

**FRONTIER DIGITAL VENTURES PTE LTD
AND ITS SUBSIDIARIES**
(Incorporated in Singapore. Registration Number: 201409923N)

ANNUAL REPORT
For the financial year ended 31 December 2015

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 December 2015

Contents

	Page
Directors' Statement	1
Independent Auditor's Report	3
Consolidated Statement of Comprehensive Income	5
Balance Sheet – Group	6
Balance Sheet – Company	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial year ended 31 December 2015

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the balance sheet of the Company as at 31 December 2015.

Opinion of the directors

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 5 to 45 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this report are as follows:

Shaun Antony Di Gregorio	(Appointed on 4 April 2014)
Lucas Robert Elliott	(Appointed on 4 April 2014)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

		Holdings registered in name of <u>director or nominee</u>	
		At <u>31.12.2015</u>	At <u>1.1.2015</u>
1)	Company (<u>No. of ordinary shares</u>)		
	Shaun Antony Di Gregorio	-	30

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial year ended 31 December 2015

Directors' interests in shares or debentures (continued)

		Holdings registered in name of <u>director or nominee</u>	
		At	At
		<u>31.12.2015</u>	<u>1.1.2015</u>
2)	Immediate Holding Corporation - Frontier Digital Ventures Ltd. (No. of ordinary shares) Shaun Antony Di Gregorio	12,880,000	-
3)	Ultimate Holding Corporation - Catcha Group Pte. Ltd. (No. of ordinary shares) Lucas Robert Elliott	717,363	551,816

Share options


There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

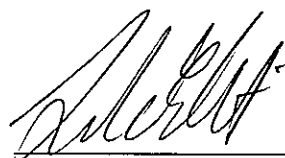
There were no unissued shares of the Company under option at the end of the financial year.

Independent Auditor

The independent auditor, WSC Partnership, has expressed its willingness to accept re-appointment.



Shaun Antony Di Gregorio
Director



Lucas Robert Elliott
Director

16 JUN 2016

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FRONTIER DIGITAL VENTURES PTE LTD**

We have audited the accompanying financial statements of Frontier Digital Ventures Pte Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 5 to 45, which comprise the consolidated balance sheet of the group and balance sheet of the Company as at 31 December 2015, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the Singapore 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 2015, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.



WSC Partnership
Public Accountants
and Chartered Accountants

Singapore, 16 JUN 2016

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	From 1 January 2015 to 31 December 2015 US\$	From 4 April 2014 to 31 December 2014 US\$
Sales		-	-
Cost of sales		-	-
Gross profit		-	-
Other income	4	507,244	87,843
Expenses			
- Distribution and marketing		-	-
- Administrative		(325,638)	(71,820)
Share of loss of associated companies	10	(1,580,155)	(14,538)
(Loss)/profit before income tax		(1,398,549)	1,485
Income tax expense	7	-	-
Net (loss)/profit after tax	5	(1,398,549)	1,485
Total comprehensive (loss)/income		(1,398,549)	1,485
Net (loss)/profit attributable to: Equity holders of the Company		(1,398,549)	1,485
Total comprehensive (loss)/ income attributable to: Equity holders of the Company		(1,398,549)	1,485

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

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

BALANCE SHEET - GROUP

As at 31 December 2015

	Note	2015 US\$	2014 US\$
ASSETS			
Current assets			
Cash and cash equivalents	8	36,017	76
Other receivables	9	25,426	27,186
		<u>61,443</u>	<u>27,262</u>
Non-current assets			
Investments in associated companies	10	11,529,334	4,435,462
Property, plant and equipment	12	706	-
		<u>11,530,040</u>	<u>4,435,462</u>
Total assets		<u>11,591,483</u>	<u>4,462,724</u>
LIABILITIES			
Current liabilities			
Other payables	13	12,988,468	4,461,160
Total liabilities		<u>12,988,468</u>	<u>4,461,160</u>
NET (LIABILITIES)/ASSETS		<u>(1,396,985)</u>	<u>1,564</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	14	79	79
(Accumulated loss)/retained profits		(1,397,064)	1,485
Total equity		<u>(1,396,985)</u>	<u>1,564</u>

