

2019 Annual Report

Contents Page	
2	Chairman's Message
3	Directors' Report
6	Auditor's Report
10	Financial Statements
	- Statement of Financial Position
	- Statement of Change in Equity
	- Statement of Comprehensive Income
	- Statement of Cashflows
	- Notes to Financial Statements
25	Corporate Governance Statement
28	Additional Information
30	Directory

2019 Annual Report

This 2019 Annual Report is a concise summary of our activities and financial position.

All figures are expressed in New Zealand currency unless otherwise stated.

Revenues and expenses are recognised exclusive of Goods and Services Tax.

GLOSSARY

Auditor	Auditor of TRS being BDO Wellington Audit Limited
Board	Board of Directors of TRS
Company	TRS Investments Ltd
HuaHan	HuaHan International Holdings (Hong Kong) Co. Ltd
HuaHan Transactions	A series of shareholder approved transactions completed on 21 July 2017
Lida	LIDA Agricultural International Holdings Limited
Lida China	Shenyang Lida Agricultural Science and Technology Group Limited
Ordinary Shares	Ordinary shares in TRS
TRS	TRS Investments Ltd
Year	Financial year

Message from the Chairman

Dear Fellow Shareholder

On behalf of the Board of Directors, I present the Annual Report of TRS Investments Ltd (“TRS”) for the financial year ended 31 March 2019.

The Directors terminated the proposed transaction with LIDA Agricultural International Holdings Limited (“LIDA”) described in the announcement made on 13 June 2018 so that other opportunities can be pursued. The directors felt that TRS would be better served by pursuing a transaction closer to home that would be more suited to a New Zealand listed company.

TRS has been approached by several parties with alternative transactions which the directors are now considering. TRS will notify the market as soon as a new transaction has been agreed.

A handwritten signature in black ink that reads "G. K. Jackson". The signature is written in a cursive style with a large, sweeping flourish at the end.

Keith Jackson
Chairman

Directors' Report

Your Directors present their report on TRS Investments Ltd ("TRS") together with the financial statements of the Company for the year ended 31 March 2019.

Directors

The Company's Directors in office during the financial year were as follows:

Keith Jackson B Com (Otago)

Chairman and Non-executive Director

Director since August 2001. Chairman since December 2001.

Keith is experienced in business development, marketing and executive management. He was formerly the CEO of Tegel Foods Ltd from 1980 to 1996. He was the founding Chairman of the Poultry Industry Association of New Zealand and Deputy Chairman/CEO of Ernest Adams Ltd. Keith has extensive business interests including Cooks Global Foods Ltd and Tasman Capital Ltd and a Director of Dairy Farm Investments Ltd.

Joseph van Wijk BBus, MBA, CA

Managing Director

Director since February 2005.

Joseph has a Bachelor of Business from New Zealand and a Master of Business Administration from the United Kingdom. He is a New Zealand qualified Chartered Accountant and has a diverse range of international experience in investment, accounting, taxation and financial roles including mergers and acquisitions in the UK and the USA. He is also a director of Tasman Capital Limited, Southern Charter Financial Group Limited and Senior Trust Management Limited.

John Cilliers B Com, CA

Independent Non-executive Director

Director since May 2016.

John has been actively involved in NZAX listings and compliance, business acquisitions, commercialisation and the implementation of systems to support organisational growth. John is a director of NZSX listed Southern Charter Financial Group Limited. He was formerly the CFO of Pulse Energy Limited. John has a Bachelor of Commerce from South Africa and is a member of Chartered Accountants Australia and New Zealand.

Principal Activities

The principal activity of the Company during the financial year was investment.

Financial Results

The total comprehensive loss for the year was (\$193,000) (2018: loss (\$61,000)).

Total operating income from ordinary activities was \$3,000 (2018: \$3,000).

Shareholders equity at 31 March 2019 totalled (\$594,000) (2018: (\$401,000)).

The Directors are responsible for ensuring the financial statements give a true and fair view of the financial position of the Company as at 31 March 2019 and Comprehensive Income and cash flows for the year.

The Directors present the financial statements set out on pages 10 to 24 of TRS for the year ended 31 March 2019.

Dividends

No dividends have been paid or declared in the financial year and TRS does not propose to pay a dividend for this reporting period.

Directors' and Officers' Indemnity

As permitted by the Company's constitution and section 162 of the Companies Act 1993, TRS has given indemnities to its Directors.

Directors' Interests

Shareholdings of Directors who held office during the year were as follows as at 31 March 2019:

Director	Shares - Direct	Shares - Indirect
G.K. Jackson	Nil	35,940,726
J Cilliers	Nil	Nil
J van Wijk	Nil	194,722,744

Use of TRS Information by Directors

Pursuant to section 145 of the Companies Act 1993, there were no recorded notices from Directors requesting to use TRS information received in their capacity as Directors that would not otherwise have been available to them.

Directors' Interest in Transactions

Directors have declared no interests in transactions with the Company during the year, other than the general disclosures made.

Directors' General Interests

During the year, the Directors had the following interests:

Director	Entity	Status
G.K Jackson	Cooks Global Foods Ltd	Director and shareholder
	Dairy Farm Investments Ltd	Director and indirect shareholder
	Jackson & Associates Limited	Director and shareholder
	Dairy Farm Investments (Ruawhata) Limited	Director and indirect shareholder
J van Wijk	Trinity Portfolio Ltd	Director and shareholder
	Tasman Capital Ltd	Director and indirect shareholder
	Tasman Capital Nominees Ltd	Director
	Tasman Capital Associates Ltd	Director
	Pacific Financial Derivatives Ltd	Director
	Senior Trust Management Ltd	Director
	Southern Charter Financial Group Ltd	Director and indirect shareholder
J Cilliers	Incrementum Ltd	Director and shareholder
	Southern Charter Financial Group Ltd	Director and shareholder

Remuneration

For Financial Year 2018/19 only

Name	Salary/Fees \$000	Benefits \$000	Incentives \$000	Total \$000
Non-executive Directors:				
K Jackson	0	0	0	0
J Cilliers	0	0	0	0
Executive Directors:				
J van Wijk	0	0	0	0

As at reporting date, fees/salaries accrued but not paid relating to the previous year are K Jackson \$20,000, J Cilliers \$20,000 and J van Wijk \$20,000. These unpaid amounts are unsecured, interest free and repayable on demand.

