was in ongoing discussions with the management of Eyeport regarding repayment, and exploring options to recover its investment and to protect its rights and interest.

After the period end, on 28 February 2020, the Company announced that it had taken the prudent measure to fully impair the value of the Company's 30% equity interest in Eyeport, as well as the value of the RM750,000 in RCPS.

The Company is continuing negotiations with Eyeport in term of RCPS repayment and closely monitoring their operational performance.

Ideaqu Pte Ltd



On 1 July 2019, the Company announced that it has executed a convertible note deed (**Deed**) with Ideaqu Pte Ltd (**IDEAQU**) for an investment of SGD\$400k by way of subscribing for convertible notes.

Incorporated in Singapore, IDEAQU is an innovative Australian financial services technology (Fin-Tech) business with payment aggregator licenses from global banks in Australia and Singapore. Co-founded by Sachin Jain and Adam Lindsay, two experienced payment technology innovators, IDEAQU has two unique business segments which leverage off their core payment aggregator licenses.

IDEAQU is a leading software technology developer pioneering the way with innovative mobility and cloud-based technology services and innovative products. IDEAQU delivers transparent and flexible software technology services and its innovative product platform to a broad range of clients from various industries.

IDEAQU are experts in delivering high-quality aspiring software development with user-centric design and utilising leading technologies encompassing mobility, big data analytics, geo-location engagement, social media, e-payments and POS, autonomous processing, AI and machine learning, cloud infrastructure, and complex integration.



The first product, PayT is a mobile wireless payment terminal developed specifically for the Taxi and limousine market. The terminal allows taxi and limousine drivers to accept a wider range of cashless payments, including mobile payments.

PayT also offers 'pay-by-miles' car insurance to drivers, allowing them to better manage their insurance cost while providing compulsory protection to the taxi driver and their passengers.

PayT is currently operating in Australia through partnerships with local taxi companies in New South Wales, with a planned expansion into Singapore within the second half of 2019.

GivePls

The second product, GivePls, is a charity fundraising platform designed to increase efficiencies in the incumbent and ineffective charity funding market. While people are inherently generous in nature, in the era of digital payments, they are less likely to carry loose change for donations. Also, people don't like being stopped by intrusive charity sales agents.

Currently charities pay a high commission on donations to charity sale agencies. The GivePls product platform provides lower charges and more accessible donations for charities, allowing a bigger portion of the funds raised to go towards the actual cause.

Collaboration Plans

Leading up to the investment in IDEAQU, AIG and IDEAQU's management teams have been in ongoing discussions regarding collaboration between the companies within Southeast Asia, with a particular focus on Malaysia and Indonesia.

With established networks within these countries, AIG believes it will be able to greatly assist with IDEAQU's future plans to expand throughout the region. Importantly, AIG has the ability to assist with:

- Connecting local NGOs and financial institutions for integration and adoption of the GivePls app;
- Merchant adoption of the GivePls terminal through relations with several large F&B conglomerates;
- Targeting the Islamic finance sector, which is a large market in Malaysia and Indonesia; and
- Potential white-labelling opportunities.

Wobb Sdn Bhd

On 26 July 2019, the Company announced that it has entered into a funding arrangement with WOBB Sdn Bhd (**WOBB**). The funding round was arranged by Cradle Fund Sdn Bhd (Cradle), Malaysia's early stage start-up influencer, incorporated under the Ministry of Finance Malaysia (MOF) in 2003 and currently administered by Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC), with CAC Capital Co. Ltd (CAC), Accord Ventures Inc (Accord Ventures) and AIG investing alongside. The funding, totalling US\$1,300,000, will be made by way of redeemable convertible preference shares (RCPS). AIG's portion of the investment was US\$100,000.

Established in 2015, WOBB is a job listing platform that focuses on a niche but growing market of jobseekers who are post Gen-Y professionals. Through their three years in operation, WOBB has managed to capture more than 270,000 registered jobseekers and 9,200 registered employers. For the 2018 financial year, WOBB generated revenue of RM3.12 million, a 30% increase from FY 2017.

In addition to their own products, WOBB has been appointed as LinkedIn's partner in Malaysia, Indonesia and the Philippines, allowing WOBB to bundle their products with the LinkedIn platform. The strong partnership with LinkedIn provides WOBB with an efficient and effective channel to expand overseas. WOBB differentiates itself by focusing on employer branding and culture, and its web pages highlight the working environment, culture and people which appeals towards younger jobseekers.

In addition to investments in Eyeport, Ideaqu and WOBB, management has been working closely with Actcelerate Asset Management Limited in identifying opportunities that meet with its investment process and criteria.

DIVIDENDS

No dividends were paid or are proposed to be paid to members during the financial year.

OPTIONS

No options over issued shares or interests in the Company were granted during or since the end of the year and there were no options outstanding at the date of this report.