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

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

BALANCE SHEET - COMPANY

As at 31 December 2015

	Note	2015 US\$	2014 US\$
ASSETS			
Current assets			
Cash and cash equivalents	8	36,017	76
Other receivables	9	25,426	27,186
		<u>61,443</u>	<u>27,262</u>
Non-current assets			
Investments in associated companies	10	13,124,027	4,450,000
Investments in subsidiaries	11	2	-
Property, plant and equipment	12	706	-
		<u>13,124,735</u>	<u>4,450,000</u>
Total assets		<u>13,186,178</u>	<u>4,477,262</u>
LIABILITIES			
Current liabilities			
Other payables	13	12,945,458	4,461,160
Total liabilities		<u>12,945,458</u>	<u>4,461,160</u>
NET ASSETS		<u>240,720</u>	<u>16,102</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	14	79	79
Retained profits		240,641	16,023
Total equity		<u>240,720</u>	<u>16,102</u>

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

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 December 2015

	<u>Share capital</u> US\$	(Accumulated loss)/retained <u>profits</u> US\$	<u>Total equity</u> US\$
2015			
Beginning of financial year	79	1,485	1,564
Total comprehensive loss for the year	-	(1,398,549)	(1,398,549)
End of financial year	79	(1,397,064)	(1,396,985)
2014			
At date of incorporation (4 April 2014)	-	-	-
Issuance of new shares	79	-	79
Total comprehensive income for the period	-	1,485	1,485
End of financial period	79	1,485	1,564

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

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

	Note	From 1 January 2015 to 31 December 2015 US\$	From 4 April 2014 to 31 December 2014 US\$
Cash flows from operating activities			
Net (loss)/profit after tax		(1,398,549)	1,485
Adjustments for:			
- Share of loss of associated companies		1,580,155	14,538
- Unrealised gain on foreign exchange		(496,165)	(85,596)
- Depreciation		146	-
		<u>(314,413)</u>	<u>(69,573)</u>
Change in working capital:			
- Other receivables		1,760	(27,186)
- Other payables		6,218	-
Cash generated from/(used in) operations		<u>7,978</u>	<u>(27,186)</u>
Net cash used in operating activities		<u>(306,435)</u>	<u>(96,759)</u>
Cash flows from investing activities			
Investments in associated companies		(8,444,027)	(4,450,000)
Additions to property, plant and equipment		(852)	-
Net cash used in investing activities		<u>(8,444,879)</u>	<u>(4,450,000)</u>
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		-	79
Advances received from related parties		8,787,255	4,546,756
Net cash provided by financing activities		<u>8,787,255</u>	<u>4,546,835</u>
Net increase in cash and cash equivalents		35,941	76
Cash and cash equivalents			
Beginning of financial year	8	<u>76</u>	<u>-</u>
End of financial year	8	<u>36,017</u>	<u>76</u>

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

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Frontier Digital Ventures Pte Ltd (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is 3 Raffles Place, Bharat Building, #06-01, Singapore 048617.

The principal activities of the Company are investment holding. The principal activities of its subsidiaries and associated companies are investment holding, online classified advertising and events management.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured, and when the specific criteria for each of the Group's activities are met as follows:

(a) *Rendering of service*

Revenue is recognised where the contract outcome can be estimated reliably and control of the right to be compensated for their service and the stage of completion can be reliably measured. Advance billings are deferred and realised in the appropriate period when the service is delivered. Prepayments are capitalised and realised in the appropriate period when service is delivered. Where customers prepay for services and it is not possible to allocate those prepayments to the services provided, the revenue is amortised over the expiry period of the credit.

(b) *Dividend and interest income*

Dividend income is recognised when the right to receive payment is established. Interest income is recognised using the effective interest rate method.

(c) *Other revenue*

Other revenue is recognised when it is recovered and when the right to receive payment is established.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets - Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(b) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Associated companies (continued)

(ii) Equity method of accounting (continued)

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy in the separate financial statements of the Company.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.4 Plant and equipment

Plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Computers	3 years
Office equipment, furniture & fittings	5 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.5 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses on or after 1 January 2010 represents the excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.5 Intangible assets (continued)

(a) *Goodwill on acquisitions* (continued)

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

(b) *Acquired computer software licences*

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three to five years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.6 Investments in subsidiaries and associated companies

Investments in subsidiaries, and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.7 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets*

Plant and equipment

Investments in subsidiaries and associated companies

Intangible assets, plant and equipment and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.7 Impairment of non-financial assets (continued)

- (b) *Intangible assets*
Plant and equipment
Investments in subsidiaries and associated companies (continued)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Plant and equipment" for the treatment of a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2.8 Financial assets

Bank balances and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.9 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.10 Leases

The Group leases certain plant and equipment under operating leases from non-related parties.