	2019	2018
The number of employees whose income was within the following band:		
\$100,000 - \$109,999	0	0

Donations

During the year TRS did not make any donations.

Business Strategies and Prospects

Information on the Company's business strategies and its prospects for the future financial years are included in the Chairman's Message.

Environmental Issues

The Company takes a responsible approach in relation to the management of environmental matters. All significant environmental risks have been reviewed and the Company has no legal obligation to take corrective action in respect of any environmental matter. The economic entity's operations are not subject to significant environmental regulation under New Zealand law.

Proceedings on behalf of the 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.

Auditors

In accordance with section 200 of the Companies Act 1993, the auditors, BDO Wellington Audit Limited, continue in office. During the year audit fees for the Company totalled \$16,350 payable to BDO Wellington Audit Limited, the parent company auditor.

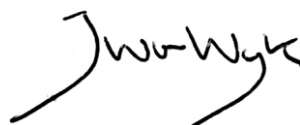
No person who was an Officer of the Company during the financial year was a director or partner of the Company's external auditor at a time when the external auditors conducted an audit of the Company.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors.

Dated this 28th day of June 2019



CHAIRMAN
Keith Jackson



DIRECTOR
Joseph van Wijk

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TRS INVESTMENTS LIMITED

Opinion

We have audited the financial statements of TRS Investments Limited ("TRS"), which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TRS as at 31 March 2019, and its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of TRS in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor, we have no relationship with, or interests in TRS.

Material Uncertainty Related to Going Concern

We draw attention to Note 16 to the financial statements, which indicates that TRS incurred a net loss of \$193,000 (2018: net loss of \$61,000) and generated negative operating cash flows of \$71,000 (2018: \$126,000 negative) during the year ended 31 March 2019 and, as of that date, TRS's current liabilities exceeded its current assets by \$595,000 (2018: current liabilities exceeded current assets by \$401,000). As stated in Note 16, these events or conditions, along with other matters as set forth in Note 16, indicate that a material uncertainty exists that may cast significant doubt on TRS's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the Message from the Chairman, Corporate Governance Statement, Directors' Statement of Responsibilities and Additional Shareholder Information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Statements

The directors are responsible on behalf of TRS for the preparation and fair presentation of the financial statements in accordance with NZ IFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible on behalf of TRS for assessing TRS'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 TRS or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (NZ) 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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TRS's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on TRS's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause TRS to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within TRS to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of TRS audit. We remain solely responsible for our audit opinion.

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

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

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

Who we Report to

This report is made solely to the TRS shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than TRS and the TRS shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Geoff Potter.

BDO Wellington Audit Limited

BDO Wellington Audit Limited
Wellington
New Zealand
28 June 2019

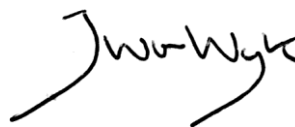
TRS INVESTMENTS LTD
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 \$000	2018 \$000
Equity			
Share capital	2	15,806	15,806
Accumulated losses		(16,400)	(16,207)
Total equity		(594)	(401)
Liabilities			
Current Liabilities			
Trade creditors	4	132	10
Sundry payables and accruals	4	76	76
Related party advances (unsecured)	4	360	360
Loan advance (unsecured)	4	120	80
Total current liabilities		688	526
Total liabilities		688	526
Total equity and liabilities		94	125
Assets			
Current assets			
Cash and cash equivalents	7	11	42
Prepayments	5	6	6
Trade receivables	5	2	2
Investments	6	75	75
Tax assets	13	0	0
Total current assets		94	125
Total assets		94	125

On Behalf of the Board:
Date: 28 June 2019



CHAIRMAN
Keith Jackson



DIRECTOR
Joseph van Wijk

The accompanying notes form part of and should be read together with these financial statements

TRS INVESTMENTS LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Note	Share Capital	Accumulated Losses	Total Equity
		\$000	\$000	\$000
Balance at 31 March 2017	2	15,806	(16,146)	(340)
Profit (loss) for the year		0	(61)	(61)
Other comprehensive income for the year		0	0	0
Total comprehensive income for the year		0	(61)	(61)
Issue of Ordinary Shares		0	0	0
Balance at 31 March 2018	2	15,806	(16,207)	(401)
	Note	Share Capital	Accumulated Losses	Total Equity
		\$000	\$000	\$000
Balance at 31 March 2018	2	15,806	(16,207)	(401)
Profit (loss) for the year		0	(193)	(193)
Other comprehensive income for the year		0	0	0
Total comprehensive income for the year		0	(193)	(193)
Issue of Ordinary Shares		0	0	0
Balance at 31 March 2019	2	15,806	(16,400)	(594)

The accompanying notes form part of and should be read together with these financial statements

TRS INVESTMENTS LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 \$000	2018 \$000
Operating income			
Interest income		3	3
Other income	9	0	0
Total operating income		3	3
Operating expenses	8	(196)	(64)
Finance Costs		0	0
Operating profit (deficit) before tax		(193)	(61)
Tax expense	13	0	0
Net loss for the year attributable to the shareholders of the Company		(193)	(61)
Total comprehensive income for the year attributable to the shareholders of the Company		(193)	(61)
Earnings per share - Basic	3	(\$0.000159)	(\$0.000050)
Earnings per share - Diluted	3	(\$0.000159)	(\$0.000050)

The accompanying notes form part of and should be read together with these financial statements

TRS INVESTMENTS LTD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 \$000	2018 \$000
Cash flows from operating Activities			
Cash was provided from:			
Interest received		3	3
Other income		0	0
Cash was disbursed to:			
Payments to suppliers and employees		(74)	(129)
Income tax paid		0	0
Net cash flows from operating activities	10	(71)	(126)
Cash flows from investing Activities			
Cash was provided from:			
Proceeds from sale of available for sale financial assets		0	0
Cash was disbursed to:			
Purchase of available for sale financial assets		0	0
Net cash flows from investing Activities		0	0
Cash flows from financing Activities			
Cash was provided from:			
Advances received		40	180
Cash was disbursed to:			
Advances repaid		0	(13)
Net cash flows from financing Activities		40	167
Net increase/(decrease) in cash held for the year		(31)	41
Opening Cash & Cash Equivalent balance		42	1
Closing Cash & Cash Equivalent balance	7	11	42

The accompanying notes form part of and should be read together with these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

TRS Investments Ltd (the "Company") is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange. The Company is a FMC reporting entity under the Financial Markets Conduct Act 2013.

