

*Company No. 01 - 318051*

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
(Incorporated in Cayman Islands)

**Reports and Financial Statements**  
**31 December 2020**

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

**Reports and Financial Statements  
31 December 2020**

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**CIRCLE INTERNATIONAL HOLDINGS LIMITED**  
(Incorporated in Cayman Islands)

**STATEMENT BY DIRECTORS**

The directors of CIRCLE INTERNATIONAL HOLDINGS LIMITED stated that, in their opinion, the accompanying financial statements are drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in  
accordance with a resolution of the directors

 V **HEE CHEE KEONG**

  
**JEROME AUGUSTUS BATEMAN**

Malaysia  
Date: 31 December 2021

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

Company No. 01 - 318051

**Report on the Audit of the Financial Statements**

**Disclaimer of Opinion**

We were engaged to audit the financial statements of Circle International Holdings Limited., which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 48.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

**Basis for Disclaimer of Opinion**

*1. Going concern*

As disclosed in Note 2(b) to the financial statements, the financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as going concerns. The application of the going concern basis is on the assumption that the Group and the Company will be able to realise their assets and settle their liabilities in the normal course of business.

During the financial year ended 31 December 2020, the Group and the Company incurred net losses of AUD623,844 and AUD189,896 respectively, and as of that date, the Group's and the Company's current liabilities exceeded their current assets by AUD2,519,334 and AUD475,257 respectively, and the Group and the Company recorded deficit in its total equity of AUD2,569,831 and AUD475,254 respectively which indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concerns.

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2. *Unverified material financial areas*

We were unable to obtain sufficient appropriate audit evidence on material financial areas to the Group as at 31 December 2020.

The material financial areas to the Group as at 31 December 2020 are summarised as follows:

	AUD'000
Trade payables	251
Other payables and accruals	1,374
Revenue	369
Cost of sales	316
Other income	56
Staff costs	72

As a result, we were unable to conclude that the carrying amounts of the balances and transactions as stated above are fairly stated in the current year's financial statements.

3. *Confirmation - term loans and bank overdraft*

As at the date of our report, we have not received the confirmation replies in relation the following amounts included in the statements of financial position as at 31 December 2020 and 31 December 2019:

- i. the carrying amount of term loans of the Group of AUD68,686 and AUD338,139 respectively; and
- ii. the carrying amount of bank overdraft of the Group of AUD29 and AUD66,416 respectively.

We were unable to satisfy ourselves by alternative means concerning the completeness and existence of these borrowings. As a result, we were unable to determine whether any adjustments might have been found necessary in the financial statements.

4. *Opening balances*

As disclosed in Note 30 to the financial statements, the statutory financial statements for the financial year ended 31 December 2019 were audited by another auditors whose report dated 27 August 2021 expressed a disclaimer of opinion on those financial statements.

We were unable to obtain sufficient appropriate audit evidence on the comparative information and whether the opening balances contain misstatements that materially affect the current year's financial statements.

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As the matters disclosed in the Note 30 to the financial statements have not been resolved in the financial year ended 31 December 2020, the impact is considered as below.

In view of the significance of the matters described in the basis for disclaimer of opinion paragraphs on the financial statements for the financial year ended 31 December 2019, the following were unable to be determined:

- (i) whether the opening balances of the Group and of the Company as at 1 January 2020 were fairly presented; and
- (ii) the impact on the current financial year's financial position of the Group and of the Company and the financial performance, changes in equity and cash flow of the Group and of the Company.

Our opinion on the current financial year's financial statements of the Group and of the Company is a disclaimer of opinion because of the significance of these matters on the comparability of the current financial year's figures and the corresponding figures.

### **Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with International Financial Reporting Standards. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and 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 the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the Group's and of the Company's financial statements in accordance with approved standards on auditing in International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### ***Independence and Other Ethical Responsibilities***

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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**Other Matters**

This report is made solely to the members of the Company, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.

*Tong & Associates*  
TONG & ASSOCIATES  
[AF 002034]  
Chartered Accountants

*Wong Yeong Lee*  
WONG YEONG LEE  
03328 / 09 / 2023 J  
Chartered Accountant

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

**STATEMENTS OF FINANCIAL POSITION**

**as at 31 December 2020**

		<i>Group</i>		<i>Company</i>	
		2020	2019	2020	2019
	<i>Note</i>	AUD	AUD	AUD	AUD
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiaries	4	-	-	3	3
Property, plant and equipment	5	-	382,109	-	-
Other investment	6	5,178	5,586	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,178</b>	<b>387,695</b>	<b>3</b>	<b>3</b>
<b>CURRENT ASSETS</b>					
Trade and other receivables	7	40,406	478,821	-	58,588
Current tax assets		3,444	3,278	-	-
Cash and bank balances		15,478	8,782	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>59,328</b>	<b>490,881</b>	<b>-</b>	<b>58,588</b>
<b>TOTAL ASSETS</b>		<b>64,506</b>	<b>878,576</b>	<b>3</b>	<b>58,591</b>



**CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

**STATEMENTS OF FINANCIAL POSITION****as at 31 December 2020**

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		2020	2019	2020	2019
		AUD	AUD	AUD	AUD
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	8	57,656,229	57,656,229	57,656,229	57,656,229
Reserves	9	(60,226,060)	(59,824,074)	(58,131,483)	(57,990,166)
<b>TOTAL EQUITY</b>		<u>(2,569,831)</u>	<u>(2,167,845)</u>	<u>(475,254)</u>	<u>(333,937)</u>
<b>NON-CURRENT LIABILITIES</b>					
Term loans	10	-	271,947	-	-
Trade and other payables	11	55,675	202,665	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>55,675</u>	<u>474,612</u>	<u>-</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	11	2,203,561	2,104,546	475,257	392,528
Term loans	10	68,686	66,192	-	-
Bank overdraft	13	29	66,416	-	-
Current tax liabilities		306,386	334,655	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,578,662</u>	<u>2,571,809</u>	<u>475,257</u>	<u>392,528</u>
<b>TOTAL LIABILITIES</b>		<u>2,634,337</u>	<u>3,046,421</u>	<u>475,257</u>	<u>392,528</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>64,506</u>	<u>878,576</u>	<u>3</u>	<u>58,591</u>

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

**STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
for the financial year ended 31 December 2020**

		<i>Group</i>		<i>Company</i>	
		2020	2019	2020	2019
	<i>Note</i>	AUD	AUD	AUD	AUD
REVENUE	14	444,577	759,797	-	-
COST OF SALES		<u>(384,276)</u>	<u>(595,746)</u>	<u>-</u>	<u>-</u>
GROSS PROFIT		60,301	164,051	-	-
OTHER INCOME	15	56,346	23,405	-	4,137
ADMINISTRATIVE EXPENSES		(269,318)	(290,882)	(119,223)	(133,607)
OTHER OPERATING EXPENSES	16	(435,670)	(469,017)	(70,673)	(3,432)
FINANCE COSTS		<u>(35,503)</u>	<u>(44,151)</u>	<u>-</u>	<u>-</u>
LOSS BEFORE TAXATION	17	(623,844)	(616,594)	(189,896)	(132,902)
INCOME TAX EXPENSE	18	<u>-</u>	<u>177</u>	<u>-</u>	<u>-</u>
LOSS AFTER TAXATION		(623,844)	(616,417)	(189,896)	(132,902)
OTHER COMPREHENSIVE EXPENSES					
<u>Items that will be reclassified</u>					
<u>subsequently to profit or loss</u>					
FOREIGN CURRENCY TRANSLATION					
DIFFERENCES		<u>221,858</u>	<u>30,700</u>	<u>48,579</u>	<u>6</u>
TOTAL COMPREHENSIVE EXPENSES					
FOR THE FINANCIAL YEAR		<u>(401,986)</u>	<u>(585,717)</u>	<u>(141,317)</u>	<u>(132,896)</u>
LOSS AFTER TAXATION					
Attributable to:					
Owners of the Company		<u>(623,844)</u>	<u>(616,417)</u>	<u>(189,896)</u>	<u>(132,902)</u>
TOTAL COMPREHENSIVE EXPENSES					
FOR THE FINANCIAL YEAR					
Attributable to:					
Owners of the Company		<u>(401,986)</u>	<u>(585,717)</u>	<u>(141,317)</u>	<u>(132,896)</u>
LOSS PER SHARE (CENTS)					
Basic and fully diluted	20	<u>(0.35)</u>	<u>(0.34)</u>		

The accompanying notes form an integral part of the financial statements.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

**STATEMENTS OF CHANGES IN EQUITY  
for the financial year ended 31 December 2020**

<i>Group</i>	Share capital		Merger reserve		Foreign exchange translation reserve		Accumulated losses		Total	
	AUD		AUD		AUD		AUD		AUD	
At 1 January 2019	57,656,229		(57,388,344)		(132,951)		(1,717,062)		(1,582,128)	
Loss after taxation	-		-		-		(616,417)		(616,417)	
Other comprehensive income for the financial year - foreign currency translation differences	-		-		30,700		-		30,700	
Total comprehensive expenses for the financial year	-		-		30,700		(616,417)		(585,717)	
At 31 December 2019/1 January 2020	57,656,229		(57,388,344)		(102,251)		(2,333,479)		(2,167,845)	
Loss after taxation	-		-		-		(623,844)		(623,844)	
Other comprehensive income for the financial year - foreign currency translation differences	-		-		221,858		-		221,858	
Total comprehensive expenses for the financial year	-		-		221,858		(623,844)		(401,986)	
At 31 December 2020	57,656,229		(57,388,344)		119,607		(2,957,323)		(2,569,831)	

The accompanying notes form an integral part of the financial statements.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

**STATEMENTS OF CHANGES IN EQUITY  
for the financial year ended 31 December 2020**

Company	Share capital		Foreign exchange translation reserve		Accumulated losses		Total	
	AUD		AUD		AUD		AUD	
At 1 January 2019	57,656,229		(15,522)		(57,841,748)		(201,041)	
Loss after taxation	-		-		(132,902)		(132,902)	
Other comprehensive income for the financial year - foreign currency translation differences	-		6		-		6	
Total comprehensive expenses for the financial year	-		6		(132,902)		(132,896)	
At 31 December 2019/1 January 2020	57,656,229		(15,516)		(57,974,650)		(333,937)	
Loss after taxation	-		-		(189,896)		(189,896)	
Other comprehensive income for the financial year - foreign currency translation differences	-		48,579		-		48,579	
Total comprehensive expenses for the financial year	-		48,579		(189,896)		(141,317)	
At 31 December 2020	57,656,229		33,063		(58,164,546)		(475,254)	