Lessee - Operating leases

Leases of plant and equipments where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.11 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.11 Income taxes (continued)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.12 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.13 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollars, which is the functional currency of the Company.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.13 Currency translation (continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant accounting policies (continued)

2.13 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.15 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.16 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

3. Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Estimated impairment of non-financial assets

Goodwill recorded from acquisition of investments in associated companies is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Property, plant and equipment and Investments in associates are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates.

If the net present values of estimated cash flows decrease by 5% (2014: 5%) from management's estimates for the recoverable amounts of Investments in associates, the Group's carrying amount of Investments in associates will decrease by US\$576,000 (2014: US\$ 221,000).

(b) Impairment of receivables

Management reviews its receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

4. Other income

	<u>Group</u>	
	From 1 January 2015 to 31 December 2015 US\$	From 4 April 2014 to 31 December 2014 US\$
Unrealised currency exchange differences	496,165	85,596

5. Expenses by nature

	<u>Group</u>	
	From 1 January 2015 to 31 December 2015 US\$	From 4 April 2014 to 31 December 2014 US\$
Depreciation of property, plant and equipment	146	-
Employee compensation (Note 6)	157,090	16,581
Other expenses	168,402	51,465
	325,638	68,046

6. Employee compensation

	<u>Group</u>	
	From 1 January 2015 to 31 December 2015 US\$	From 4 April 2014 to 31 December 2014 US\$
Wages and salaries	157,090	16,581

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

7. Income taxes

Income tax expense

	<u>Group</u>	
	From 1 January 2015 to 31 December 2015 US\$	From 4 April 2014 to 31 December 2014 US\$
Tax expense attributable to profit is made up of:		
- Current income tax	-	-

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	<u>Group</u>	
	From 1 January 2015 to 31 December 2015 US\$	From 4 April 2014 to 31 December 2014 US\$
(Loss)/profit before tax	(1,398,549)	1,485
Tax calculated at a tax rate of 17%	(237,753)	252
Effects of:		
- Expenses not deductible for tax purposes	268,626	2,471
- Non taxable income	(86,231)	(14,933)
- Other	55,358	12,210
Tax charge	-	-

8. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	2015 US\$	2014 US\$	2015 US\$	2014 US\$
Short-term bank deposits	36,017	76	36,017	76

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

9. Other receivables - current

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	US\$	US\$	US\$	US\$
Other receivables	25,426	27,186	25,426	27,186

10. Investments in associated companies

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	US\$	US\$	US\$	US\$
Equity investments at cost	13,124,027	4,450,000	13,124,027	4,450,000
Beginning of financial year/period	(14,538)	-		
Share of losses	(1,580,155)	(14,538)		
End of financial year/period	11,529,334	4,435,462		

Details of the associated companies are as follows:

	<u>Name of company</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Equity holding</u>	
				2015	2014
1)	Afribaba Holdings Pte Ltd	Investment holding	Singapore	45.05%	-
	<i>Wholly-owned subsidiary:</i>				
1a)	Afribaba SARL	Online classified advertising and event management	Cameroon	45.05%	-
2)	Rebbiz Pte Ltd	Investment holding	Singapore	39.47%	39.47%
	<i>Wholly-owned subsidiary:</i>				
2a)	Rebbiz Co Ltd	Online classified advertising and event management	Myanmar	39.47%	39.47%
3)	Carwangu Pte Ltd	Investment holding	Singapore	40.00%	-
	<i>Wholly-owned subsidiary:</i>				
3a)	Carwangu RDC SARL	Online classified advertising and event management	Republic of Congo	40.00%	-

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

10. Investments in associated companies (continued)

Details of the associated companies are as follows:

	<u>Name of company</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Equity holding</u>	
				2015	2014
4)	African Property Portals Group <i>Wholly-owned subsidiary:</i>	Investment holding	Mauritius	26.32%	-
4a)	Casa Mozambique LIMITIDA	Online classified advertising and event management	Mozambique	26.32%	-
5)	Kupatana AB <i>Wholly-owned subsidiaries:</i>	Online classified advertising, event management, and investment holding	Sweden	31.22%	-
5a)	Kupatana Ltd	Online classified advertising and event management	Tanzania	31.22%	-
5b)	Kupatana Ltd	Online classified advertising and event management	Uganda	31.22%	-
5c)	Buyandsell Tanzania AB	Online classified advertising and event management	Sweden	31.22%	-
6)	Lanka Property Web (Private) Ltd	Online classified advertising and event management	Sri Lanka	30.00%	-
7)	iMyanmar Pte Ltd <i>Wholly-owned subsidiary:</i>	Investment holding	Singapore	25.00%	25.00%
7a)	iMyanmar Co. Ltd	Online classified advertising and event management.	Myanmar	25.00%	25.00%

