# PLC Financial Solutions Limited

**ABN 58 119 055 435**

# Annual Report - 30 June 2019

**PLC Financial Solutions Limited**
**Corporate directory**
**30 June 2019**

| | |
|---|---|
| Directors | Mr Harry Fung<br>Mr Campbell McLeod<br>Mrs Chun Fong Leung |
| Company secretary | Mrs Eryn Kestel |
| Registered office and principal place of business | 1 Alfred Place<br><br>South Melbourne, Victoria 3205<br>Ph. No.: (08) 9364 2387<br>Fax No.: (08) 9367 8812 |
| Share register | Advanced Share Registry<br>110 Stirling Hwy<br>Nedlands WA 6009<br>Ph. No.: (08) 9389 8033<br>Fax No: (08) 9262 3723 |
| Auditor | William Buck Audit (Vic) Pty Ltd<br>Level 20, 181 William Street<br>Melbourne, Victoria, 3000 |
| Bankers | Commonwealth Bank<br>51-53 Errol Street<br>North Melbourne, Victoria 3051 |
| Stock exchange listing | PLC Financial Solutions Limited shares are listed on the Australian Securities Exchange (ASX code: PLC) |
| Website | https://www.plcfinancial.com.au/ |
| Corporate Governance Statement | The Company's Corporate Governance Statement is available on the Company's website and was lodged with ASX on 30 September 2019. |

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**Directors' report**
**30 June 2019**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of PLC Financial Solutions Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

## Directors
The following persons were directors of PLC Financial Solutions Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Harry Fung (Executive Chairman)
Mr Campbell McLeod (Non-executive Director)
Mrs Chun Fong Leung (Non-executive Director)

## Principal activities
The principal activity of the consolidated entity during the financial year was the money lending business under the Company's money lending licence held by 100% owned subsidiary G- Vest Corporation Sdn Bhd ("G-Vest").

## Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

## Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,897,827 (30 June 2018: $1,638,595).

*Financial Performance*

During the financial year the Company reduced expenses from continuing operations by $1,060,393 to $602,335.

*Financial Position*

During the financial year the net assets of the Company reduced by $354,777 to $506,135. The main reason for the reduction in net assets was a result of normal expenditure carried out by the Company following capital raisings carried out during the year.

*Operational review*

PLC Financial Solutions Limited and its 100% wholly owned subsidiary GGH Financial Group Pty Ltd, is a money lending business that specializes in short term lending to small to medium sized enterprises (SMEs) in Australasia, with a particular focus on equipment finance and property development. The specific niche in the marketplace for PLC/GGH is the provision of very short-term loans, usually 2 to 12 months and minimum loan amounts from AUD$50,000 to AUD$200,000.

The Company believes the offering by GGH is more flexible than its competitors as it provides the shortest-term business loan in the immediate marketplace.

Its key activities for the year ended 30 June 2019 included:

- PLC/GGH has completed its new office refurbishment in South Melbourne in early 2019, which has led to an increased capacity for financial consultants and telemarketing team to scale up the Company's short-term money lending business; and
- During 2019, the Company has licensed a confidential financing technology which provides GGH with the entire origination, loan management and lead generation process. The technology platform software is presented in an easy to use, professional manner, which is user friendly for the Company's distribution network, applicants, borrowers and administration staff and also enhances the market perception of GGH by the Company's clients and prospective borrowers.

PLC/GGH has funded a series of loans during the reporting period with all but 1 loan outstanding that has been repaid. This outstanding loan had an agreed extended term.

**PLC/GGH Growth Strategy**

**(a) Shift to Non-Bank Lenders**

PLC/GGH has established (and seeks to continue to establish) strategic partnerships with a number of mortgage brokers and non-bank lenders on the east coast of Australia that have the ability to offer short term loans at sharply competitive rates for customers.

With access to wholesale funds at near wholesale interest rates, GGH believes it can provide pricing flexibility for the broker who can choose how much commission is paid, giving the freedom to either offer a low rate to price sensitive customers, or a higher rate to those less inclined to focus on price.

It is intended that GGH initially take the position of a lead generator and broker. This will create a revenue stream which will receive broker and referral fees in return for lead generation for highly qualified loans referrals. By creating this initial revenue stream, with minimal investment and risk, we are instructed that GGH will then have the ability to expand activities to become a non-bank lender and short-term finance management service provider upon securing a wholesale line of financing and/or capital raising to satisfy demand.

**(b) Short Term Mezzanine Mortgage Lending**

The Company's short term mezzanine mortgage lending opportunities include accessing substantial loan or equity finance to be on-lent to the right qualified development opportunity and borrowers at a premium.

Fee generation is by facilitating direct mortgage funding, loan documentation, financial feasibility and potentially direct subsidy or investment in residential property developments. Initial opportunities will target urbanised residential property developments where there is significant government investment in infrastructure but as the Company develops it will look to expand throughout Australia and potentially to Asia.

Short Term Mezzanine Mortgage lending should provide substantial returns whilst also facilitating the lead generation needs for various other non-bank and specialised lenders. GGH will also propose to on-lend funds directly to buyers who will transact with a selected developer off the plan.

**(c) Hospitality Business Loans**

GGH has also identified a number of hospitality businesses (including, cafes, restaurants and bars) to target. Many of these businesses often face counter cash flow challenges and GGH has identified that it can offer short term loans to meet staff wages, staff entitlements and payment of costs associated with their monthly or quarterly Business Activity Statements from the Australian Tax Office.

The Company also continues to pursue acquisitions of loan books and other related businesses in the short-term money lending space.