ENVIRONMENTAL REGULATION

The Group's operations have been carried out in accordance with all applicable environmental regulations effective under Commonwealth, State or Territory laws or that of any country in which the Company operated.

INDEMNIFYING OFFICER

No indemnities have been given or insurance premiums paid, during or since the end of the year for any person who is or has been an officer of the Company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

FINANCIAL POSITION

The loss from operations of the Company for the year ended 31 December 2019 was \$1,343,934 (31 December 2018: \$490,581).

At 31 December 2019, the Company had \$35,350 cash at bank (31 December 2018: \$865,459).

AFTER BALANCE DATE EVENTS

On 7 January 2020, the Company announced it had raised \$60,000 through the issuance of 600,000 fully paid ordinary shares in the Company at an issue price \$0.10 each pursuant to the Placement offer made to a sophisticated investor.

On 23 March 2020 the Company announced the appointment of Mr Derrick De Souza as a Non-executive Director of the Company.

On 23 March 2020 the Company also announced the resignation of Mr Cameron Luu.

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2020.

Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2020 financial year.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2020.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no other significant changes in the state of affairs of the Company during the financial year.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 31 December, and the number of meetings attended by each Director.

	Number eligible to attend	Number attended
Cheong Chen Khan	4	4
Rodney James Huey	4	4
Cameron Luu	4	4
Mohd Azmi Mohd Lila	4	4

Signed in accordance with a resolution of the board of directors.

A handwritten signature in black ink, appearing to read 'Cheong', with a stylized flourish above it.

Cheong Chen Khan
Director
31 March 2020

Actcelerate International Group Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2019

	Note	2019 \$	2018 \$
Other income	2	31,121	5,301
Corporate administration expenses		(95,382)	(145,426)
Audit fee		(31,321)	(32,580)
Consulting and advisory fees		(46,200)	(132,550)
Directors' fees and remuneration	13	(114,000)	(132,000)
Fair value movement on financial assets	7	(20,347)	-
Impairment expense	4	(1,029,869)	-
Legal expenses		(4,392)	(15,700)
Share of net loss of associate	11	(33,544)	(37,626)
Loss before income tax		(1,343,934)	(490,581)
Income tax expense		-	-
Loss after income tax		(1,343,934)	(490,581)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		13,273	79,276
Total comprehensive income/(loss) for the period		(1,330,661)	(411,305)
Basic loss per share	12	(0.021)	(0.009)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Actcelerate International Group Limited
Statement of Financial Position
As at 31 December 2019

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	3	35,350	865,459
Trade and other receivables		25,018	17,787
Convertible preference shares	6	-	260,161
Total current assets		60,368	1,143,407
Non-current assets			
Investments accounted for using the equity method	11	-	773,984
Financial assets at fair value through profit or loss	7	546,404	-
Total non-current assets		546,404	773,984
Total assets		606,772	1,917,391
Current liabilities			
Trade and other payables	8	145,600	125,558
Total current liabilities		145,600	125,558
Total liabilities		145,600	125,558
Net assets		461,172	1,791,833
Equity			
Issued capital	9	2,353,849	2,353,849
Share premium		594,019	594,019
Reserves		92,549	79,276
Accumulated losses		(2,579,245)	(1,235,311)
Total equity		461,172	1,791,833

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Actcelerate International Group Limited
Statement of Changes in Equity
For the year ended 31 December 2019

	Issued Capital	Share Premium	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2018	615,959	594,019	-	(744,730)	465,248
Loss for the year	-	-	-	(490,581)	(490,581)
Other comprehensive income/(loss)	-	-	79,276	-	79,276
Total comprehensive loss for the period	-	-	79,276	(490,581)	(411,305)
Shares issued (net of costs)	1,737,890	-	-	-	1,737,890
Balance at 31 December 2018	2,353,849	594,019	79,276	(1,235,311)	1,791,833

	Issued Capital	Share Premium	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2019	2,353,849	594,019	79,276	(1,235,311)	1,791,833
Loss for the year	-	-	-	(1,343,934)	(1,343,934)
Other comprehensive income/(loss)	-	-	13,273	-	13,273
Total comprehensive loss for the period	-	-	13,273	-	(1,330,661)
Shares issued (net of costs)	-	-	-	-	-
Balance at 31 December 2019	2,353,849	594,019	92,549	(2,579,245)	461,172

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Actcelerate International Group Limited
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2018
	Note	\$	\$
Cash flows from operating activities:			
Payments to suppliers and employees		(278,116)	(478,216)
Interest		19,833	1,364
Net cash used in operating activities	5	<u>(258,283)</u>	<u>(476,852)</u>
Cash flows from investing activities			
Convertible preference shares		-	(258,000)
Investments		(571,834)	-
Net cash used in investing activities		<u>(571,834)</u>	<u>(258,000)</u>
Cash flows from financing activities			
Issue of shares during the period		-	1,789,200
Share transaction costs		-	(60,310)
Repayment of director loan		-	(272,000)
Net receipts from related parties		-	132,498
Net cash provided by financing activities		<u>-</u>	<u>1,598,388</u>
Net change in cash and cash equivalents		(830,117)	863,536
Cash and cash equivalents at beginning of financial year		865,459	1,799
Effect of exchange rate fluctuations		8	124
Cash and cash equivalents at end of financial year		<u>35,350</u>	<u>865,459</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Actcelerate International Group Limited (the “Company”) is an exempted company incorporated in the Cayman Islands with limited liability on 9 January 2015. Its registered office is located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company has been established to act as an investment company for investments in private entities. The Company intends to invest mainly into small and medium businesses across the Southeast Asian Region. The target industries include financial services, information and communication technology, new age retail and green technology.