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

10. Investments in associated companies (continued)

Details of the associated companies are as follows:

	<u>Name of company</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Equity holding</u>	
				2015	2014
8)	Encuentra24.com AG	Online classified advertising, event management and investment holding	Switzerland	16.70%	-
	<i>Wholly-owned subsidiaries:</i>				
8a)	Swiss Panama Group, Corp	Online classified advertising and event management	Panama	16.70%	-
8b)	Encuentra24.com Classificados S.A.	Online classified advertising and event management	Panama	16.70%	-
8c)	Encuentra24.com Nicaragua S.A.	Online classified advertising and event management	Nicaragua	16.70%	-
8d)	Encuentra Veinticuatro.com SA	Online classified advertising and event management	Costa Rica	16.70%	-
9)	Meqasa Holdings Pte Ltd	Online classified advertising and event management	Singapore	29.40%	-
10)	Moteur.MA	Online classified advertising and event management	Morocco	32.00%	-
11)	Pakwheels Pte Ltd	Investment holding	Singapore	33.30%	33.30%
	<i>Wholly-owned subsidiary:</i>				
11a)	Pakwheels (Private) Ltd	Online classified advertising and event management	Pakistan	33.30%	33.30%
12	Zameen Ltd	Investment holding	United Kingdom	30.00%	-
	<i>Wholly-owned subsidiary:</i>				
12a)	Zameen Media Pvt Ltd	Online classified advertising and event management.	Pakistan	30.00%	-

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

10. Investments in associated companies (continued)

The summarised financial information of the associated companies, are as follows:

Summarised balance sheet

	Encuentra24.com				Kupatana AB				Pakwheels Pte Ltd				Rebbiz Pte Ltd				Zameen Ltd				Other immaterial associates			
	AG		2014		2015		2014		2015		2014		2015		2014		2015		2014		2015		2014	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Current assets	454,332	-	-	1,272,621	-	1,769,964	2,082,974	204,312	-	4,573,902	-	1,299,256	-	-	-	-	-	-	-	-	-	-	-	-
Includes:																								
- Cash and cash equivalents	344,325	-	-	1,222,047	-	1,397,753	1,860,946	191,251	-	3,239,833	-	1,190,923	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets	88,275	-	-	217,399	-	213,715	39,877	15,270	-	423,742	-	94,899	23,012	-	-	-	-	-	-	-	-	-	-	-
Liabilities	(367,493)	-	-	(30,755)	-	(542,181)	(233,439)	(29,094)	-	(815,041)	-	(182,666)	(42,138)	-	-	-	-	-	-	-	-	-	-	-
Includes:																								
- Financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets/(liabilities)	175,114	-	-	1,459,265	1,441,498	1,889,412	190,488	-	4,182,603	-	1,211,489	(19,126)	-	-	-	-	-	-	-	-	-	-	-	-

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

10. Investments in associated companies (continued)

The summarised financial information of the associated companies, are as follows:

Summarised statement of comprehensive income

	Encuentra24.com		Kupatana AB		Pakwheels Pte Ltd		Rebbiz Pte Ltd		Zameen Ltd		Other immaterial associates	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Revenue	2,138,198	-	-	-	500,447	85,801	41,850	-	800,843	-	440,982	25,350
Expenses	(3,887,934)	-	(774,414)	-	(2,034,730)	(138,225)	(169,884)	-	(1,371,978)	-	(1,032,977)	(31,079)
Profit/(loss) before tax from continuing operations	(1,749,736)	-	(774,414)	-	(1,534,283)	(52,424)	(128,034)	-	(571,135)	-	(591,995)	(5,729)
Income tax expense	-	-	-	-	-	-	-	-	751,622	-	-	-
Profit/(loss) after tax from continuing operations	(1,749,736)	-	(774,414)	-	(1,534,283)	(52,424)	(128,034)	-	180,487	-	(591,995)	(5,729)

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

10. Investments in associated companies (continued)

The reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associated company, is as follows:

	Encuentra24.com										Total	
	AG		Kupatana AB		Pakwheels Pte Ltd		Rebbiz Pte Ltd		Zameen Ltd			
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
At 1 January/ date of investment	1,924,850	-	2,233,679	-	2,975,781	3,028,205	318,522	318,522	4,002,116	-	11,454,948	3,346,727
Profit/(loss) for the year	(1,749,736)	-	(774,414)	-	(1,534,283)	(52,424)	(128,034)	-	180,487	-	(4,005,980)	(52,424)
At 31 December	175,114	-	1,459,265	-	1,441,498	2,975,781	190,488	318,522	4,182,603	-	7,448,968	3,294,303
Interest in associated companies	29,192	-	455,291	-	480,019	743,945	75,186	125,721	1,254,781	-	2,294,469	869,666
Shareholding	16.67%	0%	31.20%	0%	33.33%	25.00%	39.47%	39.47%	30.00%	0%		
Goodwill	1,658,569	-	1,809,320	-	2,337,226	1,503,812	516,182	516,182	530,497	-	6,851,794	2,019,994
Carrying value	1,687,761	-	2,264,611	-	2,817,245	2,247,757	591,368	641,903	1,785,278	-	9,146,263	2,889,660
Carrying value of individually immaterial associated companies, in aggregate											2,383,071	1,545,802
Carrying value of Group's interest in associated companies											<u>11,529,334</u>	<u>4,435,462</u>

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

11. Investments in subsidiaries

	2015 US\$	Company 2014 US\$
<i>Equity investments at cost</i>		
Beginning of financial year	-	-
Incorporated during the year	2	-
End of financial year	2	-

Details of the subsidiaries are as follow:

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Equity holding</u>	
			2015	2014
Frontier Digital Ventures Sdn Bhd	Management services	Malaysia	100%	-
Frontier Digital Nepal Pte Ltd	Dormant	Singapore	100%	-

12. Property, plant and equipment

<u>Group and Company</u>	<u>Office Equipment US\$</u>
2015	
<i>Cost</i>	
Beginning of financial year	-
Additions	852
End of financial year	852
2014	
Beginning and end of financial period	-
<i>Accumulated depreciation</i>	
2015	
Beginning of financial year	-
Depreciation charge	146
End of financial year	146
2014	
Beginning and end of financial period	-
<i>Net book value</i>	
As at 31 December 2015	706
As at 31 December 2014	-

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

13. Other payables

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	US\$	US\$	US\$	US\$
Non-trade amount due to:				
- immediate holding company	11,529,653	-	11,529,653	-
- related companies	1,222,594	4,461,160	1,184,161	4,461,160
Accrued operating expenses	6,218	-	1,644	-
Deferred consideration	230,000	-	230,000	-
	<u>12,988,468</u>	<u>4,461,160</u>	<u>12,945,458</u>	<u>4,461,160</u>

Non-trade amounts due to immediate holding company and related companies are unsecured, interest free and repayable on demand.

14. Share capital

The Company's share capital comprises fully paid-up 100 (2014: 100) ordinary shares with no par value, amounting to a total of US\$79 (2014: US\$79). Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

15. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk) and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

(a) Market risk

(i) *Currency risk*

The Group operates primarily in Singapore and Malaysia and regularly transact in currencies other than its functional currency ("foreign currency").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Singapore Dollar ("SGD") and Malaysian Ringgit ("MYR"). To manage the currency risk, the management works closely with financial institutions to minimise its overall currency exposure when performing transactions outside its functional currency.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

Group	SGD US\$	USD US\$	AUD US\$	MYR US\$
<u>At 31 December 2015</u>				
Financial assets				
Cash and cash equivalents	36,017	-	-	-
Other receivables	25,426	-	-	-
	<u>61,443</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities				
Other financial liabilities	(2,222,890)	(230,000)	(10,494,328)	(41,250)
Net financial liabilities				
Add: Net non-financial assets	706	11,529,334	-	-
Net assets/(liabilities)	<u>(2,160,741)</u>	<u>11,299,334</u>	<u>(10,494,328)</u>	<u>(41,250)</u>
Currency exposure of financial assets / (liabilities)	<u>(2,160,741)</u>	<u>11,299,334</u>	<u>(10,494,328)</u>	<u>(41,250)</u>
<u>At 31 December 2014</u>				
Financial assets				
Cash and cash equivalents	76	-	-	-
Other receivables	27,186	-	-	-
	<u>27,262</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities				
Other financial liabilities	(4,461,160)	-	-	-
Net financial liabilities				
Add: Net non-financial assets	-	4,435,462	-	-
Net assets/(liabilities)	<u>(4,433,898)</u>	<u>4,435,462</u>	<u>-</u>	<u>-</u>
Currency exposure of financial assets / (liabilities)	<u>(4,433,898)</u>	<u>4,435,462</u>	<u>-</u>	<u>-</u>