For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP") the Company is a for-profit entity.

The principal activity of the Company is investment holding.

(a) Statement of compliance

The financial statements comply with NZ GAAP, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and the Financial Markets Conduct Act 2013 and International Financial Reporting Standards.

The financial statements were authorised for release on 28 June 2019 by the Directors.

(b) Basis of preparation

The financial statements are presented in New Zealand Dollars (\$), which is the Company's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand unless otherwise specified.

The financial statements have been prepared on a historical cost convention.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates, and assumptions that affect the application of Company policies and reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected. There are no revisions to accounting estimates in the current year or prior year financial statements, as no estimates were required to be made. The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying value of assets and liabilities within the next financial year is Going Concern (see Note 16).

The accounting policies set out below have been applied consistently by the Company, and to all years presented in these separate financial statements.

The Directors have prepared these financial statements on the basis that the Company is a going concern as disclosed in Note 16.

(c) Changes in Accounting Policies

New standards impacting the Company that have been adopted from 1 April 2018 in the financial statements for the year ended 31 March 2019, and which have given rise to changes in the Company's accounting policies include:

- NZ IFRS 9 Financial Instruments (NZ IFRS 9); and
- NZ IFRS 15 Revenue from Contracts with Customers (NZ IFRS 15)

There was no impact on any of the line items of the financial statements from the implementation. Refer to Note 18 for the effects of changes in accounting policies.

(d) Impairment of Non-Financial Assets

The carrying amounts of the Company's assets other than income tax receivable are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

• Calculation of recoverable amount

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

• Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

(e) Foreign Currencies

Transactions in foreign currencies, if any, are converted at the spot rate at the transaction date.

Foreign currency monetary assets and liabilities, if any, are revalued at the closing rate with gains and losses recognised in profit and loss.

(f) Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. Interest expense is recognised using the effective interest method.

(g) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at that tax rate that is expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

(h) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax ("GST"), except for receivables and payables which are stated inclusive of GST.

(i) Cash and Cash Equivalents

The following are definitions of the terms used in the Statement of Cash Flows:

- (i) Cash and cash equivalents include cash on hand and deposits held at call with banks.
- (ii) Operating activities include all transactions and other events that are not investing or financing activities.
- (iii) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments.
- (iv) Financing activities include those activities that change the size and composition of capital and borrowings.

(j) Financial assets

The Company classifies its financial assets into one of the categories referred to below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses.

During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit) as part of the impairment expense.

The Company's financial assets measured at amortised cost comprise trade and other receivables, related party loans and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows.

Fair value through other comprehensive income

No assets are classified as Fair value through other comprehensive income.

(k) Trade and other payables

These amounts represent unsecured liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. As trade and other payables as usually paid within 30 days, they are carried at face value.

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

(m) Share Capital

Ordinary shares

Incremental cost directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(n) Cost of raising capital

Issued and paid up Capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the value of the share proceeds received.

(o) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(p) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and access its performance, and for which for discrete financial information is available.

(q) Director benefits - Equity settled transactions

The grant date fair value of shares granted to directors is recognised as a directors' expense, with a corresponding increase in equity, over the period in which the directors become unconditionally entitled to the shares. The amount recognised as an expense is adjusted to reflect the actual number of shares issued.

(r) Employee entitlements

Employee entitlements represent the current obligation to employees in respect of outstanding salaries, leave entitlements and other short-term benefits. Short-term employee benefits are measured at the undiscounted amount expected to be paid in exchange for the employees' services received.

(s) NZ IFRS Standards and Interpretations Issued but not yet Adopted

At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but not yet effective, and have not been adopted early by the Company.

All pronouncements will be adopted in the first accounting period beginning on or after the effective date of the new standard. Information on new standards, amendments and interpretations that are expected to be relevant to the company's financial statements is provided below. Certain other new standards and interpretations issued but not yet effective are disclosed below. These are not expected to have a material impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

There are no other NZ IFRSs or NZ IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

	2019	2018
	\$000	\$000
2. SHARE CAPITAL		
Issued, authorised and paid up capital Ordinary Shares		
Balance at beginning of year	15,806	15,806
Shares issued during the year	0	0
Balance at end of year	<u>15,806</u>	<u>15,806</u>

At 31 March 2019 there were 1,212,710,484 fully paid shares on issue (2018: 1,212,710,484). All ordinary shares rank equally with one vote attached to each fully paid ordinary share. Ordinary shares have no par value. All shares rank equally with regard to the Company's residual assets. Note that subsequent to reporting date that further shares were issued for \$120,000 as disclosed in Note 17.

3. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 March 2019 was based on the loss for the year of (\$193,000) loss (2018: \$61,000 loss) and a weighted average number of ordinary shares outstanding of 1,212,710,484 (2018: 1,212,710,484) calculated as follows:

Profit attributable to ordinary shareholders

	Total	Total
	2019	2018
	\$000	\$000
Total Comprehensive income/(expense) for the year	(193)	(61)

Weighted Average number of ordinary shares

	2019	2018
Issued ordinary shares at 1 April	1,212,710,484	1,212,710,484
Share issue	0	0
Total number of shares	<u>1,212,710,484</u>	<u>1,212,710,484</u>
Weighted average number of ordinary shares at 31 March	1,212,710,484	1,212,710,484

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

	2019 \$000	2018 \$000
4. TRADE AND OTHER PAYABLES		
Trade creditors	132	10
Sundry payables and accruals	76	76
Related party advances (unsecured)	360	360
Loan advance (unsecured)	120	80
Total trade and other payables	688	526

Trade creditors, sundry payables and accruals include an accrual of total remuneration for directors of \$60,000 remaining unpaid from the previous year (2018: \$60,000).