(a) Basis of Preparation

The Financial Report is a general purpose financial report, which has been prepared in accordance with the Australian Accounting Standards as issued by the Australian Accounting Standards Board (“AASB”). Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board.

The statutory financial year end of the Company is 31 December.

The financial statements have been prepared on an accruals basis and are based on historical costs, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and are presented in Australian Dollars (“AUD”). All values are rounded to the nearest dollar except when otherwise indicated.

These audited financial statements have been prepared on a going concern basis as the Directors anticipate that the Company will continue in business for the foreseeable future.

(b) Adoption of new and amended accounting standards

In the year ended 31 December 2019, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2019.

It has been determined by the Directors that there is no impact, material or otherwise, of the application of AASB 16 *Leases* to profit or loss or net assets in the current or comparative periods and no material change is necessary to Group accounting policies.

(c) Changes in accounting policies

This note explains the impact of the adoption of AASB 16 “Leases” on the company’s financial statements and also discloses the new accounting policies that have been applied from 1 January 2019, where they are different to those applied in prior periods.

For the year ended 31 December 2019, the Company has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2019. The Company has applied for the first time AASB 16 “Leases”, the impact of which is described below. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 16 Leases – Impact of adoption

AASB 16 provides a model for the identification and treatment of lease arrangements in the financial statements. AASB 16 superseded the lease guidance including *AASB 117 Leases* and the related Interpretations, when it became effective for the Company for the accounting period beginning 1 July 2019.

The Company has chosen the modified retrospective application of AASB 16. Consequently, the Company has not restated the comparative information.

Impact of the new definition of a lease

The Company has made use of the practical expedient available on transition to AASB 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with AASB 117 and Interpretation 4 will continue to apply to those leases entered or modified before 1 July 2019.

Recognition and derecognition

The change in definition of a lease mainly relates to the concept of control. AASB 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of that asset.

The Company has applied the definition of a lease and related guidance set out in AASB 16 to all lease contracts entered into or modified on or after 1 July 2019. The Directors have determined that the new definition in AASB 16 will not change significantly the scope of contracts that meet the definition of a lease for the Company.

Operating leases

AASB 16 has changed how the Company accounts for leases previously classified as operating leases under AASB 117, which were off-balance sheet.

Under AASB 16 lease incentives (e.g. rent-free period) are recognised as part of the measurement of the ROU Assets and lease liabilities. Previously lease incentives resulted in the recognition of a lease liability incentive amortised as a reduction of rental expenses on a straight-line basis.

Under AASB 16, ROU Assets will be tested for impairment in accordance with AASB 136 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets the Company opted to recognise a lease expense on a straight-line basis as permitted by AASB 16.

The Company has no material leases. The Company has determined that the application of AASB 16's requirements at transition 1 January 2019 did not result in a material adjustment.

(d) Impact of standards issued but not yet applied by the entity

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations in issue not yet adopted for the year ended 31 December 2019. As a result of this the Directors have determined that there is no impact, material or otherwise, of the standards and interpretations in issue not yet adopted on the Company's business and, therefore, no change is necessary to the Company's accounting policies.

(e) Functional and presentation currency

The functional and presentation currency of the Company is Australian Dollars ("A\$") as the Company is of the opinion that A\$ best reflects the current and prospective economic substance of the underlying transactions and circumstances of the Company, given that previous capital raisings were denominated in A\$ and the majority of the cash at bank is denominated in A\$.

(f) Expenses and accruals

All expenses are accounted for on an accruals basis.

(g) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the reporting currency at the foreign exchange rate ruling at that date. Foreign currency exchange difference arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the reporting currency at the foreign exchange rates ruling at the dates that the values are determined. Non-monetary assets and liabilities not at fair value through profit or loss are translated at the foreign exchange rate ruling at the date of the transaction.

(h) Cash at bank

Cash at bank comprises demand deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Investment in associates

Associates are entities over which the Company has significant influence but not control or joint control, generally accompanying a shareholding.