The accompanying notes form an integral part of the financial statements.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

**STATEMENTS OF CASH FLOWS**  
**for the financial year ended 31 December 2020**

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
<b>CASH FLOWS FROM</b>				
<b>OPERATING ACTIVITIES</b>				
Loss before taxation	(623,844)	(616,594)	(189,896)	(132,902)
<i>Adjustments for:</i>				
Bad debts written off	-	56,576	-	-
Depreciation	4,250	11,309	-	-
Impairment loss on trade and other receivables	418,900	55,473	47,372	-
Interest expenses	35,503	44,151	-	-
Property, plant and equipment written off	11,923	-	-	-
Unrealised loss on foreign exchange	-	4,310	22,706	3,432
Gain on disposal of property, plant and equipment	(36,315)	-	-	-
Interest income	-	(1,197)	-	-
<i>Operating loss before working capital changes</i>	(189,583)	(445,972)	(119,818)	(129,470)
Decrease in receivables	19,515	279,922	11,216	151,232
Increase/(Decrease) in payables	138,294	71,196	108,602	(21,910)
<i>Cash used in operations</i>	(31,774)	(94,854)	-	(148)
Income tax paid	(166)	(47,662)	-	-
Income tax refunded	-	3,278	-	-
<i>Net cash used in operating activities</i>	(31,940)	(139,238)	-	(148)
<b>CASH FLOWS FROM</b>				
<b>INVESTING ACTIVITIES</b>				
Interest received	-	1,197	-	-
Purchase of property, plant and equipment	-	(417)	-	-
Proceeds from disposal of property, plant and equipment	396,167	-	-	-
<i>Net cash generated from investing activities</i>	396,167	780	-	-

The accompanying notes form an integral part of the financial statements.

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

**STATEMENTS OF CASH FLOWS**  
**for the financial year ended 31 December 2020**

		<i>Group</i>		<i>Company</i>	
		2020	2019	2020	2019
	<i>Note</i>	AUD	AUD	AUD	AUD
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(35,503)	(44,151)	-	-
Repayment of term loans	21	(259,843)	(51,196)	-	-
<i>Net cash used in financing activities</i>		<u>(295,346)</u>	<u>(95,347)</u>	<u>-</u>	<u>-</u>
<i>Net increase/(decrease) in cash and cash equivalents</i>		68,881	(233,805)	-	(148)
<i>Cash and cash equivalents at beginning of financial year</i>		(57,634)	174,250	-	142
Effects of exchange rate changes on cash and cash equivalents		<u>4,202</u>	<u>1,921</u>	<u>-</u>	<u>6</u>
<i>Cash and cash equivalents at end of financial year</i>		<u><u>15,449</u></u>	<u><u>(57,634)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Cash and cash equivalents comprise:</b>					
Cash and bank balances		15,478	8,782	-	-
Bank overdraft		<u>(29)</u>	<u>(66,416)</u>	<u>-</u>	<u>-</u>
		<u><u>15,449</u></u>	<u><u>(57,634)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**CIRCLE INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Cayman Islands)

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020**

**1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION**

The Company is incorporated in Cayman Islands under the Companies Law.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries is as set out in *Note 4* to the financial statements. There were no significant changes in the nature of these activities during the financial year.

The address of the registered office and principal place of business of the Company is P. O. Box 10008, Willon House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 31 December 2021.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

(a) Basis of Accounting

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with International Financial Reporting Standards ("IFRS").

- (i) During the current financial year, the Group had adopted all the following new accounting standards and/or interpretations (including the consequential amendments, if any):

**IFRSs and/or Interpretations (Including The Consequential Amendments)**

Amendments to IFRS 3: Definition of a Business

Amendments to IFRS 4: Extension of the Temporary Exemption from Applying IAS 39

Amendments to IFRS 7 and IFRS 9: Interest Rate Benchmark Reform

Amendments to IAS 1 and IAS 8: Definition of Material

Amendments to References to the Conceptual Framework in IFRS Standards

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

- (ii) The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the International Accounting Standards Board (IASB) but are not yet effective for the current financial year:

<b>IFRSs and/or Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
Amendments to IFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to IFRS 9, IFRS 139 and IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to IFRS 10 and IAS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to IFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendments to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to IFRS 17: Insurance Contracts	1 January 2023
Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 January 2023
Annual Improvements to IFRS Standards 2018 – 2020 Cycle	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

(b) Going Concern

The financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as going concerns. The application of the going concern basis is on the assumption that the Group and the Company will be able to realise their assets and settle their liabilities in the normal course of business.



### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Critical Accounting Estimates and Judgement

##### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

##### (i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

##### (ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

##### (iii) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

##### (iv) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

*Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:

(i) **Contingent Liabilities**

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business.

(b) **Basis of Consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) **Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(ii) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iii) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(iv) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(c) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The functional currency of the Company is United States Dollars (USD), while the presentation currency of the Group and of the Company are Australian Dollars (AUD).