As at 31 March 2019 total instalments of \$120,000 (2018: \$80,000) were received from Shenyang Lida Agricultural Science and Technology Group Limited ("Lida China") to pay for the proposed transaction with Lida and some other third-party payables (refer to Note 17 for more details regarding the proposed transaction). Subsequent to balance date, the proposed transaction was terminated and the \$120,000 was settled in full with the issue of 120,000,000 shares in TRS to Lida nominees. This settlement has had no impact (profit or loss) on the Statement of Comprehensive Income of the Company in the subsequent year because the full fair value of the liability was settled in full with an equivalent increase in share capital.

As at 31 March 2019 the related party advance was made up of \$359,960 (2018: \$359,960) from HuaHan International Holdings (Hong Kong) Co. Ltd ("HuaHan") (the ultimate controlling party of TRS). For further details on related party advances refer to Note 11.

5. TRADE AND OTHER RECEIVABLES

Prepayments	6	6
Trade receivables	2	2
Total trade and other receivables	8	8

6. INVESTMENTS

Held at amortised cost (2018: loans and receivables)

NZX Bond	75	75
Total Investments	75	75

The term deposit with ANZ has been placed in favour of the New Zealand Stock Exchange. The term deposit is not highly liquid and does not form part of day-to-day cash management.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	11	42
Total Cash and Cash Equivalents	11	42

Cash and cash equivalents are bank balances with a trading bank in New Zealand earning between 0% and 0.35% interest per annum.

8. OPERATING EXPENSES AND FINANCE COSTS

Operating expenses include:

	2019 \$000	2018 \$000
Annual report cost	3	3
Directors fees (refer Note 11)	0	3
NZX fees	25	25
Legal fees	141	6

Payments to Auditors – BDO Wellington Audit Limited

Audit fees to parent company auditor for audit of financial statements	16	16
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Legal fees of \$141,000 in the current year (2018: \$6,000) are made up of costs associated with the Lida transaction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

9. OTHER REVENUE

Other	0	0
	0	0

There was no other revenue in the current or previous year.

10. RECONCILIATION OF OPERATING CASH FLOW FROM OPERATING ACTIVITIES

	2019 \$000	2018 \$000
Operating (deficit) after taxation	(193)	(61)
Add non cash items:		
Movements in working capital:		
Decrease/(Increase) in accounts receivable	0	0
Increase/(Decrease) in accounts payable	122	(65)
Net cash flows from operating activity	(71)	(126)

11. TRANSACTIONS WITH RELATED PARTIES

The ultimate controlling party of the Company is HuaHan International Holdings (Hong Kong) Co. Ltd ("HuaHan").

A series of transactions (collectively referred to as the "HuaHan Transactions") took place effective 21 July 2016 after shareholder approval was obtained at a special meeting on 13 July 2016.

As part of the HuaHan Transactions approved by shareholders, TRS entered into an agreement with HuaHan whereby HuaHan would provide TRS with an unsecured Working Capital Facility of up to \$1,000,000 to be drawn down as needed by TRS (denominated in New Zealand dollars). Interest of 5% per annum was originally intended to be payable on drawn funds. At the end of a two year period, if any funds remained drawn on the facility, HuaHan would have the option to convert the balance to shares in TRS at 0.3 cents per share or to continue the facility on the same terms.

On 20 July 2018, TRS signed an agreement with HuaHan for the full settlement of the \$360,000 in exchange for the issue of 30,000,000 TRS shares to HuaHan and the payment of \$300,000. This agreement recognises that this settlement requires shareholder approval, so the agreement stipulates that this settlement will be voted on by shareholders at the time that a new transaction is brought to the shareholders for approval (such as a back-door listing transaction). The agreement is in full settlement and does not require any interest payments so no interest has been accrued in relation to the Working Capital Facility. As at 31 March 2019 the total drawdown on the Working Capital Facility of \$360,000 is carried in the financial statements (2018: \$360,000). This balance is unsecured and is deemed as a current liability because settlement is expected within 12 months of balance date.

On 12 June 2018 the Company signed a share subscription agreement with Lida Agricultural International Holdings Limited ("Lida"); a company associated with Shenyang LIDA Agricultural Science and Technology Group Limited of China ("Lida China"). Subsequent to balance date, this proposed transaction was terminated and the total sum received from Lida of \$120,000 was settled in full with the issue of 120,000,000 shares in TRS to Lida nominees. This settlement has had no impact (profit or loss) on the Statement of Comprehensive Income of the Company in the subsequent year because the full fair value of the liability was settled in full with an equivalent increase in share capital. (Refer to Note 17)

Loans to Directors of the company during the year were Nil (2018: Nil). Remuneration paid to key management personnel of the Company is detailed below. During the 2019 financial year; Joseph van Wijk, paid TRS creditors on behalf of the company totalling \$20,672 (2018: \$36,668). As at year end all amounts owing to him were reimbursed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

REMUNERATION

For Financial Year 2018/19

Name	Salary/Fees \$	Benefits \$	Incentives \$	Total \$
Non-executive Directors:				
K Jackson	0	0	0	0
J Cilliers	0	0	0	0
Executive Directors:				
J van Wijk	0	0	0	0

For Financial Year 2017/18

Name	Salary/Fees \$	Benefits \$	Incentives \$	Total \$
Non-executive Directors:				
K Jackson	20,000	0	0	20,000
J Cilliers	20,000	0	0	20,000
Executive Directors:				
J van Wijk	20,000	0	0	20,000

All directors have agreed to settle director's fees/salaries for a total of \$20,000 each as at balance date. This settlement is unchanged from the previous year so no additional accrual was required in the current year. As at balance date, fees/salaries accrued but not paid are K Jackson \$20,000, J Cilliers \$20,000 and J van Wijk \$20,000. These unpaid amounts are unsecured, interest free and repayable on demand.