Associates, those entities over which significant influence is exercised but not joint control, and which are not intended for sale in the near future, are accounted for using the equity accounting method. Significant influence is generally accompanying a shareholding of between 20% and 50% of the voting rights of an entity, but can also arise where less than 20% is held through active involvement and influence of policy decisions affecting the entity.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates are initially recognised at cost (fair value of consideration provided plus directly attributable costs) and are subsequently adjusted for the post-acquisition change in the investor's share of net assets of the investee.

The Company's share of the profit or loss of the investee is included in profit or loss and disclosed as a separate line in the statement of comprehensive income. Distributions received reduce the carrying amount of the investment and are not included as dividend revenue of the Company. Movements in the total equity of an associate that are not recognised in the profit or loss of the Company are recognised directly in equity of the Company and disclosed in the statement of changes in equity. The investments in associates are reviewed annually for impairment.

Where an entity either began or ceased to be an associate during the current financial reporting period, the investment is equity-accounted from the date significant influence commenced or up to the date significant influence ceased. The financial statements of associates are adjusted where necessary to comply with the significant accounting policies of the entity. When the investor's share of losses exceeds its interest in the investee, the carrying amount of the investment is reduced to nil and recognition of further losses is discontinued except to the extent that the investor has incurred obligations or made payments, on behalf of the investee.

Impairment of investments in associates

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The requirements of AASB 136 *Impairment of assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 *Impairment of assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Tax

Under current Cayman Islands law, there is no income tax, corporation tax, capital gains tax or any other type of tax on profits or gains or tax in the nature of estate duty or inheritance tax currently in effect.

(k) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows and are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

Equity instruments at FVTPL

The Company holds a convertible preference share investment that has been impaired to nil in accordance with AASB 9 Financial Instruments (note 6).

During the year the Company invested in Ideaqu Pte Ltd and WOBB Sdn Bhd. Both these investments are carried at FVTPL (note 7).

(l) Significant Accounting Estimates and Judgements

The preparation of the Company's financial statements requires the Directors to make judgements, estimates and assumptions that may affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in associate

Significant influence

In disclosing an investment as an investment in associate the Company has made judgments to determine that significant influence is exercised but not control. The Company holds 30% of the issued share capital of the associate.

Measurement

The Company has initially measured the investment in associate at the date of acquisition at the transaction price agreed for the purchase of the investment in associate as disclosed in note 10. The transaction was agreed between the Company and the vendors, which are connected entities. The transaction price at 30 June 2017 was based on the original purchase of 30% of the issued share capital of the associate by Vision Venturers Management Berhad (VVM) and PEG International Sdn Bhd (PEGI) in August 2015. No independent valuation was performed on the associate in June 2017 as the Directors of the Company and the Directors of the vendors assessed that the value had not changed since the original purchase.

The opening balance at 31 December 2018 is materially correct based on the audited accounts of the associate for the year ended 31 December 2018.

Impairment

The Company has assessed its investment in associate, including goodwill, for impairment at the reporting date. Due to current operational and financial indications, together with information received from the associate's management the Company has decided to impair its investment in the associate in the financial statements for the year ended 31 December 2019 (note 11).

Redeemable convertible preference shares (RCPS)

Valuation/Recoverability

The Company has measured the RCPS at cost plus accrued interest at the coupon rate disclosed in note 6 below. The Company follows the guidance of AASB 9 *Financial Instruments* to determine if the RCPS are impaired. This determination requires significant judgement.

Due to current operational and financial indications, together with information received from the associate's management the Company has decided to impair the carrying value of the RCPS in the financial statements for the year ended 31 December 2019 (note 6).

Fair value, impairment and risk exposure of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Valuation/Recoverability

The Company has used discounted cash flow (DCF) models to determine the fair value of its Financial assets at fair value through profit or loss (note 7).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Going concern

For the year ended 31 December 2019 the entity recorded a loss of \$1,343,934 (2018: \$490,581) and had a working capital deficit of \$85,232 (2018 surplus: 1,017,849). The entity recorded a net operating cash outflow of \$258,283 for the financial year (2018: \$476,852).

The ability of the Company to continue as a going concern is principally dependent upon its ability to raise further funds as required from the issue of equity or debt instruments.

Subsequent to the reporting date, on 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic. These events are having a significant negative impact on world stock markets, currencies and general business activities.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

Directors believe that there will be sufficient funds available to continue to meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group for the following reasons:

- continue to receive full support from its creditors, directors and related party, in particular, for them to not demand payment of balances due to them until such time that the Company has sufficient working capital to pay; of the total \$145,600 trade and other payables disclosed in note 18 \$87,942 is deferred;
- the company has received a financial support letter from its major shareholder, and the directors are comfortable with its capacity to provide the support
- managing the Company's working capital requirements;
- is continuing to explore alternative options in an effort to mitigate the possible impact of COVID-19; and
- ability to raise additional finance from debt or equity if and when required.

The Directors have reasonable grounds to believe that they will be able to complete any required future capital raising and/or achieve any of the above funding alternatives.

