



ACN 106 760 148

PRO FORMA STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

Section 1.1: Overview

Section 1.2: Basis of the Preparation of the Financial Information

Section 1.3: Proforma Financial Information

Section 1.1: Overview

Bridge Global Capital Management Limited ("BGCM") was incorporated as Natural Fuel (Darwin) Pty Ltd in October 2003 and was admitted to the official list of the ASX on 20 December 2006. It was originally listed with its principle focus being production of biofuels, with facilities established in both Singapore and Darwin.

On 9 April 2009, the Directors of the Company appointed Joint and Several Administrators. On 20 October 2009, creditors resolved that BGCM execute a Deed of Company Arrangement ('DOCA') on the terms proposed in the Second Administrators' Report to Creditors dated 12 October 2009.

A shareholder meeting was held on 16 August 2010 at which various resolutions were passed to provide for the company to raise additional capital, including the consolidation and reduction of capital on a 1 for 700 basis. This has been effected with a record date of 24 August 2010. All conditions of the DOCA were satisfied on 7 September 2010 and it was effectuated, with the control of the Company returning to its shareholders as represented by the Board of the Company.

On 23 July 2014 the Company announced the proposed acquisition of Bridge Global Securities Pty Ltd ("BGS"), with a meeting held on 10 November 2014 to approve that transaction. Prior to 31 December 2014, the Company acquired 100% of BGS from Shariott Investments Limited through the issue of 12,500,000 shares to Shariott Investments Limited or its nominees ('the Acquisition'). BGS is a corporate authorised representative registered with ASIC to offer financial services to retail and wholesale clients in Australia. It commenced operating as such in September 2014.

BGCM, through its interest in BGS, will have the following interest:

- 100% of the existing advisory and trading business within BGS;
- 50% ownership of Hanhong (Hong Kong) Limited and Hanhong Management (Cayman) SPC Limited (collectively the '**Hanhong Group**'). The Hanhong Group provides the financial services arm of BGCM's planned operating business; and
- 49% of a revenue stream currently paid to Bridge Global Asset Management Ltd which is a funds management company. BGS will provide an investment management platform to Bridge Global Asset Management.

The Financial Information should be read in conjunction with the information contained in the Public Offer Prospectus ("Prospectus") lodged by the Company with ASIC on 2 April 2015, and which closed on 12 June 2015.

Section 1.2: Basis of the Preparation of the Financial Information

The Pro Forma Financial Information of BGCM has been compiled from the reviewed financial information of BGCM for the half-year ended 31 December 2014.

The pro-forma statement of financial position is shown in Section 1.3. This has been prepared based on the financial statements of BGCM as at 31 December 2014 (which incorporates the acquisition of BGS), and the following subsequent events or transactions and events relating to the issue of Shares under the Prospectus:

1. Acquisition of a suitable strata title office in Broadbeach Queensland to house the Company's Australian operations ('**Broadbeach Property**'), and which settled in February 2015. The purchase was financed by a secured bank loan of \$1,520,000) and equity of \$469,775, including a \$190,000 deposit made prior to 31 December 2015.
2. \$754,489 in investments through BGS's proprietary trading arm;
3. \$350,000 through the provision of a security deposit to support Hanhong's Hong Kong licences.
4. The issue of 19,950,505 Shares (with a free attaching New Option) at an offer price of \$0.20 each to raise \$3.9 million before costs, pursuant to the Prospectus;
5. Costs of the Public Offer are estimated to be \$493,545 which are to be offset against the contributed equity; and
6. The issue of 5 million Shares (with a free attaching New Option) to Canton McKenzie (Hong Kong) Pty Limited (or their nominees) at an issue price of \$0.0001 per share to raise \$500, pursuant to the Incentive Share Offer. The Shares will be issued as consideration for assistance with the re-construction and re-capitalisation of the Company.