	2019	2018
The number of employees whose income was within the following band:		
\$100,000 - \$109,999	0	0

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities as at 31 March 2019 (2018: Nil). As at 31 March 2019 there are no capital commitments (2018: Nil).

	2019 \$000	2018 \$000
13. TAXATION		
Operating profit (deficit) before income tax	(193)	(61)
Less non-deductible legal fees	141	6
	(52)	(55)
At Statutory Rate of 28% (2018: 28%)	(15)	(15)
Total tax losses utilised	0	0
Total tax losses not recognised	15	15
Income Tax Expense	0	0

The tax rate used is the corporate tax rate of 28% payable by New Zealand corporate entities on taxable profits under New Zealand tax law.

At year end the Company has unrecognised tax losses to carry forward from the current year of \$317,342 (2018: \$264,191). The carry forward losses are subject to confirmation by the tax authorities and satisfaction of shareholder continuity requirements in the future.

If a transaction as discussed in Note 16 is completed then these losses will not be able to be carried forward to future years. Accordingly, no deferred tax assets were accounted for in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Imputation Credit Account

	2019 \$000	2018 \$000
Balance at beginning of year	0	0
Plus: Resident Withholding Tax paid	1	1
Less: Income Tax refunds received	(1)	(1)
Less: Imputation Credits lost	0	0
Balance at end of year	0	0

The closing balance represents imputation credits available to be attached to any distributions from the Company's reserves, subject to certain shareholder continuity provisions.

14. FINANCIAL INSTRUMENTS

Exposure to credit, foreign currency and liquidity risks arises in the normal course of the Company's business.

Credit Risk

Financial instruments that potentially subject the Company to credit risk principally consist of bank balances, receivables and investments. Maximum exposures to credit risk not already provided for at reporting date are:

	2019 \$000	2018 \$000
Bank balances	11	42
Investments	75	75
Trade Receivables	2	2

The credit risk policy is to hold cash equivalents and investments with New Zealand trading banks with a Standard & Poors credit rating of AA-. No collateral is held above these amounts.

Concentration of credit risk

No material amount of trade receivables is due from single customers.

All banking is done with the same bank.

Liquidity Risk

Liquidity risk represents the Company's ability to meet its contractual obligations associated with financial liabilities. The Company evaluates its requirements on an ongoing basis. The following table sets out the undiscounted contractual cash flows for all financial liabilities of the Company:

	Carrying Amount \$000	Contractual Cash flows \$000	6 months or less \$000	6-12 months \$000	1-2 years \$000	More than 2 years \$000
2019						
Trade creditors	132	132	132	0	0	0
Sundry payables & accruals	76	76	76	0	0	0
Related party advances	360	360	0	360	0	0
Loan advances	120	120	120	0	0	0
Total non-derivative liabilities	688	688	328	360	0	0
2018						
Trade creditors	10	10	10	0	0	0
Sundry payables & accruals	76	76	76	0	0	0
Related party advances	360	360	0	360	0	0
Loan advances	80	80	0	80	0	0
Total non-derivative liabilities	526	526	86	440	0	0

Foreign Currency Risk

During the normal course of the year the Company has no transactions denominated in foreign currencies (2018: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Interest Rate Risk

Trade receivables, trade creditors, sundry receivables and other payables are not exposed to re-pricing risk as they are not interest rate sensitive. The Company's bank balances potentially subject the Company to interest rate risk and therefore interest income is subject to change in local interest rates. There is no hedge against the risk of downward movements in interest rates.

31 March 2019	Effective Interest Rates	Current	1-2 Years	2-5 Years	>5 Years	Total
		\$000	\$000	\$000	\$000	\$000
Assets						
Investments	3.40%	75	0	0	0	75
Cash	0% to 0.35%	11	0	0	0	11
		86	0	0	0	86
Liabilities						
Related Party Advances	0%	360	0	0	0	360
		360	0	0	0	360

31 March 2018	Effective Interest Rates	Current	1-2 Years	2-5 Years	>5 Years	Total
		\$000	\$000	\$000	\$000	\$000
Assets						
Investments	3.50%	75	0	0	0	75
Cash	0% to 0.35%	42	0	0	0	42
		117	0	0	0	117
Liabilities						
Related Party Advances	0%	360	0	0	0	360
		360	0	0	0	360

Sensitivity Analysis

Based on the interest risk profile as at 31 March 2019, the following tables show the annual effect on net profit and equity of a 1% change to the effective interest rate for the repricing periods for Term Deposits and Cash. The 1% change is considered appropriate because it is consistent with economic expectations within New Zealand.

31 March 2019	Carrying Amount	-1% Profit	-1% Equity	+1% Profit	+1% Equity
	\$000	\$000	\$000	\$000	\$000
Assets					
Term Deposit	75	-1	-1	1	1
Cash	11	0	0	0	0
31 March 2018					
	Carrying Amount	-1% Profit	-1% Equity	+1% Profit	+1% Equity
	\$000	\$000	\$000	\$000	\$000
Assets					
Term Deposit	75	-1	-1	1	1
Cash	42	0	0	0	0

Capital Management

The Company's capital includes share capital and retained earnings. The Company is not subject to any externally imposed capital requirements. The Company's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. The Company has negative equity with plans to bring on another investor to assist with capital requirements. This is discussed in more detail in Notes 16 and 17.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Estimation of fair Values

The carrying amount approximates fair value of each of the following classes of financial instruments: cash and cash equivalents, investments, related party advance and trade and other receivables. The methods used in determining the fair values of financial instruments are discussed in Note 1(j).