Should the Company not be able to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business. In this instance, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern

2 Revenue from continuing operations

	2019	2018
	\$	\$
Interest Income	31,121	5,301
	<u>31,121</u>	<u>5,301</u>

3 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	35,350	865,459
	<u>35,350</u>	<u>865,459</u>

4 Impairment expense

	2019	2018
	\$	\$
Investments accounted for using the equity method (note 11)	753,712	-
Convertible Preference Shares (note 6)	276,157	-
	<u>1,029,869</u>	<u>-</u>

5 Cash flow information

	2019	2018
	\$	\$

Reconciliation of Cash Flow from Operations with Profit after income tax:

Net loss from ordinary activities	(1,343,934)	(490,581)
Share-based payment expense	-	-
Share of net loss of associate	33,544	37,626
Impairment expense	1,029,869	-
Fair value movement on financial assets	20,347	-
Interest	(9,582)	(5,301)
Changes in assets and liabilities		
– (Increase)/decrease in receivables	(7,231)	(17,787)
– (Decrease)/increase in payables	18,704	(809)
Cash flows used in operations	<u>(258,283)</u>	<u>(476,852)</u>

6 Convertible Preference Shares

	2019	2018
	\$	\$
Opening balance at 1 January 2019	260,160	258,000
Interest accrued to 25 September 2019	11,287	2,160
Foreign exchange movement	4,710	-
Impairment (ii)	(276,157)	-
Closing balance at 31 December 2019	<u>-</u>	<u>260,160</u>

- i) Terms of the above RCPS:
- Amount: RM750,000 (A\$258,000)
 - Interest: 6% per annum
 - Term: 6 months, with option to extend (ii)
 - Conversion: At the election of AIG at an agreed valuation upon satisfaction of performance milestones

6 Convertible Preference Shares (continued)

- ii) On 26 March 2019, the Company announced that it had agreed to extend the RCPS investment in Eyeport for an additional 6 months (initially due for redemption on 25 March 2019). The Company announced on 9 October 2019, that Eyeport had not repaid the principal and accrued interest under the RCPS agreement, and that the Company was in ongoing discussions with the management of Eyeport regarding repayment, and exploring options to recover its investment and to protect its rights and interest.

Due to this uncertainty on the recoverability of the RCPS the Company has impaired the balance to nil at 31 December 2019.

7 Financial Assets at Fair Value Through Profit or Loss		2019	2018
		\$	\$
Balance at 1 January 2019		-	-
Financial assets acquired	(i)	571,834	-
Financial assets disposed		-	-
Foreign exchange movement		(5,083)	-
Fair value movement to 31 December 2019	(ii)	(20,347)	-
Balance at 31 December 2019		<u>546,404</u>	<u>-</u>

(i) Financial assets acquired

On 1 July the Company announced that it had executed a convertible note deed with Ideaqu Pte Ltd for an investment of SGD\$400,000 by way of subscribing for convertible notes. The key terms of the Notes are:

- Face value of Notes of SGD\$1 each;
- In the occurrence of a Conversion Event, such as listing on a recognised stock exchange, the Notes will convert at an agreed valuation;
- 24-month maturity date; and
- Coupon of 9% per annum paid half-yearly.

On 26 July 2019 the Company announced it had entered into a funding agreement with WOBB Sdn Bhd (WOBB). The funding totalling US\$100,000 was made by way of redeemable convertible preference shares (RCPS). The key terms of the RCPS are:

- Face value of RCPS US\$44.16 per RCPS;
- Entitled dividends of 50% or the retained earnings except for funds allocation for R&D and expansion purposes approved by investors;
- 4 year maturity date with an option to extend for an additional 2 years.

(ii) Fair value

The fair value measurement of the above investments is categorised within Level 3 of the fair value hierarchy and uses a DCF model for each investment (note 10).

8 Trade and Other Payables

		2019 \$	2018 \$
Trade payables		49,125	56,229
Advance payable	(i)	52,975	47,935
Accruals		43,500	21,394
		<u>145,600</u>	<u>125,558</u>

(i) Advance payable

An amount of SGD 50,000 (AUD \$52,975) was advanced to the company by Dr Sherwin Chew Chen Yee in September 2015. The amount is repayable on demand and is non-interest bearing. Dr Sherwin Chew Chen Yee a principal of Actcelerate Asset Management Ltd (the "Manager") and of Potential Excelerate Group Limited, is the Company's founding shareholder and promoter. Dr Sherwin Chew Chen Yee has committed to the Company that he will not seek repayment of the amount until such time as the Company has the means to do so.