**Significant changes in the state of affairs**
During the period the company discontinued operations for its two Malaysian operations: Rimbun Teratai Sdn Bhd and G-Vest Corporation Sdn Bhd.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

**Matters subsequent to the end of the financial year**
No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Likely developments and expected results of operations**
GGH Financial Group Pty Ltd will continue the Australian operations of PLC Financial Solutions Limited. The Company will continue to pursue its growth strategies through its shift to Non-Bank lenders, Short Term Mezzanine Mortgage Lending and Hospitality Business Loans.

The Company also continues to pursue acquisitions of loan books and other related businesses in the short-term money lending space.

**Environmental regulation**
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Information on directors**

| | |
|---|---|
| Name: | Mr Harry Fung |
| Title: | Non-executive Director |
| Experience and expertise: | Mr. Fung's ongoing role with the company will encompass corporate advisory and capital raising services and he is well placed for this role as he has over 16 years of experience in commercial business transactions specializing in the financial services market. During this time Mr. Fung successfully completed a Diploma in Financial Markets.<br><br>Mr. Fung was previously the CEO of a boutique fund management company in Melbourne for 3 years. In his role he was responsible for the management of all operational areas of the business and has acquired a strong interpersonal skill set encompassing leadership, negotiation, communication and diplomacy, making him ideal for his role in the Company. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interests in shares: | None |
| Interests in options: | None |

| | |
|---|---|
| Name: | Mr Campbell McLeod |
| Title: | Non-executive Director |
| Experience and expertise: | Coupling over a decade in property development sector with experience gained in private investment, Campbell is an industry forerunner in complex property transactions. Along with qualifications in project management and finance, Mr. Mcleod undertakes a number of roles in the company encompassing corporate governance and compliance. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interests in shares: | None |

| | |
|---|---|
| Name: | Mrs Chun Fong Leung |
| Title: | Non-executive Director |
| Experience and expertise: | Mrs Leung, a sophisticated businesswoman with real estate, mining and financial services investments in Hong Kong, People Republic of China (PRC), and Australia is well respected within the international business community and is recognised for her vision for identifying successful investments.<br><br>She has a diversified knowledge base and extensive experience in capital raising and merger acquisitions. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interests in shares: | 25,083,333 fully paid ordinary shares |

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**Company secretary - Mrs Erlyn Kestel**
Ms Kestel has an established career in accounting and business over the last 20 years and holds the position of company secretary for several ASX listed entities. Ms Kestel's areas of competency are company secretarial matters and company administration.

Ms Kestel has a Bachelor of Business majoring in Accounting and is a Certified Practicing Accountant.

**Meetings of directors**
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

| | Full Board | |
|---|---|---|
| | Attended | Held |
| Mr Harry Fung | 5 | 5 |
| Mr Campbell McLeod | 5 | 5 |
| Mrs Chun Fong Leung | 4 | 5 |

Held: represents the number of meetings held during the time the director held office.

**Remuneration report (audited)**
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

*Non-executive directors remuneration*
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. Total remuneration for all non-executive directors, last voted upon by shareholders at the 2007 General Meeting, is not to exceed $240,000 per annum.

*Executive remuneration*
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

*Consolidated entity performance and link to remuneration*
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

*Voting and comments made at the company's 2018 Annual General Meeting ('AGM')*
At the 2018 AGM, 96.92% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

***Details of remuneration***

*Amounts of remuneration*
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of PLC Financial Solutions Limited:
- Mr Harry Fung (Non-executive Director)
- Mr Campbell McCleod (Non-executive Director)
- Mrs Chun Fong Leung (Non-executive Director) - Appointed 18 June 2018
- Mr Benjamin Cooper (Non-executive Chairman) – Resigned 8 September 2017
- Mr Gregory Starr (Non-Executive Director) – Appointed 8 May 2018 – Resigned 18 June 2018
- Mr Giuseppe Cossari (Non-Executive Director) – Appointed 24 January 2018 – Resigned 8 May 2018
- Mr Robert Pertich (Non-Executive Director) – Appointed 8 September 2017- Resigned 18 January 2018

And the following person:
- Mr Dhamodaran Munusamy (Director, Rimbun Teratai Sdn Bhd) (no longer key management personnel as at 1 July 2019)

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | |
|---|---|---|---|---|---|---|---|
| **2019** | Cash salary and fees $ | Cash bonus $ | Non-monetary $ | Super-annuation $ | Long service leave $ | Equity-settled $ | Total $ |
| *Non-Executive Directors:* | | | | | | | |
| Harry Fung | 60,000 | - | - | - | - | - | 60,000 |
| Campbell McLeod | 14,000 | - | - | - | - | - | 14,000 |
| Chun Fong Leung | - | - | - | - | - | - | - |
| | 74,000 | - | - | - | - | - | 74,000 |

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | |
|---|---|---|---|---|---|---|---|
| **2018** | Cash salary and fees $ | Cash bonus $ | Non-monetary $ | Super-annuation $ | Long service leave $ | Equity-settled $ | Total $ |
| *Non-Executive Directors:* | | | | | | | |
| Harry Fung | 120,000 | - | - | - | - | - | 120,000 |
| Campbell McLeod | 79,000 | - | - | - | - | - | 79,000 |
| Chun Fong Leung | - | - | - | - | - | - | - |
| Gregory Star | - | - | - | - | - | - | - |
| Giuseppe Cossari | 8,000 | - | - | - | - | - | 8,000 |
| Robert Pertich | 12,000 | - | - | - | - | - | 12,000 |
| Benjamin Cooper | 20,000 | - | - | - | - | - | 20,000 |
| *Other Key Management Personnel:* | | | | | | | |
| Dhamodaran Munusamy | 11,392 | - | - | 1,849 | - | - | 13,241 |
| | 250,392 | - | - | 1,849 | - | - | 252,242 |

***Share-based compensation***

*Issue of shares*
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

*Options*
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2019.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2019.