Classification and fair values

2019

	Amortised Cost (2018: Loans and receivables)	Financial liabilities at amortised cost	Total carrying amount
	\$000	\$000	\$000
Assets			
Investments	75	0	75
Cash and cash equivalents	11	0	11
Total current assets	86	0	86
Total assets	86	0	86
Liabilities			
Related party advance	0	360	360
Trade and other payables	0	208	208
Loan Advance	0	120	120
Total current liabilities	0	688	688
Total liabilities	0	688	688

Classification and fair values

2018

	Loans and receivables	Financial liabilities at amortised cost	Total carrying amount
	\$000	\$000	\$000
Assets			
Investments	75	0	75
Cash and cash equivalents	42	0	42
Total current assets	117	0	117
Total assets	117	0	117
Liabilities			
Related party advance	0	360	360
Trade and other payables	0	86	86
Loan Advance	0	80	80
Total current liabilities	0	526	526

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

15. SEGMENT REPORTING

The Company operates in one business and geographical segment of investment in New Zealand. One segment has therefore been identified by the Directors. The Statement of Comprehensive Income and Statement of Financial Position represent the Company's one segment.

16. GOING CONCERN

The financial statements, which include a comprehensive loss of \$193,000 for the Company for the 31 March 2019 financial year (2018: comprehensive loss \$61,000), a negative net asset and capital position of (\$594,000) (2018: \$401,000 negative) and generated negative operating cash flows of \$71,000 (2018: \$126,000 negative) have been prepared on the going concern basis of accounting.

On 20 July 2018, TRS signed an agreement with HuaHan for the full settlement of the Working Capital Facility liability of \$360,000 in exchange for the issue of 30,000,000 TRS shares to HuaHan and the payment of \$300,000. This agreement recognises that this settlement requires shareholder approval, so the agreement stipulates that this settlement will be voted on by shareholders at the time that a new transaction (such as a back-door listing transaction) is brought to the shareholders for approval. The settlement agreement also states that some time after the new transaction is completed; a Share Purchase Plan will be conducted, on a best endeavours basis, to raise the \$300,000 cash portion of the settlement. As at 31 March 2019 the total liability of \$360,000 is carried in the financial statements.

The Company has \$11,000 in cash and cash equivalents to settle Trade Creditors of \$132,000 and Sundry Payables and Accruals of \$76,000 in the next 12 months. In addition, aside from the \$75,000 term deposit that earns interest, the Company has no income earning assets from which to derive revenue that may enable the Company to settle its obligations unless it is able to obtain cash through the sale of further equity or a new business transaction.

The directors are of the opinion that the basis upon which the financial statements have been prepared is appropriate as they believe that a new transaction will be completed within the next 9 months which will settle the Company's current liabilities and provide the Company with a trading business. Such a transaction will be subject to shareholder approval at a special meeting and TRS obtaining any necessary waivers from NZX Limited.

Negotiations with a number of interested parties are in progress to secure a transaction or secure additional funding, and the directors are confident that a new transaction will be found. Options being explored involve a reverse takeover (back-door listing) and include provisions to provide short term working capital funds to enable the Company to settle the current commitments. At the time of executing these financial statements the negotiations were on-going and have not achieved written confirmation through a terms sheet for agreement that could be tabled with the market. The Directors consider the proposals to be viable subject to completing terms and being acceptable to the shareholders. However, until a transaction is completed or further funding secured, the Company does not have the funds to pay third-party payables.

There is material uncertainty in regard to the going concern assumption if a transaction does not proceed or is not approved because a transaction to acquire a viable asset or business in exchange for the issue of TRS shares (a new investor) needs to be found, and until this time shareholder support is required. If a suitable transaction is not completed there is uncertainty as to whether or not shareholders or third-parties will call on their loans, and which shareholders will contribute to the on-going operating costs. There is uncertainty as to when a new investor or new transaction will be found. The going concern of the Company is dependent on resolving these uncertainties. If the going concern assumption is not valid, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that may need to be made should the Company no longer continue to be a going concern.

17. EVENTS SUBSEQUENT TO REPORTING DATE

On 12 June 2018 the Company signed a share subscription agreement with Lida Agricultural International Holdings Limited ("Lida"). Instalments of \$120,000 were received from Lida prior to balance date and this sum is recorded as a liability as at balance date. Subsequent to balance date, the proposed transaction with Lida was terminated and the total sum received from Lida of \$120,000 was settled in full with the issue of 120,000,000 shares in TRS to Lida nominees. This has therefore reduced the Company's liabilities by \$120,000. This settlement has had no impact (profit or loss) on the Statement of Comprehensive Income of the Company in the subsequent year because the full fair value of the liability was settled in full with an equivalent increase in share capital.

18. EFFECTS OF CHANGES IN ACCOUNTING POLICIES

The Company has chosen not to restate comparatives on adoption of IFRS 9, and therefore, adjustments are not reflected in restated prior year financial statements. Rather, these changes have been processed at the date of initial application (1 April 2018) and recognised in the opening equity balances. Note there were no adjustments required, other than presentational disclosures as a result of the new standard. There were no material impact with the adoption of IFRS 15 because the Company currently has no revenue from contracts with customers.

Corporate Governance Statement

The Board of Directors (“Board”) of TRS recognize the need for strong corporate governance practices and has adopted a comprehensive corporate governance code. The code is based on the recommendations set out in the NZX Corporate Governance Code 2017 and the requirements of the NZX Main Board Listing Rules. The Company’s website is currently under construction; but in the interim copies of key documents referred to in this section can be requested by emailing josephvanwijk@xtra.co.nz. The information contained in this section is current as at 28 June 2019 and has been approved by the Board. The key documents within the code were last reviewed effective June 2019 and a summary statement of the key documents is as follows:

Code of Conduct and Share Trading Policy

TRs has adopted policies that are designed to formalize its commitment to the highest standards of ethical conduct and to provide all Directors and representatives with clear guidance on those standards. These are governed by the Code of Conduct and also the Share Trading Policy.