9 Issued Capital

		2019 \$	2018 \$
Share capital			
Fully paid ordinary shares (a)		<u>2,353,849</u>	<u>2,353,849</u>

(a) Movement in shares - year ended 31 December 2019

(1) Fully paid ordinary shares

	Date	No.	\$
Opening balance	1/1/19	62,982,000	2,353,849
Closing balance	31/12/19	<u>62,982,000</u>	<u>2,353,849</u>

(b) Movement in shares - year ended 31 December 2018

(1) Fully paid ordinary shares

	Date	No.	\$
Opening balance	1/1/18	45,000,000	615,959
Issue of Shares	25/06/18	17,982,000	1,798,200
Equity raising costs		-	(60,310)
Closing balance	31/12/18	<u>62,982,000</u>	<u>2,353,849</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

10 Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash at bank and receivables and payables, which arise directly from its operations.

10 Financial Risk Management Objectives and Policies (continued)

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash at a bank which is subject to floating interest rates but attracts an immaterial level of interest income. The Directors therefore consider the Company's exposure to interest rate risk is minimal.

Foreign currency risk

Foreign currency risk is the risk that the future cash flows or the fair value of financial instruments will fluctuate because of changes in foreign exchange rates. The Company may hold financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Company may be exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than AUD.

The foreign currency exposure of the Company at 31 December 2019 and 31 December 2018 is as follows, based on the carrying value of monetary assets and liabilities:

31 December 2019	Assets AUD	Liabilities AUD	Net Exposure AUD
USD	102,406	(18,526)	83,880
SGD	444,984	(52,974)	391,024
31 December 2018	Assets AUD	Liabilities AUD	Net Exposure AUD
SGD	397	(47,934)	(47,537)
MYR	260,161		260,161

The table below summarises the sensitivity of the Company's assets and liabilities to changes in foreign exchange movements at 31 December 2019 and 31 December 2018. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased against the AUD by +/- 5%, with all other variables held constant. This represents the Directors' best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	31 December 2019 AUD	31 December 2018 AUD
USD	+/-6,508	-
SGD	+/-29,185	+/-2,378
MYR	-	+/-13,000

Credit risk

Credit risk relates to the extent to which failures by counterparties to discharge their obligations could reduce the amount of future cash flows to the Company from financial assets on hand as at the end of the reporting period.

10 Financial Risk Management Objectives and Policies (continued)

As at 31 December 2019 the carrying amount of financial assets represents the Company's maximum exposure to the credit risk in relation to the financial assets.

The Board of Actcelerate considers the risk of non-repayment of the RCPS facility at the end of term to be significant and has impaired the carrying value of the facility to nil (note 6).

The credit risk of the financial assets has been considered when determining an appropriate discount rate in the DCF models (note 7).

Fair value measurement of financial instruments

(i) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision for trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

(ii) Fair value hierarchy

During the year ended 31 December 2019, there were no transfers between levels 1 and 2 for recurring fair value measurements during the year. There were also no transfers into or out of level 3 during the year.

Level 1: the fair value of financial instruments traded in active markets is based on quoted market prices at the end of the market period.

Level 2: the fair value of financial instruments not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The convertible note with Ideaqu Pte Ltd and the investment in WOBB Sdn Bhd is determined as level 3. A significant input is not based on observable market data. Refer below for further detail of the valuation technique.

(iii) Recognised fair value measurements

	31/12/19	31/12/18
	\$	\$
Ideaqu Pte Ltd convertible note (Level 3)	443,998	-
Investment in WOBB Sdn Bhd (Level 3)	102,406	-
Eyeport RCPS (level 3)	-	260,160

(iv) Valuation techniques used to determine level 3 fair values

The fair value of the Ideaqu convertible note is determined using a discounted cash flow (DCF) model. The DCF model is calculated for the term of the convertible note to 30 June 2021 and includes the expected cashflows from interest payments. The discount rate used in the DCF model is 9%. The higher the discount rate, the lower the fair value of the asset.

10 Financial Risk Management Objectives and Policies (continued)

The fair value of the WOBB Sdn Bhd investment is calculated using a similar DCF model. The DCF is calculated for an estimated 4 year term from the original investment. The discount rate used in the DCF model is 10%. The higher the discount rate, the lower the fair value of the asset.

11 Investments accounted for using the equity method	31/12/19	31/12/18
	\$	\$
Opening Balance	773,984	732,334
Share of net loss of associate after tax for the period	(33,544)	(37,626)
FX gain from translation investment asset	13,272	79,276
Impairment (i)	(753,712)	-
Closing Balance	-	773,984

On 30 June 2017 the Company entered into a transaction with Vision Venturers Management Berhad (VVM) and PEG International Sdn Bhd (PEGI), each a Malaysian registered company, in which the Company acquired an investment in Eyeport Sdn Bhd in exchange for issuing 20,924,049 ordinary shares of par value USD 0.01 to VVM and PEGI in equal proportion.

The Company acquired 30% of the issued shares of Eyeport Sdn Bhd (Eyeport), a private company registered in Malaysia. Each of VVM and PEGI held 15% of Eyeport.