(ii) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(iii) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

(d) Investment In Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(e) Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in IAS 32. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

*Debt Instruments*

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

*Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery a part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) Impairment

(i) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which IAS 36 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.



When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(g) Provisions

Provisions for liabilities are recognised when the Group and the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount can be made. Provisions are reviewed at financial year end date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

(h) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:

Computers	33%
Freehold land and building	2%
Furniture and fittings	10 - 20%
Office equipment	10%
Renovation	10%
Signboard	10%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

When significant parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

(i) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(j) Revenue from Contracts with Customers

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Revenue services is recognised upon rendering of services and when the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(k) Leases

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets [and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

(l) Income Tax Expense

(i) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(ii) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the taxation authority.

(m) Employee Benefits

(i) Short-term Employee Benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group and the Company.

Short-term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined Contribution Plan

The Group's and the Company's contributions to the Employees' Provident Fund, a defined contribution plan regulated and managed by the government, are charged to the statements of profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further financial obligations.

(n) Cash And Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(o) Contingent Liability

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(p) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(q) Earnings Per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(r) Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

#### 4. INVESTMENT IN SUBSIDIARIES

	Company	
	2020	2019
	AUD	AUD
Unquoted shares, at cost	57,656,091	57,656,091
Less: Impairment loss	(57,656,088)	(57,656,088)
	<u>3</u>	<u>3</u>

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective equity interest		Principal activities
		2020	2019	
		%	%	
Circle Corporation International Limited ^ #	Hong Kong	100	100	Advertising, branding, e-media services and creative marketing solution
Circle Corp Mediatech Sdn. Bhd.	Malaysia	100	100	Advertising, publication, entertainment, events, business circle mobile app and related services
Inno Mind Works Sdn. Bhd.	Malaysia	100	100	Event organiser, advertisement and media industries

^ - This subsidiary is audited by other firm of chartered accountants.

# - The auditors' report on the financial statements of the subsidiary contains a modified opinion as the auditors were unable to obtain the confirmations in respected of cash and cash equivalents and bank overdrafts amounted to AUD Nil (HKD Nil) and AUD 29 (HKD172). In consequence they were unable to carry out audit procedures necessary to obtain adequate assurance regarding the full provision of liabilities, whether accruals or contingent at the end of the reporting year.

**5. PROPERTY, PLANT AND EQUIPMENT**

The details of property, plant and equipment are as follows:

Group	Computers	Freehold land and building	Furniture and fittings	Office equipment	Renovation	Signboard	Total
	AUD	AUD	AUD	AUD	AUD	AUD	AUD
<i>Cost</i>							
At 1 January 2019	12,914	396,465	17,783	16,216	9,656	292	453,326
Addition	-	-	-	417	-	-	417
Translation reserve	192	7,553	264	240	143	5	8,397
At 31 December 2019	13,106	404,018	18,047	16,873	9,799	297	462,140
Written off	(12,906)	-	(17,770)	(16,614)	(9,648)	(292)	(57,230)
Disposal	-	(396,167)	-	-	-	-	(396,167)
Translation reserve	(200)	(7,851)	(277)	(259)	(151)	(5)	(8,743)
At 31 December 2020	-	-	-	-	-	-	-
<i>Accumulated depreciation</i>							
At 1 January 2019	11,975	27,548	11,820	12,919	2,735	139	67,136
Charge for the year	415	8,002	1,095	787	980	30	11,309
Translation reserve	178	(10)	1,184	191	41	2	1,586
At 31 December 2019	12,568	35,540	14,099	13,897	3,756	171	80,031
Charge for the year	409	1,321	729	797	965	29	4,250
Written off	(12,784)	-	(13,181)	(14,482)	(4,663)	(197)	(45,307)
Disposal	-	(36,315)	-	-	-	-	(36,315)
Translation reserve	(193)	(546)	(1,647)	(212)	(58)	(3)	(2,659)
At 31 December 2020	-	-	-	-	-	-	-
<i>Carrying amount</i>							
At 31 December 2020	-	-	-	-	-	-	-
At 31 December 2019	538	368,478	3,948	2,976	6,043	126	382,109

In the previous financial year, the freehold land and building of the Group have been pledged to a licensed bank as security for the bank facilities granted to the Group.

## 6. OTHER INVESTMENT

	<i>Group</i>	
	2020	2019
	AUD	AUD
Investment in Agro Growers Scheme, at fair value	<u>5,178</u>	<u>5,586</u>

## 7. TRADE AND OTHER RECEIVABLES

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
Trade receivables				
- net of impairment	33,621	174,923	-	-
Other receivables				
- net of impairment	6,785	298,335	-	58,588
Deposit and prepayment	-	5,563	-	-
	<u>40,406</u>	<u>478,821</u>	<u>-</u>	<u>58,588</u>
Trade receivables	42,217	181,869	-	-
Less: Impairment losses				
At 1 January	(6,946)	(6,946)	-	-
Additional during the year	(9,125)	-	-	-
Reversal during the year	7,188	-	-	-
Translation reserve	287	-	-	-
At 31 December	<u>(8,596)</u>	<u>(6,946)</u>	<u>-</u>	<u>-</u>
	<u>33,621</u>	<u>174,923</u>	<u>-</u>	<u>-</u>
Other receivables	429,753	353,808	42,710	-
Less: Impairment losses				
At 1 January 2020/2019	(55,473)	-	-	-
Additional during the year	(409,775)	(55,473)	(47,372)	-
Translation reserve	42,280	-	4,662	-
At 31 December	<u>(422,968)</u>	<u>(55,473)</u>	<u>(42,710)</u>	<u>-</u>
	<u>6,785</u>	<u>298,335</u>	<u>-</u>	<u>-</u>

The Group's normal trade credit terms range from 30 to 120 days (2019: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.