The Code of Conduct details the ethical and professional behavioural standards required of the Directors and all employees. It also provides the means of proactively addressing and resolving potential ethical issues and details the process to be adopted for identifying conflicts of interest and the actions that should be taken.

The Share Trading Policy details the procedure whereby TRS Directors and employees may trade in TRS shares. Directors and employees may not trade in TRS shares when they have price sensitive information that is not publicly available. In addition, except where the Directors have the permission of the Board, the Directors may trade in the Company shares only during specified trading windows.

The Company maintains an interests register in which the particulars of certain transactions and matters involving Directors must be recorded. Details of all matters entered into the register by individual Directors are outlined on page 4 and in Note 11 of the Financial Statements.

Board Charter

The Charter defines the Board's role, which is to govern the business and purposes of TRS. The Board manages, supervises and promotes the interests of the business with a view to adding long-term value. The Charter details that the Board must have regard to TRS's values and shareholder concerns. The Board is committed to leading TRS through culture and values that focus on integrity.

Role and Composition of the Board

TRs retains a Board of Directors which aims to ensure that shareholders’ interests are held paramount. The Board is responsible for the direction and control of TRS and is accountable to shareholders and others for TRS’ performance and compliance with the appropriate laws and standards. A key responsibility of the TRS Board is to monitor the performance of management on an ongoing basis. TRS offers shareholders an experienced Board with financial markets experience and strengths in funds management and corporate governance. Profiles of the individual Directors can be found on page 3.

The TRS Constitution requires a minimum of three Directors with a maximum of seven. At least two of the Directors must be ordinarily resident in New Zealand. The composition of the Board must include a minimum of two Independent Directors. The Board elects a Chairman whose primary responsibility is the efficient functioning of the Board. The Board is currently made up of three Directors and the Board considers that two Directors are independent in terms of the New Zealand Exchange requirements.

Independent Directors

- Keith Jackson (Chairman)
- John Cilliers

Director

- Joseph van Wijk

The Board met regularly during the year. The Board is provided with accurate timely information on all aspects of TRS operations. The Board is kept informed of key risks to TRS on a continuing basis. In addition the Board meets whenever necessary to deal with specific matters needing attention between the scheduled meetings.

Diversity Policy

TRs believes that diversity and inclusion contribute to competitive advantage and sustainable business success which is reflected in the Companies Diversity Policy. TRS is committed to an inclusive workplace that fosters and promotes workplace diversity at all levels. This provides the capacity to view problems and opportunities from many different perspectives. The gender composition of Directors and Officers as at the end of the previous two financial years is disclosed on page 29. The Board believes that the current makeup of the Board is appropriate at this time.

Board Committees – Audit Committee

The TRS Audit Committee has been established to focus on audit and risk management and specifically addresses responsibilities relative to financial reporting and regulatory conformance. The Audit Committee

comprises John Cilliers (Chairman of Committee) and Keith Jackson. Meetings are held not less than twice a year having regard to TRS' reporting and audit cycle.

Other Committees

Due to the importance of Nomination and Remuneration matters these are addressed by the Board as a whole and consequently there is no separate Nomination or Remuneration Committee at this time.

Continuous Disclosure

TRS's Continuous Disclosure Policy sets out TRS's arrangements to ensure material information is identified, reported, assessed and, where required, disclosed to the market in a timely manner. TRS is committed to ensuring the timely disclosure of material information about the Company to ensuring that TRS complies with the NZX Main Board Listing Rules.

Remuneration Policy

TRS's Remuneration Policy sets out the principles which apply to the remuneration of TRS's Board and employees. Details of individual director remuneration are outlined on page 4 and in Note 11 of the Financial Statements.

Risk Management and Internal Control

The Board has overall responsibility for TRS' system of risk management and internal control. TRS has in place policies and procedures to identify areas of significant business risk and implement procedures to manage effectively those risks. Key risk management tools used by TRS include the audit committee function, outsourcing of certain functions to experts, internal controls, financial and compliance reporting procedures and processes, business continuity planning and insurance. The Board regularly reviews TRS's Health and Safety Policy.

Auditors

The Audit Committee is accountable for ensuring the performance and independence of the external auditors – BDO Wellington Audit Limited. The Audit Committee also recommends to the Board, which services other than the statutory audit, may be provided by BDO Wellington Audit Limited as auditors.

Shareholder Relations

The Board recognises the importance of providing comprehensive and timely information to shareholders. Information is communicated to shareholders in the Interim Report and the Annual Report. The release of the Annual Report is followed by the Annual Shareholders Meeting, which the Board recognises as an important forum at which the shareholders can meet and question the Board. Full participation of shareholders is encouraged at the Annual Shareholders Meeting to ensure a high level of accountability and identification with the Company's strategies and goals. Shareholders are encouraged to submit questions in writing prior to the meeting.

Environmental, Social and Governance

TRS recognises the importance of minimising our environmental, social and governance impact. The Environmental, Social and Governance policy provides a framework that allows TRS to minimise its environmental impact and achieve sustainable business practices.

Summary of Exceptions

The Company's corporate governance code is based on the recommendations set out in the NZX Corporate Governance Code 2017 and the requirements of the NZX Main Board Listing Rules. The Board considers that TRS's corporate governance code has followed these recommendations and requirements in all material respects in the current year with the following exceptions: Recommendation 3.4 (nomination committee operates under a written charter) - due to the size of the Board and the lack of Company operations, the whole Board considers nominations and it does not currently have a written charter. Recommendation 3.6 (protocols setting procedure to follow if takeover offer received including the set-up of a separate committee) - there are no written protocols at this time but the whole Board would be immediately involved and legal advice sought. Recommendation 4.2 (key governance documents being available on the company's website) - the Company's website is currently under construction but key documents can be obtained on request from the Company as above. Recommendation 4.3 (reporting includes non-financial disclosures such as exposure to environmental risks and how those risks are managed) – due to the Company's lack of current operations such reporting will be considered in future years. Recommendation 6.2 (disclose how health and safety is managed and report on health and safety risks, performance and management) – due to the current size and lack of operations of the Company it is considered there is no relevant information to report at this time. Recommendation 8.1 (having a website) – the Company's website is currently under construction.