***Additional information***
The earnings of the consolidated entity for the four years to 30 June 2019 are summarised below:

| | 2019 $ | 2018 $ | 2017 $ | 2016 $ |
|---|---|---|---|---|
| Net (loss) / profit for the period | (1,897,827) | (1,638,595) | (1,861,620) | (1,086,738) |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Share price at beginning of financial year ($) | 0.014 | 0.050 | 0.003 | 0.003 |
| Share price at financial year end ($) | 0.014 | 0.016 | 0.050 | 0.003 |
| Basic loss per share (cents per share) | (0.38) | (2.45) | (0.27) | (0.001) |

***Additional disclosures relating to key management personnel***
During the previous financial year, Mr Benjamin Cooper provided consulting services to PLC Financial Solutions Limited during and was paid a fee of $136,364.

A total of $67,000 was paid to Directors for fees which were accrued for prior years.

There were no other transactions with KMP or their related entities with the Company or its controlled entities during the year ended 30 June 2019.

*Shareholding*
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Received as part of remuneration | Additions | Disposals/ other | Balance at the end of the year |
|---|---|---|---|---|---|
| *Ordinary shares* | | | | | |
| Mr Harry Fung | - | - | - | - | - |
| Mr Campbell McLeod | - | - | - | - | - |
| Mrs Chun Fong Leung | 25,083,333 | - | - | - | 25,083,333 |
| | 25,083,333 | - | - | - | 25,083,333 |

***This concludes the remuneration report, which has been audited.***

**Shares under option**
There were no unissued ordinary shares of PLC Financial Solutions Limited under option outstanding at the date of this report.

**Shares issued on the exercise of options**
There were no ordinary shares of PLC Financial Solutions Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

**Indemnity and insurance of officers**
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

**Non-audit services**
There were no non-audit services provided during the financial year by the auditor.

**Officers of the company who are former partners of William Buck Audit (Vic) Pty Ltd**
There are no officers of the company who are former partners of William Buck Audit (Vic) Pty Ltd.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Auditor**

William Buck Audit (Vic) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Harry Fung
Director

30 September 2019
Melbourne

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PLC FINANCIAL SOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2019 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

**William Buck Audit (Vic) Pty Ltd**
ABN 59 116 151 136

**N.S. Benbow**
Director

Melbourne, 30 September 2019

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

**PLC Financial Solutions Limited**
**Statement of profit or loss and other comprehensive income**
**For the year ended 30 June 2019**

| | Note | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|---|
| **Revenue from continuing operations** | | - | 20,000 |
| Other income | | 6,012 | 4,133 |
| **Expenses** | | | |
| Administrative expenses | | (602,335) | (1,662,728) |
| **Loss before income tax expense from continuing operations** | | (596,323) | (1,638,595) |
| Income tax expense | | - | - |
| Loss after income tax expense from continuing operations | | (596,323) | (1,638,595) |
| Loss after income tax expense from discontinued operations | 5 | (1,301,504) | - |
| **Loss after income tax expense for the year attributable to the owners of PLC Financial Solutions Limited** | | (1,897,827) | (1,638,595) |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified subsequently to profit or loss* | | | |
| Realised foreign exchange loses subsequently recognised in the profit or loss upon derecognition of foreign controlled operations | | 1,248,050 | - |
| Foreign exchange gains / (losses) arising from translations of financial statements of foreign operations | | - | 14,271 |
| Other comprehensive income for the year, net of tax | | 1,248,050 | 14,271 |
| **Total comprehensive income for the year attributable to the owners of PLC Financial Solutions Limited** | | (649,777) | (1,624,324) |
| Total comprehensive income for the year is attributable to: | | | |
| Continuing operations | | (649,777) | (1,624,324) |
| Discontinued operations | | - | - |
| | | (649,777) | (1,624,324) |
| | | **Cents** | **Cents** |
| **Earnings per share for loss from continuing operations attributable to the owners of PLC Financial Solutions Limited** | | | |
| Basic earnings per share | 20 | (0.38) | (2.45) |
| Diluted earnings per share | 20 | (0.38) | (2.45) |
| **Earnings per share for loss from discontinued operations attributable to the owners of PLC Financial Solutions Limited** | | | |
| Basic earnings per share | 20 | (0.83) | - |
| Diluted earnings per share | 20 | (0.83) | - |
| **Earnings per share for loss attributable to the owners of PLC Financial Solutions Limited** | | | |
| Basic earnings per share | 20 | (1.21) | (2.45) |
| Diluted earnings per share | 20 | (1.21) | (2.45) |

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**PLC Financial Solutions Limited**
**Statement of financial position**
**As at 30 June 2019**

| | Note | Consolidated 2019 $ | 2018 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 281,061 | 1,012,297 |
| Financial assets held at amortised cost - loan portfolio | 6 | 56,000 | - |
| Other | | 2,500 | 17,019 |
| Total current assets | | 339,561 | 1,029,316 |
| **Non-current assets** | | | |
| Property, plant and equipment | 7 | 215,419 | 318,800 |
| Total non-current assets | | 215,419 | 318,800 |
| **Total assets** | | 554,980 | 1,348,116 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | | 48,845 | 487,204 |
| Total current liabilities | | 48,845 | 487,204 |
| **Total liabilities** | | 48,845 | 487,204 |
| **Net assets** | | 506,135 | 860,912 |
| **Equity** | | | |
| Issued capital | 8 | 30,580,765 | 30,285,765 |
| Reserves | 9 | - | (1,248,050) |
| Accumulated losses | | (30,074,630) | (28,176,803) |
| **Total equity** | | 506,135 | 860,912 |