## 8. SHARE CAPITAL

	<i>Company</i>	
	2020	2019
	AUD	AUD
<b>Issued and fully paid-up</b>		
Ordinary shares	<u>57,656,229</u>	<u>57,656,229</u>

The holders of ordinary shares are entitled to receive dividends and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company.

## 9. RESERVES

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
Accumulated losses	(2,957,323)	(2,333,479)	(58,164,546)	(57,974,650)
Foreign exchange translation reserve	119,607	(102,251)	33,063	(15,516)
Merger reserve	<u>(57,388,344)</u>	<u>(57,388,344)</u>	<u>-</u>	<u>-</u>
	<u>(60,226,060)</u>	<u>(59,824,074)</u>	<u>(58,131,483)</u>	<u>(57,990,166)</u>

### Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of the Company and its foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

### Merger reserve

The merger reserve arose as a result of the deficit of the consideration paid over the share capital and reserves of the subsidiaries.

**10. TERM LOANS**

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
Payable within 12 months	68,686	66,192	-	-
Payable after 12 months	-	271,947	-	-
	<u>68,686</u>	<u>338,139</u>	<u>-</u>	<u>-</u>

The term loans which are under the name of a director, are repayable over a period of 84 months to 360 months commencing August 2015 and November 2015 with effective interest rate of 4.75% and 4.85%. The term loans are secured by legal charge over the freehold building of the Group.

During the financial year, the Group has defaulted on their obligation to repay the principal and the interest of the borrowings amounting to AUD68,686. Accordingly, the long-term portions of this borrowing from this lender have been reclassified to current liabilities.

**11. TRADE AND OTHER PAYABLES**

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
<i>Non-current liabilities</i>				
Amount owing to directors of a subsidiary	55,675	144,822	-	-
Other payables	-	57,843	-	-
	<u>55,675</u>	<u>202,665</u>	<u>-</u>	<u>-</u>
<i>Current liabilities</i>				
Trade payables	539,264	564,253	-	-
Other payables	978,269	834,809	179,684	101,797
Accruals	218,785	245,342	20,774	11,407
Amount owing to directors of a subsidiary	467,243	460,142	-	-
Amount owing to subsidiaries	-	-	274,799	279,324
	<u>2,203,561</u>	<u>2,104,546</u>	<u>475,257</u>	<u>392,528</u>
Total	<u>2,259,236</u>	<u>2,307,211</u>	<u>475,257</u>	<u>392,528</u>

Amount owing to directors of a subsidiary and amount owing to subsidiaries are non-trade in nature, unsecured, interest-free and payable upon demand in cash and cash equivalents.

## 12. DEFERRED TAX LIABILITIES

	<i>Group</i>	
	2020	2019
	AUD	AUD
At 1 January	-	177
Recognised in profit or loss ( <i>Note 18</i> )	-	(177)
At 31 December	-	-

## 13. BANK OVERDRAFT

In the previous financial year, the bank overdraft facilities of a subsidiary of AUD60,971 was guarantee by the directors and bear interest of 2.50% per annum above Bank Negara Malaysia's Funding Rate.

## 14. REVENUE

	<i>Group</i>	
	2020	2019
	AUD	AUD
Services rendered	444,577	759,797

## 15. OTHER INCOME

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
Gain on disposal of property, plant and equipment	36,315	-	-	-
Other income	12,843	18,071	-	-
Interest income	-	1,197	-	-
Reversal of impairment loss on trade receivables	7,188	-	-	-
Realised gain on foreign exchange	-	4,137	-	4,137
	56,346	23,405	-	4,137

# 16. OTHER OPERATING EXPENSES

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
Bad debt written off	-	56,576	-	-
Depreciation	4,250	11,309	-	-
Impairment loss on trade and other receivables	418,900	55,473	47,372	-
Inventories written off	-	341,349	-	-
Property, plant and equipment written off	11,923	-	-	-
Loss on foreign exchange:				
- realised	597	-	595	-
- unrealised	-	4,310	22,706	3,432
	<u>435,670</u>	<u>469,017</u>	<u>70,673</u>	<u>3,432</u>

# 17. LOSS BEFORE TAXATION

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
Loss before taxation is stated after <i>charging</i> :				
Auditors' remuneration	22,514	25,552	11,521	11,406
Interest expenses:				
- bank overdraft interest	968	2,366	-	-
- term loan interest	1,705	41,785	-	-
- others	32,830	-	-	-
Rental of premises	6,191	28,686	-	-
Rental of office equipment	597	-	595	-
Staff costs ( <i>Note 19</i> )	<u>113,647</u>	<u>299,755</u>	<u>-</u>	<u>-</u>