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	<u>SGD</u> US\$	<u>USD</u> US\$	<u>AUD</u> US\$
Company			
<u>At 31 December 2015</u>			
Financial assets			
Cash and cash equivalents	36,017	-	-
Other receivables	25,426	-	-
	<u>61,443</u>	<u>-</u>	<u>-</u>
Financial liabilities			
Other financial liabilities	(2,221,130)	(230,000)	(10,494,328)
Net financial liabilities			
Add: Net non-financial assets	708	13,124,027	-
Net assets/(liabilities)	<u>(2,158,979)</u>	<u>12,894,027</u>	<u>(10,494,328)</u>
Currency exposure of financial assets / (liabilities)	<u>(2,158,979)</u>	<u>12,894,027</u>	<u>(10,494,328)</u>
<u>At 31 December 2014</u>			
Financial assets			
Cash and cash equivalents	76	-	-
Other receivables	27,186	-	-
	<u>27,262</u>	<u>-</u>	<u>-</u>
Financial liabilities			
Other financial liabilities	(4,461,160)	-	-
Net financial liabilities			
Add: Net non-financial assets	-	4,450,000	-
Net assets/(liabilities)	<u>(4,433,898)</u>	<u>4,450,000</u>	<u>-</u>
Currency exposure of financial assets / (liabilities)	<u>(4,433,898)</u>	<u>4,450,000</u>	<u>-</u>

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the SGD, AUD and MYR change against the USD by 5% (2014: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	2015		2014	
	← Increase/(decrease) →			
	Profit after tax US\$	Other comprehensive income US\$	Profit after tax US\$	Other comprehensive income US\$
<u>Group</u>				
SGD against USD				
- strengthened	(108,037)	-	(221,695)	-
- weakened	108,037	-	221,695	-
AUD against USD				
- strengthened	(524,716)	-	-	-
- weakened	524,716	-	-	-
MYR against USD				
- strengthened	(2,063)	-	-	-
- weakened	2,063	-	-	-
<u>Company</u>				
SGD against USD				
- strengthened	(107,949)	-	(221,695)	-
- weakened	107,949	-	221,695	-
AUD against USD				
- strengthened	(524,716)	-	-	-
- weakened	524,716	-	-	-

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Company have insignificant assets or liabilities that are exposed to interest rate risk at year end.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15. Financial risk management (continued)

(b) Credit risk

Credit risk is the risk of loss that may arise from outstanding financial instruments should a counterparty default its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For cash at banks, the Group minimise credit risk by dealing exclusively with financial institutions with high credit ratings.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

There is no significant concentration of credit risk. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The Group's major classes of financial assets are bank deposits and trade receivables.

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with good collection track records with the Group.

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's liquidity risk management policy is to monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15. Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities grouped into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year US\$	Between 1 to 5 years US\$
<u>Group</u>		
2015		
Other payables	12,988,468	-
2014		
Other payables	4,461,160	-
	Less than 1 year US\$	Between 1 to 5 years US\$
<u>Company</u>		
2015		
Other payables	12,945,458	-
2014		
Other payables	4,461,160	-

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group had no borrowings as at end of the financial year.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15. Financial risk management (continued)

(e) Fair value measurements

The Company presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

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

The carrying value less impairment provision of current financial assets and liabilities approximate to their fair values. There are no other financial assets or liabilities as at 31 December 2015 which applied fair value measurement.

(f) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	US\$	US\$	US\$	US\$
Loans and receivables	61,443	27,262	61,443	27,262
Financial liabilities at amortised cost	12,988,468	4,461,160	12,945,458	4,461,160

16. Immediate and ultimate holding companies

The Company's immediate holding company is Frontier Digital Ventures Ltd (formerly Frontier Digital Ventures Pty Ltd), a company incorporated in Australia.

The ultimate holding company is Catcha Group Pte Ltd, a company incorporated in Singapore.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