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

**PLC Financial Solutions Limited**
**Statement of changes in equity**
**For the year ended 30 June 2019**

| Consolidated | Issued capital $ | Reserves $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|
| Balance at 1 July 2017 | 29,010,276 | (1,262,321) | (26,538,208) | 1,209,747 |
| Loss after income tax expense for the year | - | - | (1,638,595) | (1,638,595) |
| Other comprehensive income for the year, net of tax | - | 14,271 | - | 14,271 |
| Total comprehensive income for the year | - | 14,271 | (1,638,595) | (1,624,324) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Issuance of shares | 1,275,489 | - | - | 1,275,489 |
| Balance at 30 June 2018 | 30,285,765 | (1,248,050) | (28,176,803) | 860,912 |

| Consolidated | Issued capital $ | Reserves $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|
| Balance at 1 July 2018 | 30,285,765 | (1,248,050) | (28,176,803) | 860,912 |
| Loss after income tax expense for the year | - | - | (1,897,827) | (1,897,827) |
| Other comprehensive income for the year, net of tax | - | 1,248,050 | - | 1,248,050 |
| Total comprehensive income for the year | - | 1,248,050 | (1,897,827) | (649,777) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Issuance of shares | 295,000 | - | - | 295,000 |
| Balance at 30 June 2019 | 30,580,765 | - | (30,074,630) | 506,135 |

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

**PLC Financial Solutions Limited**
**Statement of cash flows**
**For the year ended 30 June 2019**

| | Note | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers (inclusive of GST) | | - | 20,204 |
| Payments to suppliers (inclusive of GST) | | (604,868) | (956,773) |
| Interest received | | 12 | 3,929 |
| Net cash used in operating activities | 19 | (604,856) | (932,640) |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | 7 | (251,360) | - |
| Loans to other entities | | (50,000) | - |
| Divestment of Malaysian operations | | (20) | - |
| Net cash used in investing activities | | (301,380) | - |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | 8 | 175,000 | 749,490 |
| Advancement/(repayment) of loans - other entities | | - | 12,974 |
| Net cash from financing activities | | 175,000 | 762,464 |
| Net decrease in cash and cash equivalents | | (731,236) | (170,176) |
| Cash and cash equivalents at the beginning of the financial year | | 1,012,297 | 1,179,790 |
| Effects of exchange rate changes on cash and cash equivalents | | - | 2,683 |
| Cash and cash equivalents at the end of the financial year | | 281,061 | 1,012,297 |

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. General information

The financial statements cover PLC Financial Solutions Limited as a consolidated entity consisting of PLC Financial Solutions Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is PLC Financial Solutions Limited 's functional and presentation currency.

PLC Financial Solutions Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

1 Alfred Place
South Melbourne, Victoria 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2019. The directors have the power to amend and reissue the financial statements.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Going Concern

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

The Group produced a loss for the year of $1,897,827 (2018: $1,638,595 loss) and a net cash out-flow from operating activities of $604,856 (2018: $932,640 out-flow). As at 30 June 2019, the Group had a positive working capital position of $290,716 (2018: $542,112).

The ability of the Group to continue as a going concern is principally dependent upon cashflow from continuing operations of the group, and the ability of the Group to secure funds by raising capital from equity markets and managing cash flow in line with available funds. Cash flow also may arise from the sale of investments held by the group at the appropriate time. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

The Directors have prepared a cash flow forecast for the period ending 30 September 2020, which indicates that the Group will have sufficient cash flow to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. This cash flow is predominantly comprised of revenue from new funds which are being launched over the period.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. Given the Group’s history of raising capital to date, the Directors are confident of the Group’s ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

## Note 2. Significant accounting policies (continued)

### Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Critical accounting estimates*
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. 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.

### Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 16.

### Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of PLC Financial Solutions Limited ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. PLC Financial Solutions Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### Foreign currency translation
The financial statements are presented in Australian dollars, which is PLC Financial Solutions Limited's functional and presentation currency.

*Foreign currency transactions*
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**Note 2. Significant accounting policies (continued)**

*Foreign operations*
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

**Income tax**
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Discontinued operations**
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

**Current and non-current classification**
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## Note 2. Significant accounting policies (continued)

### Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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.

### Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

*Financial assets at fair value through profit or loss*
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

*Impairment of financial assets*
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

### Property, plant and equipment

*Plant and equipment*
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

*Leasehold improvements*
Leasehold improvements will be depreciated progressively and allocated over the unexpired period of the lease or the useful lives of the improvements, whichever is the shorter.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|---|---|
| Buildings | 50 years |
| Office furniture and equipment | 5 to 10 years |
| Plant and equipment | 5 years |
| Motor Vehicles | 5 years |
| Leashold improvements | 6 to 10 years |

**Note 2. Significant accounting policies (continued)**

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

**Impairment of non-financial assets**
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Issued capital**
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Earnings per share**

*Basic earnings per share*
Basic earnings per share is calculated by dividing the profit attributable to the owners of PLC Financial Solutions Limited , excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Goods and Services Tax ('GST') and other similar taxes**
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

## Note 2. Significant accounting policies (continued)

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

*AASB 16 Leases*
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity has carried out a preliminary estimate based upon the present value of the lease and will adopt this standard from 1 July 2019.