**18. INCOME TAX EXPENSE**

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
Deferred tax ( <i>Note 12</i> ):				
- origination and reversal of temporary differences	<u>-</u>	<u>(177)</u>	<u>-</u>	<u>-</u>

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
Loss before taxation	<u>(623,844)</u>	<u>(616,594)</u>	<u>(189,896)</u>	<u>(132,902)</u>
Tax at statutory tax rate	(149,723)	(147,983)	(45,575)	(31,896)
• Adjustments for the following tax effects:				
- expenses not deductible	98,723	84,806	45,575	31,896
- deferred tax assets not recognised during the year	51,000	63,000	-	-
	<u>149,723</u>	<u>147,806</u>	<u>45,575</u>	<u>31,896</u>
	<u>-</u>	<u>(177)</u>	<u>-</u>	<u>-</u>

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follow:

	<i>Group</i>	
	2020	2019
	AUD	AUD
Unused tax losses	1,595,000	1,709,000
Unabsorbed capital allowances	3,000	3,000
Other deductible temporary differences	<u>389,000</u>	<u>62,000</u>
	<u>1,987,000</u>	<u>1,774,000</u>

For Malaysia entities, the unused tax losses are allowed to be utilised for 7 consecutive years of assessment while unabsorbed capital allowances are allowed to be carried forward indefinitely.

## 19. STAFF COSTS

The staff costs recognised in profit or loss are as follows:

	<i>Group</i>	
	2020	2019
	AUD	AUD
Director's fees	41,226	-
Salaries and wages	69,775	231,546
Defined contribution plan	2,072	23,154
Other employee benefits	574	45,055
	<u>113,647</u>	<u>299,755</u>

## 20. LOSS PER SHARE

### (a) Basic loss per share

Basic loss per ordinary share for the financial year is calculated by dividing the loss after tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year:

	<i>Group</i>	
	2020	2019
	AUD	AUD
Loss after tax attributable to the owners of the Company (AUD)	<u>(623,844)</u>	<u>(616,417)</u>
Number of ordinary shares at beginning and end of the year	<u>180,000,400</u>	<u>180,000,400</u>
Weighted average number of ordinary shares at 31 December	<u>180,000,400</u>	<u>180,000,400</u>
Basic loss per share (cents)	<u>(0.35)</u>	<u>(0.34)</u>

### (b) Diluted loss per share

The Company has not issued any dilutive potential ordinary shares and hence, the diluted loss per share is equal to the basic loss per share.

## 21. CASH FLOW INFORMATION

The reconciliation of liabilities arising from financing activities are as follows:

	Term Loans	
	2020	2019
	AUD	AUD
<i>Group</i>		
At 1 January	338,139	389,335
<u>Changes in Financing Cash Flows</u>		
Repayment of principal	(259,843)	(51,196)
Repayment of interest	(1,705)	(41,785)
<u>Non-cash changes</u>		
Interest expenses recognised in profit or loss	1,705	41,785
Foreign exchange adjustments	(9,610)	-
At 31 December	<u>68,686</u>	<u>338,139</u>

## 22. RELATED PARTY DISCLOSURES

### (a) Identifies of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
Disposal of property to a director	<u>396,167</u>	<u>-</u>	<u>-</u>	<u>-</u>

(c) Key Management Personnel

	<i>Group</i>		<i>Company</i>	
	2020	2019	2020	2019
	AUD	AUD	AUD	AUD
Short-term employee benefits:				
Director's fees	<u>41,226</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 23. OPERATING SEGMENT

The Group operates as a single operating segment and internal management reporting systems present financial information as a single segment. The segment derives its revenue and incurs expenses through media, advertising and marketing activities.

## 24. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:

(i) Market Risk

(i) *Foreign Currency Risk*

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Hong Kong Dollar ("HKD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.



The Group's and the Company's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

*Foreign Currency Exposure*

	Denominated in USD	
	2020	2019
<i>Group</i>	AUD	AUD
Cash and bank balances	<u>544</u>	<u>544</u>
	Denominated in HKD	
	2020	2019
<i>Company</i>	AUD	AUD
Amount owing to a subsidiary	<u>50,772</u>	<u>33,279</u>

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the loss after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(ii) *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined IFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the loss after taxation and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

(iii) *Equity Price Risk*

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have a material impact on the loss after taxation and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) *Credit Risk Concentration Profile*

The Group's major concentration of credit risk related to the amount owing by 1 customer which constituted approximately 100% of its trade receivables at the end of the reporting period.

(ii) *Exposure to Credit Risk*

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) *Assessment of Impairment Losses*

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

*Trade Receivables*

The Group applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for its trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than one year are deemed credit impaired and assesses for their risk of loss individually.

The information about the exposure to credit risk and the loss allowances calculated under IFRS 9 for both trade receivables is summarised below:

<i>Group</i>	Gross Amount AUD	Individual Impairment AUD	Collective Impairment AUD	Carrying Amount AUD
2020				
Current (not past due)	-	-	-	-
1 to 90 days past due	33,621	-	-	33,621
91 to 365 days past due	-	-	-	-
365 days past due	8,596	-	(8,596)	-
	42,217	-	(8,596)	33,621
2019				
Current (not past due)	19,633	-	-	19,633
1 to 90 days past due	155,290	-	-	155,290
91 to 365 days past due	-	-	-	-
365 days past due	6,946	-	(6,946)	-
	181,869	-	(6,946)	174,923

The movements in the loss allowances in respect of trade receivables is disclosed in *Note 7* to the financial statements respectively.