Section 1.3: Proforma Financial Information

BRIDGE GLOBAL CAPITAL MANAGEMENT LIMITED

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position		Bridge Global Reviewed as at	Subsequent	Subscription	Pro forma
		31-Dec-14	events	actuals	actuals
	Notes	\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	2	2,313,966	(1,395,688)	3,836,462	4,754,740
Receivables		93,824	100,000	-	193,824
TOTAL CURRENT ASSETS		2,407,790	(1,295,688)	3,836,462	4,948,564
NON CURRENT ASSETS					
Property, plant & equipment	3	-	1,989,775	-	1,989,775
Investments	4	-	754,489	-	754,489
Other	5	540,000	(190,000)	-	350,000
TOTAL NON CURRENT ASSETS		540,000	2,554,264	-	3,094,264
TOTAL ASSETS		2,947,790	1,258,576	3,836,462	8,042,828
CURRENT LIABILITIES					
Trade and other payables		253,799	(111,424)	339,406	481,781
TOTAL CURRENT LIABILITIES		253,799	(111,424)	339,406	481,781
NON CURRENT LIABILITIES					
Borrowings	6	-	1,520,000	-	1,520,000
TOTAL NON CURRENT LIABILITIES		-	1,520,000	-	1,520,000
TOTAL LIABILITIES		253,799	1,408,576	339,406	2,001,781
NET ASSETS/(LIABILITIES)		2,693,991	(150,000)	3,497,056	6,041,047
EQUITY					
Contributed equity	7	3,997,573	-	4,496,556	8,494,129
Accumulated losses	8	(1,303,582)	(150,000)	(999,500)	(2,453,082)
TOTAL EQUITY		2,693,991	(150,000)	3,497,056	6,041,047

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

BRIDGE GLOBAL CAPITAL MANAGEMENT LIMITED

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity		Issued Capital \$	Accumulated Losses \$	Pro forma actuals \$
	Notes			
<i>Balance at 31 December 2014 (Reviewed)</i>		<u>3,997,573</u>	<u>(1,303,582)</u>	<u>2,693,991</u>
Proforma transactions				
Proceeds from shares issued pursuant to the Public Offer (net of costs)	7	3,496,556	-	3,496,556
Issue of Shares pursuant to the Incentive Share Offer	7, 8	1,000,000	(999,500)	500
Expenditures for the intervening period	7	-	(150,000)	(150,000)
Proforma balance		<u><u>8,494,129</u></u>	<u><u>(2,453,082)</u></u>	<u><u>6,041,047</u></u>

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

BRIDGE GLOBAL CAPITAL MANAGEMENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

The consolidated Financial Information has been prepared in accordance with Australian Accounting Standards.

Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

New Accounting Standards and Interpretations

Certain new accounting standards and IFRIC interpretations have been published that are not mandatory for current reporting periods. The Group's assessment of the impact of these new standards and interpretations is that there would be no material impact on the historical or reported pro forma financial information.

Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Acquisition of BGS

On 28 November 2014, BGCM acquired all the shares in BGS by issuing 12,500,000 shares to BGS shareholders. BGS has been deemed the acquirer for accounting purposes. The acquisition of BGCM by BGS is not deemed to be a business combination, as BGCM is not considered to be a business in accordance with *AASB 3 Business Combinations*. As such the consolidation of these two companies was on the basis of the continuation of BGS with no fair value adjustments, whereby BGS was deemed to be the accounting parent and BGCM is the subsidiary.

Under the principles of *AASB 2 Share-based Payments* the transaction has been treated as a share-based payment whereby BGS is deemed to have issued shares in exchange for the net assets and listing status of BGCM. As the deemed acquirer, BGS has acquisition accounted for BGCM as at 31 December 2014.

This accounting treatment applies only to the reverse share-based payment transactions at the acquisition date and does not apply to transactions after the reverse acquisition date. Reverse acquisition accounting applies only to the consolidated financial statements. Because the consolidated financial statements represent a continuation of the financial statements of BGS, the principles and guidance on the preparation and the consolidated financial statements in a reverse acquisition set out in AASB 3 have been applied:

- fair value adjustments arising at acquisition were made to BGCM's assets and liabilities, not those of BGS;
- the cost of the acquisition is based on the notional amount of shares that BGS would need to issue to acquire the majority interest of BGCM shares that the shareholders did not own after the acquisition, times the fair value of BGCM shares at acquisition date;
- retained earnings and other equity balances in the consolidated financial statements at the date of acquisition are the retained earnings and other equity balances of BGS immediately before the acquisition;
- a share-based payment transaction arises whereby BGS is deemed to have issued shares in exchange for the net assets of BGCM, together with BGCM's listing status;
- the amount recognised as issued equity instruments in the consolidated financial statements has been determined by adding the share-based payment to the issued equity of BGS immediately before the business combination;
- The results for the period ended 31 December 2014 comprise the results of BGS for the full half year and the results of BGCM since 28 November 2014 subsequent to the acquisition.