Refer to Note 14 in relation to the Company's current lease commitments.

## Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Allowance for expected credit losses*
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

*Recovery of deferred tax assets*
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Tax assets have not been accounted for in the financial report as the Company is not probable to generate a profit in the coming financial year. The potential carry forward tax losses amount to approximately $8.9 million.

## Note 4. Operating segments

*Identification of reportable operating segments*
The Group has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports that are used by the board of directors (chief operating decision makers) in order to allocate resources and assess performance.
The Group considers its sole operating segments to be that of money lending activities and investment holdings/corporate activities. Monthly financial information is provided to the board detailing the money lending and investment performance.

Geographically the consolidated entity operates its money lending activities predominantly in Australasia.

## Note 5. Discontinued operations

*Description*
During the financial year the directors reviewed their operations in Malaysia and resolved to wind down operations there. Consequently, all results arising from Malaysia have been recorded as discontinued operations in these financial statements. The major components of amounts charged to the profit or loss in-respect of the discontinued operations, which are also adjusted in the comparative results, are the following:

*Financial performance information*

| | Consolidated | |
|---|---|---|
| | **2019** | **2018** |
| | **$** | **$** |
| Administrative and corporate costs | (5,461) | - |
| Foreign exchange losses | (1,248,050) | - |
| Net assets, written down upon reclassification to non-current assets held for sale | (47,993) | - |
| Total expenses | (1,301,504) | - |
| Loss before income tax expense | (1,301,504) | - |
| Income tax expense | - | - |
| Loss after income tax expense from discontinued operations | (1,301,504) | - |

## Note 6. Current assets - Financial assets held at amortised cost - loan portfolio

| | Consolidated | |
|---|---|---|
| | **2019** | **2018** |
| | **$** | **$** |
| Loan receivable | 56,000 | - |

During the financial year the Company provided a loan of $50,000 to an entity which was repayable in 12 months. Interest on the loan was to be calculated at 12% per annum and establishment and legal fees were capitalised to the loan amount. The lender charges all of their right, title and interest in the Security Property in favour of the Company as security for the loan. The loan has been provided at arm's length terms.

## Note 7. Non-current assets - property, plant and equipment

| | Consolidated | |
|---|---|---|
| | **2019** | **2018** |
| | **$** | **$** |
| Leasehold improvements - at cost | 251,360 | 201,000 |
| Less: Accumulated depreciation | (35,941) | - |
| | 215,419 | 201,000 |
| Plant and equipment - at cost | - | 363,850 |
| Less: Accumulated depreciation | - | (246,050) |
| | - | 117,800 |
| | 215,419 | 318,800 |

*Reconciliations*
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| **Consolidated** | Leasehold improvements $ | Plant and Equipment $ | Total $ |
|---|---|---|---|
| Balance at 1 July 2017 | - | 108,979 | 108,979 |
| Additions | 201,000 | - | 201,000 |
| Exchange differences | - | 11,546 | 11,546 |
| Depreciation expense | - | (2,725) | (2,725) |
| Balance at 30 June 2018 | 201,000 | 117,800 | 318,800 |
| Additions | 50,360 | - | 50,360 |
| Divestment of Malaysian Operation | - | (117,800) | (117,800) |
| Depreciation expense | (35,941) | - | (35,941) |
| Balance at 30 June 2019 | 215,419 | - | 215,419 |

## Note 8. Equity - issued capital

| | Consolidated | | | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| | **Shares** | **Shares** | **$** | **$** |
| Ordinary shares - fully paid | 160,710,436 | 131,210,436 | 30,580,765 | 30,285,765 |

## Note 8. Equity - issued capital (continued)

*Movements in ordinary share capital*

| Details | Date | Shares | Issue price | $ |
|---|---|---|---|---|
| Balance | 1 July 2017 | 52,677,103 | | 29,010,276 |
| Issue of shares for settlement of consulting fees | 3 October 2017 | 3,133,333 | $0.03 | 94,000 |
| Issue of shares for settlement of consulting fees | 13 October 2017 | 4,400,000 | $0.03 | 132,000 |
| Issue of shares for settlement of consulting fees | 15 December 2017 | 5,000,000 | $0.02 | 100,000 |
| Issue of shares for settlement of consulting fees | 29 January 2018 | 4,000,000 | $0.02 | 80,000 |
| Placement | 19 March 2018 | 6,000,000 | $0.02 | 120,000 |
| Issue of shares for settlement of consulting fees | 6 June 2018 | 6,000,000 | $0.02 | 120,000 |
| Placement | 15 June 2018 | 50,000,000 | $0.015 | 750,000 |
| Less capital raising costs | | - | - | (120,511) |
| Balance | 30 June 2018 | 131,210,436 | | 30,285,765 |
| Placement | 7 August 2018 | 17,500,000 | $0.01 | 175,000 |
| Issue of shares for settlement of consulting fees | 7 September 2018 | 12,000,000 | $0.01 | 120,000 |
| Balance | 30 June 2019 | 160,710,436 | | 30,580,765 |

*Ordinary shares*
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

The fair value of shares issued to settle outstanding creditor balances have been accounted for using the fair value of fully paid ordinary shares quoted on the Australian Stock Exchange on the date of issue.

*Share buy-back*
There is no current on-market share buy-back.