#### *Other Receivables*

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

#### *Cash and Bank Balances*

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

## (iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances.

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

<i>Group</i>	Weighted Average Effective Interest Rate %	Carrying Amount AUD	Contractual Undiscounted Cash Flows AUD	Within 1 Year AUD	1 - 5 Years AUD	Over 5 Years AUD
<b>2020</b>						
Trade and other payables	-	2,259,236	2,259,236	2,203,561	55,675	-
Term loan	18.00	68,686	68,686	68,686	-	-
Bank overdraft	5.00	29	29	29	-	-
		<b>2,327,951</b>	<b>2,327,951</b>	<b>2,272,276</b>	<b>55,675</b>	<b>-</b>
<b>2019</b>						
Trade and other payables	-	2,307,211	2,307,211	2,104,546	202,665	-
Term loans	4.75	338,139	593,515	126,369	120,895	346,251
Bank overdraft	9.35	66,416	66,416	66,416	-	-
		<b>2,711,766</b>	<b>2,967,142</b>	<b>2,297,331</b>	<b>323,560</b>	<b>346,251</b>
<b>Company</b>						
<b>2020</b>						
Trade and other payables	-	200,458	200,458	200,458	-	-
Amount owing to subsidiaries	-	274,799	274,799	274,799	-	-
		<b>475,257</b>	<b>475,257</b>	<b>475,257</b>	<b>-</b>	<b>-</b>
<b>2019</b>						
Trade and other payables	-	113,204	113,204	113,204	-	-
Amount owing to subsidiaries	-	279,324	279,324	279,324	-	-
		<b>392,528</b>	<b>392,528</b>	<b>392,528</b>	<b>-</b>	<b>-</b>

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as interest-bearing bank borrowings, trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follow:

	2020 AUD	2019 AUD
Trade and other payables	2,259,236	2,307,211
Term loans	68,686	338,139
Bank overdraft	29	66,416
	<u>2,327,951</u>	<u>2,711,766</u>
Less: cash and bank balances	<u>(15,478)</u>	<u>(8,782)</u>
Net debt	<u>2,312,473</u>	<u>2,702,984</u>
Total equity	<u>(2,569,831)</u>	<u>(2,167,845)</u>
Debt-to-equity ratio	<u>N/A</u>	<u>N/A</u>

(c) Classification of Financial Instruments

	<i>Group</i>	
	2020	2019
	AUD	AUD
Financial Asset		
<u>Fair value through profit or loss</u>		
Other Investment	<u>5,178</u>	<u>5,586</u>
<u>Amortised cost</u>		
Trade and other receivables	40,406	473,258
Cash and bank balances	<u>15,478</u>	<u>8,782</u>
	<u>61,062</u>	<u>487,626</u>
Financial Liability		
<u>Amortised cost</u>		
Trade and other payables	2,259,236	2,307,211
Term loan	68,686	338,139
Bank overdraft	<u>29</u>	<u>66,416</u>
	<u>2,327,951</u>	<u>2,711,766</u>

	<i>Company</i>	
	2020	2019
	RM	RM
Financial Asset		
<u>Amortised cost</u>		
Trade and other receivables	<u>-</u>	<u>58,588</u>
Financial Liability		
<u>Amortised cost</u>		
Trade and other payables	<u>475,257</u>	<u>392,528</u>

(d) Fair Value of Financial Instruments

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

## **25. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

### **Coronavirus outbreak**

On 11 March 2020, the World Health Organisation declared Covid-19 a pandemic, causing huge impact on people's lives, families, communities and business around the world.

The outbreak has resulted in significant disruption to business operations and a significant increase in economic uncertainty.

As the situation continues to be fluid and rapidly evolving, the Group and the Company does not consider it practicable to provide a quantitative estimate of the potential impact of these economic conditions on the Group and the Company. However, the Group and the Company will actively monitor and manage the operations to minimise any potential impact.

## **26. SIGNIFICANT EVENTS OCCURRING AFTER THE FINANCIAL YEAR**

### **(a) Coronavirus outbreak**

Subsequent to the financial year, the numbers of new Covid-19 cases increased substantially in the markets in which the Group operates. As the outbreak is evolving, the full effect of the Covid-19 pandemic is subject to uncertainty and could not be ascertained reliably at this juncture.

### **(b) Acquisition of new subsidiaries**

On 20 August 2021, the Company entered into Shares Sale Agreement ("SSA") with the vendors of the following entities which detailed out as follow:

Acquisition of the following subsidiaries:

- 100% equity interest in MPS Telecommunication Sdn. Bhd.; and
- 100% equity interest in One Mobile Care Sdn. Bhd.  
(collectively known as "Proposed Acquisition")

On 2 December 2021, the Company via an Annual General Meeting obtained the shareholders' approval on the abovementioned acquisition.