VVM and PEGI initially acquired the investment in Eyeport at a cost of RM 2,500,000, equal to SGD 804,061 at 30 June 2017. In concluding the transaction in which the Company acquired the Eyeport investment from VVM and PEGI, the Directors of the Company and the Directors of VVM and PEGI assessed that the value had not changed. This value was agreed as the transfer value for the purposes of the transaction.

The investment in associate is accounted for using the equity method of accounting.

(i) The Company has assessed its investment in associate, including goodwill, for impairment at the reporting date. Due to current operational and financial indications, together with information received from the associate's management the Company has decided to impair its investment in the associate in the financial statements for the year ended 31 December 2019.

Summarised statements of financial position of the associate¹

Eyeport Sdn Bhd.	31 December 2018
	Audited
ASSETS	AUD
Non-current assets	
Property, plant and equipment	195,821
Current assets	
Inventories	124,401
Deposits	168,723
Cash and bank balances	18,266
Trade and other receivables	73
Other receivables	-
	311,463
TOTAL ASSETS	507,283

11 Investments accounted for using the equity method (continued)

EQUITY AND LIABILITIES

Equity attributable to the owners of the company

Share capital	910,616
Accumulated losses	(973,941)
Foreign exchange translation	-
	(63,325)

Current liabilities

Trade payables	47,751
Non trade payables and accruals	87,823
Redeemable preference shares	342,337
Amounts due to a related party	7,113
Amounts due to directors	-
	485,024

Non-current liabilities

Private loan	85,584
TOTAL LIABILITIES	570,608
TOTAL EQUITY AND LIABILITIES	507,283

¹The Statement of Financial Position for 31 December 2019 was unavailable at the date of this report.

For comparability, the statements of financial position have been translated into AUD from MYR, the functional currency of the associate, using the exchange rate prevailing at each statement of financial position date.

Summarised statements of comprehensive income of the associate (unaudited)

Eyeport Sdn Bhd.	1 January 2019 to 30 September 2019¹	1 January 2018 to 31 December 2018
	Unaudited	Audited
Revenue	915,023	692,628
Cost of sales	(711,033)	(480,640)
Gross profit	203,990	211,987
Other income	-	-
Other operating expenses	(315,805)	(337,407)
Loss before income tax	(111,815)	(125,419)
Tax expense	-	-
Loss and other comprehensive loss for the period	(111,815)	(125,419)
Share of net loss of associate (30%)	(33,544)	(37,626)

¹The statement of comprehensive income of the associate for the period from 1 October 2019 to 31 December 2019 was unavailable at the date of this report.

12 Basic Loss Per Share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows. There are no potential ordinary shares on issue at the date of this report.

	For the year ended 31 December 2019 AUD	For the year ended 31 December 2018 AUD
Loss for the year ended continuing operations	(1,343,934)	(490,581)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	62,982,000	54,434,515

13 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless stated otherwise.

The Board has agreed that any transaction with Dr Sherwin Chew Chen Yee, Mr Cheong Chen Khan, Actcelerate Asset Management Ltd, Potential Excelerate Group Limited (or their associates) are disclosed as related party transactions.

Potential Excelerate Group Limited

The Company's founding shareholder and promoter is Potential Excelerate Group Limited (PEG), a Seychelles incorporated company founded and controlled by Dr Sherwin Chew Chen Yee.

An amount of SGD 50,000 was advanced to the company by Dr Sherwin Chew Chen Yee in September 2015. The amount is repayable on demand and is non-interest bearing. Dr Sherwin Chew Chen Yee has agreed to not seek repayment of the loan until the company has sufficient funds to repay.

Actcelerate Asset Management Ltd

The Company has entered into a management agreement with Actcelerate Asset Management Ltd (the "Manager"), under which the Manager will, subject to the Board's oversight, identify investment opportunities, undertake due diligence, negotiate investment terms, and monitor investments on behalf of the Company.

In accordance with the management agreement the Manager will be paid a fee calculated on the following basis. The fee will be applicable from the date of the Company's planned IPO.

- (i) an investment management fee equal to the greater of the following, payable in quarterly instalments within 30 days:
 - a. If there is a period VWAP*, 1% of the market capitalisation per annum; and
 - b. \$50,000 per annum,

13 Related Party Transactions (continued)

**as defined in the management agreement, VWAP means the volume weighted average price of trading in those securities on the NSX market over the relevant period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises. Period VWAP means the VWAP for shares during the relevant period, where the number of shares traded on NSX during the relevant period is greater than 1% of the issued shares for that relevant period.*

- (ii) A performance fee of 20% of the exit event gains less any exit event losses carried forward, payable within 60 days of the Company's financial year end; and
- (iii) Subject to the applicable regulations and the articles and at the Board's discretion, a special bonus fee in such amount as the Board may think fit.

The Manager was founded by Dr Chew and Mr Cheong. Dr Chew owns 80% of the Manager and Mr Cheong owns 20% of the Manager.

During the year the fees due to AAM were waived and no fees were due at 31 December 2019 (31 December 2018: nil).