(b) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(d) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

(e) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(f) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(g) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

(h) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance 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 the statement of financial position date.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any other assets allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(k) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(l) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(m) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award ('vesting date'). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(n) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

	Reviewed 31-Dec-14	Proforma Actual
NOTE 2. CASH AND CASH EQUIVALENTS	\$	\$
Cash and cash equivalents	2,313,966	4,754,740
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of BGCM at 31 December 2014		2,313,966
<i>Subsequent events:</i>		
Movement in creditors/receivables		(211,424)
Expenditures for the intervening period		(150,000)
Payment for investments through BGS's proprietary trading arm		(754,489)
Payment upon settlement of Broadbeach Property from cash reserves		(190,000)
Payment of stamp duty on the Broadbeach Property		(89,775)
		(1,395,688)
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued pursuant to the Public Offer		3,990,101
ASX re-quotation fees		(154,139)
Cash raised from Shares issued pursuant to the Incentive Share Offer		500
		3,836,462
Pro-forma Balance		4,754,740

	Reviewed 31-Dec-14	Proforma Actual
NOTE 3. PROPERTY, PLANT & EQUIPMENT	\$	\$
Property, plant & equipment	-	1,989,775
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of BGCM at 31 December 2014		-
<i>Subsequent events:</i>		
Remaining payment upon settlement of Broadbeach Property		1,710,000
Reclassification of Broadbeach property deposit		190,000
Payment of stamp duty on the Broadbeach Property		89,775
		1,989,775
Pro-forma Balance		1,989,775

	Reviewed 31-Dec-14	Proforma Actual
NOTE 4. INVESTMENTS	\$	\$
Investments	-	754,489
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of BGCM at 31 December 2014		-
<i>Subsequent events:</i>		
Investments through BGS's proprietary trading arm		754,489
		754,489
Pro-forma Balance		754,489

- (i) The investment represents the holding of 9,607,843 shares in ASX listed XPD Soccer Gear Group Limited (ASX Code: XPD), with a last trading price of \$0.235/share.

	Reviewed 31-Dec-14	Proforma Actual
NOTE 5. OTHER CURRENT ASSETS	\$	\$
Investments	540,000	350,000
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of BGCM at 31 December 2014		540,000
<i>Subsequent events:</i>		
Reclassification of Broadbeeach property deposit		(190,000)
		(190,000)
Pro-forma Balance		350,000

- (i) Other current consists of the \$350,000 restricted deposit on call representing the Company's share (being 50%) of the Hanhong (Hong Kong) capital adequacy requirement; and

	Reviewed 31-Dec-14	Proforma Actual
NOTE 6. BORROWINGS	\$	\$
Borrowings	-	1,520,000
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of BGCM at 31 December 2014		-
<i>Subsequent events:</i>		
Borrowings in relation to settlement of Broadbeach Property		1,520,000
		1,520,000
Pro-forma Balance		1,520,000

	Reviewed 31-Dec-14	Proforma Actual
NOTE 7. CONTRIBUTED EQUITY	\$	\$
Contributed equity	3,997,573	8,494,129
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of BGCM at 31 December 2014	80,598,716	3,997,573
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued pursuant to the Public Offer	19,950,508	3,990,101
Capital raising costs		(339,406)
ASX re-quotations fees		(154,139)
Issue of Shares pursuant to the Incentive Share Offer	5,000,000	1,000,000
	24,950,508	4,496,556
Pro-forma Balance	105,549,224	8,494,129

(a) Options on issue

Following completion of the Offer the Company has 91.9 million Options on issue. Each Option is exercisable at \$0.25 each within 7 days of their expiry, being 36 months after reinstatement to the ASX.

	Reviewed 31-Dec-14	Proforma Actual
NOTE 8. ACCUMULATED LOSSES	\$	\$
Accumulated losses	(1,303,582)	(2,453,082)
<i>Adjustments to arise at the pro-forma balance:</i>		
Reviewed balance of BGCM at 31 December 2014		(1,303,582)
<i>Pro-forma adjustments:</i>		
Expenditures for the intervening period		(150,000)
Issue of Shares pursuant to the Incentive Share Offer		(999,500)
		(1,149,500)
Pro-forma Balance		(2,453,082)

NOTE 9. CONTROLLED ENTITIES		Pro-forma
Name of Entity	Country of incorporation	equity holding
Ultimate Holding Company		
Bridge Global Capital Management Limited		
Subsidiary of Bridge Global Capital Management Limited		
Bridge Global Securities Pty Ltd	Australia	100%

NOTE 10: COMMITMENTS AND CONTINGENCIES

At the 31 December 2014, the Group is not aware of any material commitments or contingent liabilities, other than the settlement of the Broadbeach, Queensland commercial property (referred to in Note 3).