*Capital risk management*
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 2018 Annual Report.

## Note 9. Equity - reserves

| | Consolidated | |
|---|---|---|
| | 2019 | 2018 |
| | $ | $ |
| Foreign currency reserve | - | (1,248,050) |

*Foreign currency reserve*
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Upon discontinuation of a foreign operation, the gains or losses in the reserve relevant to that operation are reclassified to the profit or loss.

## Note 10. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## Note 11. Financial instruments

***Financial risk management objectives***
The consolidated entity's activities expose it to a variety of financial risks with the major risk relating to liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units.

***Liquidity risk***
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

All accounts payable are due within 60 days of the end of the period.

***Fair value of financial instruments***
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## Note 12. Key management personnel disclosures

*Directors*
The following persons were directors of PLC Financial Solutions Limited during the financial year:

Mr Harry Fung (Non-executive Director)
Mr Campbell McCleod (Non-executive Director)
Mrs Chun Fong Leung (Non-executive Director)

## Note 12. Key management personnel disclosures (continued)

*Compensation*
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

| | Consolidated | |
|---|---|---|
| | 2019 $ | 2018 $ |
| Short-term employee benefits | 74,000 | 250,392 |
| Post-employment benefits | - | 1,849 |
| | 74,000 | 252,241 |

## Note 13. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck Audit (Vic) Pty Ltd, the auditor of the company, and unrelated firms:

| | Consolidated | |
|---|---|---|
| | 2019 $ | 2018 $ |
| *Audit services - William Buck Audit (Vic) Pty Ltd* | | |
| Audit or review of the financial statements | 29,000 | - |
| *Audit services - Moore Stephens, Australia* | | |
| Audit or review of the financial statements | - | 37,000 |

## Note 14. Commitments

| | Consolidated | |
|---|---|---|
| | 2019 $ | 2018 $ |
| *Lease commitments - operating* | | |
| Committed at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 96,000 | - |
| One to five years | 48,000 | - |
| | 144,000 | - |

Operating lease commitments include contracted amounts for the Company's offices under non-cancellable operating leases expiring within 3 years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

## Note 15. Related party transactions

*Parent entity*
PLC Financial Solutions Limited is the parent entity.

*Subsidiaries*
Interests in subsidiaries are set out in note 17.

**Note 15. Related party transactions (continued)**

*Key management personnel*
Disclosures relating to key management personnel are set out in note 12 and the remuneration report included in the directors' report.

*Transactions with related parties*
The following transactions occurred with related parties:

| | Consolidated | |
|---|---|---|
| | **2019 $** | **2018 $** |
| Consulting services provided by Benjamin Cooper | - | 136,364 |

*Receivable from and payable to related parties*
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*
There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*
All transactions were made on normal commercial terms and conditions and at market rates.

**Note 16. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

| | Parent | |
|---|---|---|
| | **2019 $** | **2018 $** |
| Loss after income tax | (649,777) | (1,638,595) |
| Total comprehensive income | (649,777) | (1,638,595) |

*Statement of financial position*

| | Parent | |
|---|---|---|
| | **2019 $** | **2018 $** |
| Total current assets | 339,561 | 1,029,316 |
| Total assets | 554,980 | 1,348,116 |
| Total current liabilities | 48,845 | 487,204 |
| Total liabilities | 48,845 | 487,204 |
| Equity | | |
| Issued capital | 30,580,765 | 30,285,765 |
| Foreign currency reserve | - | - |
| Accumulated losses | (30,074,630) | (29,424,853) |
| Total equity | 506,135 | 860,912 |

### Note 16. Parent entity information (continued)

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 2018 and 2019.

*Contingent liabilities*
The parent entity had no contingent liabilities as at 2018 and 2019.

*Capital commitments - Property, plant and equipment*
The parent entity had no capital commitments for property, plant and equipment as at 2018 and 2019.

*Significant accounting policies*
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

### Note 17. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

| | | Ownership interest | |
|---|---|---|---|
| **Name** | **Principal place of business / Country of incorporation** | **2019 %** | **2018 %** |
| Rimbun Teratai Sdn Bhd | Malaysia | 100.00% | 100.00% |
| G-Vest Corporation Sdn Bhd | Malaysia | 100.00% | 100.00% |
| GGH Financial Group Pty Ltd | Australia | 100.00% | 100.00% |

### Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Note 19. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|---|---|---|
| | 2019<br>$ | 2018<br>$ |
| Loss after income tax expense for the year | (1,897,827) | (1,638,595) |
| Adjustments for: | | |
| Share-based payments | 120,000 | 526,000 |
| Loan interest capitalised | (6,000) | - |
| Impairment losses on trade receivables | - | 32,659 |
| Depreciation | 35,941 | 2,725 |
| Other | - | (1,924) |
| Loss on discontinuation of foreign operation | 1,301,504 | - |
| Change in operating assets and liabilities: | | |
| Decrease in trade and other receivables | - | 2,669 |
| Decrease in other assets | 14,519 | - |
| Increase/(decrease) in trade and other payables | (172,993) | 143,826 |
| Net cash used in operating activities | (604,856) | (932,640) |