Directors' fees

The Directors of the Company are remunerated as below:

- a. Cheong Chen Khan – AUD 36,000 per annum.
- b. Rodney James Huey – AUD 30,000 per annum.
- c. Cameron Luu – AUD 24,000 per annum (resigned 20 March 2020).
- d. Mohd Azmi Mohd Lila – AUD 24,000 per annum.
- e. Derrick De Souza – AUD 24,000 per annum (appointed 20 March 2020).

The total remuneration paid to Key Management Personnel is summarised below:

Year ended 31 December 2019

Director	Short-term Benefits		
	Fees	Consultancy	Total
	\$	\$	\$
Cheong Chen Khan	36,000	-	36,000
Rodney James Huey	30,000	-	30,000
Cameron Luu	24,000	-	24,000
Mohd Azmi Mohd Lila	24,000	-	24,000
Derrick De Souza	-	-	-
	<u>114,000</u>	<u>-</u>	<u>114,000</u>

13 Related Party Transactions (continued)

Year ended 31 December 2018

Director	Short-term Benefits		
	Fees	Consultancy	Total
	\$	\$	\$
Cheong Chen Khan	21,000	36,000	57,000
Rodney James Huey	30,000	-	30,000
Cameron Luu	24,000	-	24,000
Mohd Azmi Mohd Lila	21,000	-	21,000
Derrick De Souza	-	-	-
	<u>96,000</u>	<u>36,000</u>	<u>132,000</u>

14 Contingent Liabilities

There are no material contingent liabilities as at 31 December 2019 (31 December 2018: nil).

15 Commitments for Expenditure

There are no material commitments as at 31 December 2019 (31 December 2018: nil).

16 Auditors' Remuneration

Remuneration of auditors of the Company:	2019	2018
		\$
Arthur Bell Limited - Ireland	-	2,016
BDO (WA) Pty Ltd – Investigating Accountants Report	-	10,080
BDO (WA) Pty Ltd – Audit and Review	<u>31,321</u>	<u>26,500</u>
	<u>31,321</u>	<u>38,596</u>

17 Events Subsequent to Reporting Date

On 7 January 2020, the Company announced it had raised \$60,000 through the issuance of 600,000 fully paid ordinary shares in the Company at an issue price \$0.10 each pursuant to the Placement offer made to a sophisticated investor.

On 23 March 2020 the Company announced the appointment of Mr Derrick De Souza as a Non-executive Director of the Company.

On 23 March 2020 the Company also announced the resignation of Mr Cameron Luu.

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

17 Events Subsequent to Reporting Date (continued)

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2020.

Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2020 financial year.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2020.

DECLARATION BY DIRECTORS

The Directors of the Company declare that:

1. The financial statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and accompanying notes:
 - a) comply with Accounting Standards in Australia and other mandatory professional reporting requirements; and
 - b) present fairly of the Company's financial position as at 31 December 2019 and of its performance as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date.
2. 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 for and on behalf of the directors by:

A handwritten signature in black ink, appearing to read 'Cheong', with a stylized flourish above it.

Cheong Chen Khan
Director
31 March 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Actcelerate International Group Limited

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Actcelerate International Group Limited (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for qualified opinion

As part of the audit of the prior period financial report, we were unable to obtain access to audited financial information of Eyeport Sdn Bhd (the associate) and a disclaimer of opinion was issued on the 31 December 2018 financial report. As a result, we were unable to determine whether adjustments might have been necessary to the carrying amount of the convertible preference shares and the accuracy of fair value movements in the statement of profit or loss and other comprehensive income. Further, we were unable to obtain sufficient appropriate evidence to satisfy ourselves of the carrying value of the investment.

Our opinion on the current year's financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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 Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 1(m) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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. In addition to the matters described in the *Basis for qualified opinion and Material uncertainty related to going concern* sections, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Financial Assets

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 7 of the financial report, the Company's investments in Ideaqu Pte Ltd and WOBB Sdn Bhd are recognised as financial assets at fair value through profit or loss at 31 December 2019.</p> <p>The assessment of the fair value of the financial assets are considered to be a key audit matter due to the assessment requiring management to make significant judgements and estimates in determining the fair value as disclosed in Note 1 (k) and Note 10.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewing the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the investments; • Verifying the investments to statutory records; • Evaluating the appropriateness of the valuation methodology applied against relevant Australian Accounting Standard; • Involving our valuation specialist to assess the reasonableness of the methodology and assumptions and inputs used in the valuation; • Reviewing managements' calculation of the movements in fair value of the financial assets, ensuring that all gains and losses have been treated appropriately; and • Reviewing the adequacy and completeness of the disclosures in Note 1 (k), Note 7 and Note 10 of the financial report.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, 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 on the other information obtained prior to the date of this auditor's report, 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 management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line. Above the signature, the letters 'BDO' are handwritten in a smaller, less distinct script.

Phillip Murdoch

Director

Perth, 31 March 2020