17. Business combinations

- a) On 22 July 2015, the Group and Company acquired 45.05 % equity interest in Afribaba Holdings, a company incorporated in Singapore ("Afribaba"). Afribaba is the owner of Afribaba SARL, a company incorporated in Cameroon, which operates an online classifieds advertising portal in Cameroon. The acquisition was partly settled by way of cash considerations amounting to USD100,000 of which 82 new ordinary shares were issued to the Company. As at the end of the financial year, Afribaba is an associated company to the Group. Subsequent to the financial year end, the Group and Company paid a further USD150,000 in cash to Afribaba as part settlement to the subscription agreement entered between the Company and Afribaba.
- b) On 20 July 2015, the Group and Company acquired 29.40 % equity interest in Meqasa Holdings Pte Ltd, a company incorporated in Singapore ("Meqasa"). Meqasa is the owner and operates an online classifieds advertising portal in Ghana. The acquisition was settled by way of cash considerations to USD500,000 of which 12,733 new ordinary shares were issued to the Company. As at the end of the financial year, Meqasa is an associated company to the Group.
- c) On 29 July 2015, the Group and Company acquired 40 % equity interest in Carwangu Pte Ltd, a company incorporated in Singapore ("Carwangu"). Carwangu is the owner of Carwangu RDC SARL, a company incorporated in the Democratic Republic of Congo, which operates an online classifieds advertising portal in the Democratic Republic of Congo. The acquisition was partly settled by way of cash considerations to USD50,000 of which 667 new ordinary shares were issued to the Company. At the end of the financial year, Carwangu is an associated company to the Group. Subsequent to the financial year end, the Group and Company paid a further USD80,000 in cash to Carwangu as part settlement to the subscription agreement entered between the Company and Carwangu.
- d) On 9 June 2015, the Group and Company acquired 26.47 % equity interest in African Property Portals Group, a company incorporated in Mauritius ("CasaMZ"). CasaMZ is the owner of Casa Mozambique LIMITIDA which operates an online classifieds advertising portal in Mozambique. The acquisition was settled by way of cash consideration amounting to USD250,000 of which 36 new ordinary shares were issued to the Company. As at the end of the financial year, PropertyMaputo is an associated company to the Group. Subsequent to the financial year end, the Group and Company subscribed for a further 15.2% in CasaMZ for a total cash consideration of USD250,000 of which 36 new ordinary shares were issued to the Company.
- e) On 25 May 2015, the Group and Company acquired 31.22 % equity interest in Kupatana AB, a company incorporated in Sweden ("Kupatana"). Kupatana is the owner of Kupatana Ltd (Tanzania), Kupatana Ltd (Uganda) and Buyandsell Tanzania AB (Sweden), all of which operate online classifieds advertising portal in their respective countries. The acquisition was settled by way of cash consideration amounting to USD2,344,027 of which 770 new ordinary shares were issued to the Company and 105 existing ordinary shares in Kupatana was transferred to the Company. As at the end of the financial year, Kupatana is an associated company to the Group.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

17. Business combinations (continued)

- f) On 13 August 2015, the Group and Company acquired 30 % equity interest in Lanka Property Web (Private) Ltd, a company incorporated in Sri Lanka ("Lankaweb"). Lankaweb is the owner and operates an online classifieds advertising portal in Sri Lanka. The acquisition was settled by way of cash consideration amounting to USD300,000 of which 429 new ordinary shares were issued to the Company. As at the end of the financial year, Lankaweb is an associated company to the Group.
- g) On 17 June 2015, the Group and Company acquired 30 % equity interest in Zameen Ltd, a company incorporated in the United Kingdom ("Zameen") from the former shareholders of the Company. Zameen is the owner of Zameen Media Pvt Ltd, a company incorporated in Pakistan, which operates an online classifieds advertising portal in Pakistan. The original acquisition by the former shareholders was settled by way of cash consideration amounting to USD2,700,000 of which 365,414 new ordinary shares were issued to the former shareholders. On 17 June 2015, the former shareholders sold its shareholdings in Zameen to the Company for USD2,700,000. As at the end of the financial year, Zameen is an associated company to the Group.
- h) On 17 April 2015, the Group and Company acquired 16.67 % equity interest in Encuentra24.com AG, a company incorporated in Switzerland ("E24"). E24 is the owner of Swiss Panama Group Corp (Panama), Encuentra24.com Classificados S.A. (Panama), Encuentra24.com Nicaragua S.A. (Nicaragua) and Encuentra Veinticuatro.com S.A. (Costa Rica), all of which operate online classified advertising portals in their respective countries. The acquisition was settled by way of cash consideration amounting to USD2,000,000 of which 20 new ordinary shares were issued to the Company. As at the end of the financial year, E24 is an associated company of the Group. Subsequent to the financial year end on 28 April 2016, the Company subscribed for an additional 5.81% equity interest in E24 for a total cash consideration of USD1,050,000 of which 9 new ordinary shares in E24 were issued to the Company.
- i) On 25 July 2015, the Group and Company acquired 32.00 % equity interest in Moteur.MA, a company incorporated in Morocco ("Moteur"). Moteur operates an online classified advertising portal in Morocco. The acquisition was settled by way of cash consideration amounting to USD400,000 of which 4,705 new ordinary shares were issued to the Company. As at the end of the financial year, Moteur is an associated company to the Group.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

17. Business combinations (continued)

In the previous financial period ended 31 December 2014:

- j) On 12 November 2014, the Group and Company acquired 39.47 % equity interest in Rebbiz Pte Ltd, a company incorporated in Singapore ("Rebbiz"). Rebbiz is the owner of Rebbiz Co Ltd, a company incorporated in Myanmar, which operates an online classified advertising portal in Myanmar. The acquisition was settled by way of cash consideration amounting to USD750,000 of which 35,714 new ordinary shares were issued to the Company and 17,857 existing shares in Rebbiz were transferred to the Company. As at the end of the financial year, Rebbiz is an associated company to the Group. Subsequent to the financial year end, the Company entered into an arrangement to acquire 13,569 shares in Rebbiz for a total cash consideration of USD330,000 from an existing shareholder of Rebbiz. In addition, the Company also intends to subscribe for 20,559 new ordinary shares in Rebbiz for cash amounting to USD500,000 subsequent to year end. The above two transactions would increase the Group and Company's equity interest in Rebbiz by 16.65%.
- k) On 16 October 2014, the Group and Company acquired 25 % equity interest in iMyanmar Pte Ltd, a company incorporated in Singapore ("iMyanmar"). iMyanmar is the owner of iMyanmar Co Ltd, a company incorporated in Myanmar, which operates an online classified advertising portal in Myanmar. The acquisition was settled by way of cash consideration amounting to USD500,000 of which 2,500 new ordinary shares were issued to the Company. As at the end of the financial year, iMyanmar is an associated company to the Group. Subsequent to the financial year end on 19 May 2016, the Company entered into an arrangement with iMyanmar to subscribe for 2,333 new ordinary shares in iMyanmar for a total cash consideration of USD700,000. As a result, the Group and Company's equity interest in iMyanmar increased by 14.19%.
- l) On 13 October 2014, the Group and Company acquired 25 % equity interest in Pakwheels Pte Ltd, a company incorporated in Singapore ("Pakwheels"). Pakwheels is the owner of Pakwheels (Private) Ltd which operates an online classifieds advertising portal in Pakistan. The acquisition was settled by way of cash considerations to USD2,000,000 of which 33,333 new ordinary shares were issued to the Company. Subsequently on 16 October 2015, the Group and Company further acquired an additional 8.3% equity interest in Pakwheels Pte Ltd, which was settled by way of cash of USD1,000,000 of which 16,667 new ordinary shares were issued to the Company. As at the end of the financial year, Pakwheels is an associated company to the Group.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18. Events occurring after balance sheet date

On 5 February 2016, the Group and Company acquired 40 % equity interest in Techafrica Pte Ltd, a company incorporated in Singapore ("Techafrica"). Techafrica is the owner and operates an online classified advertising portal in Angola. The acquisition was settled by way of cash consideration amounting to USD60,000 of which 40 new ordinary shares were issued to the Company.

On 16 February 2016, the Group and Company acquired 43.18 % equity interest in IMCongo Properties Pte Ltd, a company incorporated in Singapore ("IMCongo"). IMCongo is the owner of IMCongo SARL, a company incorporated in Democratic Republic of Congo, which operates an online classified advertising portal in Democratic Republic of Congo. The acquisition was settled by way of cash consideration amounting to USD175,000 of which 76 new ordinary shares were issued to the Company.

On 13 May 2016, the Group and Company acquired 37.48 % equity interest in ToLet Property Classifieds Pte Ltd, a company incorporated in Singapore ("ToLet"). ToLet is the owner of ToLet.com.ng Ltd, a company incorporated in Nigeria, which operates an online classified advertising portal in Nigeria. The acquisition was settled by way of cash consideration amounting to USD600,000 of which 120,000 new ordinary shares were issued to the Company.

On 16 May 2016, the Company acquired an additional 1.81% equity interest in Pakwheels Pte Ltd. The acquisition was settled by way of cash consideration amounting to USD250,000 of which 4,166 new ordinary shares were issued to the Company. On completion of this additional investment, the Company will own 35.14% equity interest in Pakwheels Pte Ltd.

FRONTIER DIGITAL VENTURES PTE LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

19. New or revised accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. The Group does not plan to early adopt these standards.

Description	Effective for annual periods beginning on or after
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 Jan 2016
Amendments to FRS 16 & FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 Jan 2016
Improvements to FRSs (November 2014)	
• Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 Jan 2016
• Amendments to FRS 107 Financial Instruments: Disclosures	1 Jan 2016
• Amendments to FRS 19 Employee Benefits	1 Jan 2016
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 109 Financial Instruments	1 Jan 2018
Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
Amendments to FRS 110, FRS 112 & FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Frontier Digital Ventures Pte Ltd on 16 JUN 2016