## Note 20. Loss per share

| | Consolidated | |
|---|---|---|
| | 2019<br>$ | 2018<br>$ |
| *Earnings per share for loss from continuing operations* | | |
| Loss after income tax attributable to the owners of PLC Financial Solutions Limited | (596,323) | (1,638,595) |
| | **Number** | **Number** |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 156,620,025 | 67,014,089 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 156,620,025 | 67,014,089 |
| | **Cents** | **Cents** |
| Basic earnings per share | (0.38) | (2.45) |
| Diluted earnings per share | (0.38) | (2.45) |

| | Consolidated | |
|---|---|---|
| | 2019<br>$ | 2018<br>$ |
| *Earnings per share for loss from discontinued operations* | | |
| Loss after income tax attributable to the owners of PLC Financial Solutions Limited | (1,301,504) | - |
| | **Number** | **Number** |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 156,620,025 | 67,014,089 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 156,620,025 | 67,014,089 |

**Note 20. Loss per share (continued)**

| | Cents | Cents |
|---|---|---|
| Basic earnings per share | (0.83) | - |
| Diluted earnings per share | (0.83) | - |

| | Consolidated | |
|---|---|---|
| | 2019 $ | 2018 $ |
| *Earnings per share for loss* | | |
| Loss after income tax attributable to the owners of PLC Financial Solutions Limited | (1,897,827) | (1,638,595) |

| | Number | Number |
|---|---|---|
| Weighted average number of ordinary shares used in calculating basic earnings per share | 156,620,025 | 67,014,089 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 156,620,025 | 67,014,089 |

| | Cents | Cents |
|---|---|---|
| Basic earnings per share | (1.21) | (2.45) |
| Diluted earnings per share | (1.21) | (2.45) |

## Note 21. Changes to unaudited Preliminary Financial Report -Appendix 4E

On 30 August 2019 the consolidated entity released its unaudited preliminary financial report for the year ended 30 June 2019. Upon finalisation of the audit, adjustments have been made to the following items:

### Statement of profit or loss and other comprehensive income

The following adjustments have been recorded in the Statement of profit or loss and other comprehensive income since the lodgement of the Company's Preliminary financial report:

- The main reason for the reduction in revenue from continuing operations by $259,250. The reduction in revenue has resulted from a review of the assessment of revenue transactions previously recognised on the basis that the Company was the principal for the transaction. Upon further review, it has been determined that the Company was not the principal for the transaction, but the agent and the transaction has been reversed;
- Recognising the split for discontinued operations during the financial year, being an additional loss of $1,301,504;
- Accounting for the realised foreign exchange loses subsequently recognised in the profit or loss upon derecognition of foreign controlled operations, amounting to $1,248,050;
- An increase in expenses to account for the share-based payment expense for the settlement of creditors through the issue of fully paid ordinary shares, amounting to $120,000; and
- Accounting for depreciation expenses for the financial year, amounting to $35,941.

### Statement of financial position

The following adjustments have been recorded in the Statement of financial position since the lodgement of the Company's Preliminary financial report:

- a reduction in the carrying amount of property, plant and equipment has been recorded following accounting for depreciation expenses; and
- an increase in the issued capital of the Company has been accounted for amounting to $120,000 following the recognition of the fair value of shares issued for the settlement of outstanding creditor balances. The corresponding adjustment has been accounted for against the retained earnings of the Company.

### Statement of cash flows

The following adjustment have been recorded in the Statement of cash flows since the lodgement of the Company's Preliminary financial report:

- the removal of cash receipts in the normal course of operations amounting to $259,350 and decrease in cash payments to suppliers.

**PLC Financial Solutions Limited**
**Directors' declaration**
**30 June 2019**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Harry Fung
Director

30 September 2019
Melbourne

William Buck

# PLC Financial Solutions Limited

## Independent auditor's report to members

# Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of PLC Financial Solutions Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Other Matter

We were appointed as auditor to PLC Financial Solutions Limited at their most recent annual general meeting on 30 November 2018. Prior to this date, we note that the incumbent auditor issued a disclaimer of opinion accompanying the financial report for the year ended 30 June 2018. The two major areas leading to that disclaimer opinion as set out in the Basis of Disclaimer Opinion related to the following:

a) Being unable to obtain sufficient and appropriate evidence supporting amounts paid or invoiced from third parties for leasehold improvements totalling $201,000; and

b) Being unable to obtain sufficient and appropriate evidence supporting administrative expenses totalling $540,000, including corporate advisory, promotional, marketing and professional services.

In meeting the requirements of ASA 510 *Initial Audit Engagements*, we were able to obtain the sufficient and appropriate evidence cited by the incumbent auditor in their disclaimer of opinion. As a consequence, our Opinion set out above is unmodified.

## Material Uncertainty Relating to Going Concern

We draw attention to Note 2 to the financial report, which describes that during the year ended 30 June 2019 the Group incurred a net loss from continuing operations of $1,897,827 and net cash outflows from operations of $604,856. These conditions, along with any other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| RECOGNITION AND DISCLOSURE OF RELATED PARTY TRANSACTIONS | |
|---|---|
| **Area of focus** | **How our audit addressed it** |
| As highlighted in the *other matter* paragraph above, the previous auditor issued a disclaimer of opinion to accompany the financial statements for the year ended 30 June 2018 relating to payments for leasehold improvements and for corporate and administrative expenses.<br><br>These therefore formed a key area of focus for this year's audit.<br><br>The Group continued to spend on both areas in the year as it completed its leasehold improvement program and continued to contract third parties, principally for due diligence projects.<br><br>The directors have conducted a review of all expenditures and capital improvements in the financial year and they have not identified any related party relationships arising from those transactions not otherwise disclosed in the financial statements. They have also examined all transactions remunerating key management personnel and have determined that these transactions are appropriately disclosed in the financial statements. | For the current financial year and for the previous financial year (in order to conduct opening balances work, as highlighted in the *other matter* paragraph above) we examined all individually significant bank transactions (determined to be equal to or greater than $5,000) for both financial years for relationships with counterparties to ascertain whether or not:<br>a) the counterpary and transaction was bona fide;<br>b) that the transaction was made in the interests of the Group and on arms' length terms; and<br>c) that where the counterparty was identified being controlled or associated with a related party that this transaction was appropriately disclosed in the financial statements.<br><br>We also examined non-cash transactions, including reconciling the movements of share-capital and contingent equity registers to identify any potential share-based payments that would also meet the criteria of either key management personnel remuneration or a transaction with a related party.<br><br>In examining the aforesaid counterparties, we made use of third party sources of information, including digital media and ASIC company searches. |