Directors' Statement of Responsibilities

For the period ended 31 March 2019

We present the financial statements for TRS for the period ended 31 March 2019.

We have ensured that the financial statements for TRS give a true and fair view of the financial position of the Company as at 31 March 2019 and its Comprehensive Income and cash flows for the period ended on that date.

We have ensured that the accounting policies used by the Company comply with generally accepted accounting practice in New Zealand and believe that proper accounting records have been kept. We have ensured compliance of the financial statements with the Financial Reporting Act 2013.

We also consider that adequate controls are in place to safeguard the Company's assets and to prevent and detect fraud and other irregularities.

The TRS Board authorised these financial statements for issue on 28 June 2019.

Additional Shareholder Information

Stock Exchange Listing

TRS is listed on NZSX under the code TRS for ordinary shares.

Registry

Computershare Investor Services Pty Ltd is TRS' security register manager and holds all shareholder records electronically. Computershare is also responsible for the maintenance of shareholder records, TRS' call centre, and the preparation of distribution payments. Contact details for Computershare are set out on the back page.

Investor Support

If you have any queries regarding your investment, please contact Computershare on +64 9 4888 777 or visit their website at www.computershare.co.nz. Please note there is a section of the website designed to provide shareholders with the forms necessary to initiate changes of the details held at the registry. This service is available from 9.00am to 5.00pm (Auckland time) on all business days. Enquiries may also be e-mailed via Computershare's website (at enquiry@computershare.co.nz).

Requests for changes to your holding details, distribution payment details, or general enquires can all be directed to the Shareholder Service Centre.

Annual Report

All shareholders are entitled to receive a copy of the Annual Report. If you do not require the Annual Report, or if you receive more copies than you require, please notify Computershare at the address shown on the back page.

Annual General Meeting

The next Annual General Meeting is intended to be held in August or September 2019. The Notice of Meeting and Proxy Form will be sent shortly.

Statement of Shareholders

TRS 20 largest ordinary shareholders and their holdings as at 17 June 2019:

	Shareholder	Shares held	%
1	HuaHan International Holdings (Hong Kong) Co Limited	633,641,228	47.55
2	Trinity Portfolio Limited	194,722,744	14.61
3	Li Da Yang	66,666,000	5.00
4	Beconwood Superannuation Pty Limited	60,000,000	4.50
5	Chao Wang	53,334,000	4.00
6	Andrew Fiori-Dea	37,280,237	2.80
7	Graeme Keith Jackson & Patricia Frances Jackson & Phillip Mack Picot	35,940,726	2.70
8	Hai Yan Xiang	33,349,538	2.50
9	Takawa Trustees Limited	17,526,161	1.32
10	Peter Douglas Bolam	8,836,000	0.66
11	Lili Wang	8,810,000	0.66
12	John Edward Connell	8,194,352	0.61
13	JPMorgan Chase Bank – NZ Branch – Segregated Clients Account	7,615,690	0.57
14	Anthony Theodore Bus	7,500,000	0.56
15	John Baldwin Howe	6,086,480	0.46
16	William Francis Coman	5,000,000	0.38
17	Craig Alexander Philip	4,301,706	0.32
18	Mukesh Chiman Bhula	4,055,000	0.30
19	Mervyn Peter Bell & Suzanne Bell	4,000,000	0.30
20	MatrixIP Pty Ltd	3,601,204	0.27
	Top 20 holders of Ordinary Shares	1,200,461,066	90.08

Distribution of Shareholders

As at 31 May 2019, the distribution of shareholders was as follows:

Range	Total Holders	Fully paid ordinary shares	% Issued Capital
1 - 99	716	11,864	0.001
100 - 199	54	7,474	0.001
200 - 499	59	17,590	0.001
500 - 999	35	22,339	0.002
1,000 - 1,999	32	39,041	0.003
2,000 - 4,999	63	171,454	0.014
5,000 - 9,999	30	198,825	0.015
10,000 - 49,999	138	3,275,306	0.246
50,000 - 99,999	52	3,279,989	0.246
100,000 - 499,999	97	20,371,617	1.529
500,000 - 999,999	24	16,126,883	1.210
1,000,000 - 999,999,999	68	1,289,187,102	96.734
Total	1,369	1,332,710,484	100.000

Gender Composition of Board of Directors

The gender composition of the board of directors as at 31 March 2019 as required to be disclosed under Main Board/Debt Market Listing Rule (7 March 2016) 10.4.5(j) is as follows:

- Keith Jackson Male
- John Cilliers Male
- Joseph van Wijk Male

As at 31 March 2019 100% of the Directors were male. As at 31 March 2018 100% of the Directors were male. TRS are no other offices or employees as at 31 March 2019.

Substantial Shareholders

As at 31 March 2019, the following holders are Substantial Product Holders in TRS within the meaning of that expression under Section 274 of the Financial Markets Conduct Act 2013:

Holder	Shares Held	%	Classification of Holding
HuaHan International Holdings (Hong Kong) Co Limited	633,641,228	52.25	Registered Holder and beneficial owner
Trinity Portfolio Ltd / Joseph van Wijk	194,722,744	16.06	Registered Holder and beneficial owner

Voting Rights

Under the Company's Constitution, each member present at a general meeting is entitled:

1. on a show of hands, to one vote; and
2. on a poll, to one vote for each share held or represented.

Waivers

There were no waivers granted or published by the NZX in relation to TRS Investments Limited or relied upon by TRS Investments Limited in the 12 month period to 31 March 2019 or in the previous 12 months.

Directory

New Zealand Registry Services:

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enquiry@computershare.co.nz

Auditors:

BDO Wellington Audit Limited
Level 1, 50 Customhouse Quay
Wellington

Solicitors:

Duncan Cotterill Lawyers
Level 2, 50 Customhouse Quay
Wellington

Registered Office:

C/o Duncan Cotterill Lawyers
Level 2, 50 Customhouse Quay
Wellington