The Proposed Acquisition is in progress as at the date of this report.

## 27. MATERIAL LITIGATIONS

- (a) REDHOT MEDIA SDN. BHD. – V-INNO MIND WORK SDN. BHD. (“IMW”) (Kuala Lumpur High Court Civil Suit No: WA-22NCvC-358-06/2021)
- (i) On 13.07.2021, a Judgement in Default (JID) has been entered against the IMW by Redhot Media Sdn. Bhd. (“Plaintiff”).
- (ii) On 23.12.2021, the IMW filed a Notice of Application (NOA) to set aside the JID. The IMW contends that the JID ought to be set aside base on the following reason:
- (a) the IMW is undergoing financial and operational restructuring; and
- (b) the IMW has a meritorious defence against the claim by the Plaintiff.
- (b) KERAJAAN MALAYSIA AND CIRCLE CORP MEDIATECH SDN. BHD (“CCMT”). (No. Saman: WA-A71NCVC-1819-11/2021)

On 18 11.2021, CCMT received the court order to settle the tax payment amount to RM34,800 for year assessment 2019 with 10% penalty charges.

CCMT has appointed a tax agent to discuss with the tax officer on the settlement.

## 28. CONTINGENT LIABILITIES

The Company’s subsidiary in Hong Kong has a total outstanding tax liabilities of AUD284,041 (HKD1,695,922) (2019: AUD310,252 (HKD1,695,922)), the Inland Revenue Department may impose penalties on the subsidiary company and the directors of the subsidiary. No provision of the penalty liabilities had been made in these financial statements, as the amount and consequence are uncertain at the reporting date.

## 29. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:

	<i>Group</i>		<i>Company</i>	
	As Previously Reported AUD	As Restated AUD	As Previously Reported AUD	As Restated AUD
Statements of profit or loss and other comprehensive income (Extract):				
Administrative expenses	(218,340)	(290,882)	(129,976)	(133,607)
Other operating expenses	<u>(541,559)</u>	<u>(469,017)</u>	<u>(7,063)</u>	<u>(3,432)</u>



**30. BASIS OF DISCLAIMER OF OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

(a) Revenue

During the year, the Group recorded revenue of AUD759,797. Revenue of AUD82,146 pertains to a subsidiary company. We were unable to obtain sufficient and appreciate audit evidence to verify the occurrence, completeness, accuracy, cut-off, classification and presentation of the revenue of the subsidiary company and there was no alternative audit procedures that we could perform to satisfy ourselves as to whether the revenue were free from material misstatement.

Any adjustments that might have been found necessary in respect of the above would have a consequential significant effect, on the financial position of the Group as at 31 December 2019, the loss for the year and the related disclosures in the financial statements.

(b) Other receivables and other payables

The other receivables and other payables in the statement of financial position of the Group as of 31 December 2019 amounted to AUD298,335 and AUD834,809, respectively. Included in the other receivables and other payables is an amount of AUD58,588 and AUD 101,797 respectively which pertains to the Company. We were unable to obtain sufficient and appropriate audit evidence to verify the existence, rights and obligations, completeness, accuracy, valuation and allocation, classification and presentation of the other receivables and other payables of the Company and there was no alternative audit procedures that we could perform to satisfy ourselves as to whether the other receivables and other payables were free from material misstatement.

Any adjustments that might have been found necessary in respect of the above would have a consequential significant effect, on the financial position of the Group and the Company as at 31 December 2019, the loss for the year and the related disclosures in the financial statements.

(c) Cash and bank balances and bank overdrafts

The cash and bank balances, and bank overdrafts in the statement of financial position of the Group as of 31 December 2019 amounted to AUD8,782 and AUD66,416, respectively. Included in cash and bank balances, and bank overdrafts is an amount of AUD nil and AUD 32 respectively which pertains to a subsidiary company. The confirmations in respect of cash and bank balances, and bank overdraft have not been received. There were no other satisfactory audit procedures that we could adopt to obtain sufficient evidence regarding the provision of accrued and contingent liabilities.

Any adjustments that might have been found necessary in respect of the above would have a consequential significant effect, on the financial position of the Group as at 31 December 2019, the loss for the year and the related disclosures in the financial statements.

(d) Opening balances

The independent auditor's report on the financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2018 dated 31 July 2021 included a disclaimer of opinion on the inability to obtain sufficient appropriate audit evidence on revenue, cost of sales, carrying amount of the trade receivables and trade payables, impairment of intangible asset, write off of inventories, write off of trade receivables of a subsidiary company and carrying of other receivables and other payables of the Company.

As the matters above have not been resolved in the financial year ended 31 December 2019, the impact is considered as below.

In view of the significance of the matters described in the basis for disclaimer of opinion paragraphs on the financial statements for the financial year ended 31 December 2018, the following were unable to be determined:

- (i) Whether the opening balances of the Group and of the Company as at 1 January 2019 were fairly presented; and
- (ii) The impact on the current financial year's financial position of the Group and of the Company and the financial performance, changes in equity and cash flow of the Group and of the Company.

The opinion on the current financial year's consolidated financial statements of the Group and the statement of financial position of the Company is a disclaimer of opinion because of the significance of these matters on the comparability of the current financial year's figures and the corresponding figures.