| RECOGNITION OF REVENUES AND OFFSETTING EXPENDITURES | |
|---|---|
| **Area of focus** | **How our audit addressed it** |
| In the final quarter of the year the Group entered into transactions which recorded cash inflows and offsetting cash outflows totalling $250,000. These amounts were interpreted as cash inflows and revenues and cash outflows and expenses in the Group's 4C and 4E unaudited disclosures to the ASX.<br><br>In assessing these transactions for the audited financial statements, the directors have determined that these transactions did not meet the definition of revenue or expenditure under Australian Accounting Standards because they were performed on an agency basis, namely:<br><br>- The services rendered (being consulting services, not directly relating to any underlying loan transactions which is the Group's principal business) were entirely by an external contractor who was a related party of a director of the Group;<br>- There was a very short lag in time between the receipt of the cash flow and the cash outflow (no tranche greater than 3 days); and<br>- The Group did not record any margin profit from its cash inflows from its cash outflows.<br><br>As a consequence, and as highlighted in the note reconciling the ASX 4E results to these financial statements at Note 21, the revenues and cashflows are not reflected in these financial statements. | The revenue and expenditure transactions were identified in our examination of all individually significant bank transactions referred to above. Our identification of counterparties relevant to the transactions was made using available sources of information available through public records and digital media.<br><br>In examining these transactions we were able to identify the matching receipts and payments and we concurred with the directors' assessment that they did not represent any commercial substance relevant to the Group.<br><br>We also consulted our Technical division as to whether these transactions were on an agency or principal basis.<br><br>Finally we ensured that the ASX 4E reconciliation disclosure, including the related party relationships relevant to the transaction were appropriately disclosed in the financial statements. |

## Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**
The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

## Report on the Remuneration Report

**Opinion on the Remuneration Report**
We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of PLC Financial Solutions Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

**William Buck Audit (Vic) Pty Ltd**
ABN: 59 116 151 136

**N. S. Benbow**
Melbourne, 30 September 2019

**PLC Financial Solutions Limited**
**Shareholder information**
**30 June 2019**

The shareholder information set out below was applicable as at 22 September 2019.

**Distribution of equitable securities**
Analysis of number of equitable security holders by size of holding:

| | Number of holders of ordinary shares |
|---|---|
| 1 to 1,000 | 32 |
| 1,001 to 5,000 | 55 |
| 5,001 to 10,000 | 47 |
| 10,001 to 100,000 | 257 |
| 100,001 and over | 86 |
| | 477 |
| Holding less than a marketable parcel | 337 |

**Equity security holders**

*Twenty largest quoted equity security holders*
The names of the twenty largest security holders of quoted equity securities are listed below:

| | Ordinary shares | |
|---|---|---|
| | Number held | % of total shares issued |
| North East Development Group Pty Ltd | 25,083,333 | 15.61 |
| Pickle Pants Pty Ltd | 20,500,000 | 12.76 |
| 10SixCo Pty Ltd | 17,400,000 | 10.83 |
| ZJ & C Investments Pty Ltd | 8,000,000 | 4.98 |
| Independently Women Pty Ltd | 7,250,000 | 4.51 |
| Coburg South Developments Pty Ltd | 7,250,000 | 4.51 |
| Roths Holdings Australia P/L | 3,833,333 | 2.39 |
| Touchstone Corporate Holdings Pty Ltd | 3,833,333 | 2.39 |
| Jinyang Yu | 3,500,000 | 2.18 |
| Galaxing Pty Ltd | 3,500,000 | 2.18 |
| Mr Xinwen Xie | 3,000,000 | 1.87 |
| Mabe Nominees Pty Ltd | 3,000,000 | 1.87 |
| Inhouse Create Pty Ltd | 3,000,000 | 1.87 |
| Mr Guohua Tang | 3,000,000 | 1.87 |
| Ms Yinghua Gu | 3,000,000 | 1.87 |
| Mr Oliver Roths | 2,761,176 | 1.72 |
| Dandansam Pty Ltd | 2,600,000 | 1.62 |
| Capital Corporate Solutions Pty Ltd | 2,500,000 | 1.56 |
| Rock Point Alliance SDN BHD | 1,966,667 | 1.22 |
| Mohamed Nazir Bin Meralslam | 1,833,334 | 1.14 |
| | 126,811,176 | 78.95 |

*Unquoted equity securities*
There are no unquoted equity securities.

## Substantial holders
Substantial holders in the company are set out below:

| | Ordinary shares | |
|---|---|---|
| | **Number held** | **% of total shares issued** |
| North East Development Group Pty Ltd | 25,083,333 | 15.61 |
| Pickle Pants Pty Ltd | 20,500,000 | 12.76 |
| 10sixCo Pty Ltd | 17,400,000 | 10.83 |

## Voting rights
The voting rights attached to ordinary shares are set out below:

*Ordinary shares*
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.