

Asia Wealth Group Holdings Limited
("Asia Wealth" or the "Company")

UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 AUGUST 2018

The Board is pleased to report the unaudited interim results of Asia Wealth Group Holdings Limited ("Accounts") for the period from 1 March 2018 to 31 August 2018. These Accounts have been prepared under IFRS and will shortly be available via the Company's website, www.asiawealthgroup.com.

Chairman's Statement

Financial Highlights

The highlights for the six months ended 31 August 2018 include:

- Consolidated revenue of US\$1,240,960 (2017: US\$1,146,815)
- Gross profit for Meyer Group of US\$541,350 (representing a gross margin of 44%) (2017: US\$433,858 and 38%)
- Cash at bank and on hand of US\$1.4m at 31 August 2018 (2017:\$1.2m).

The Group reports a profit after tax of US\$0.066 million on sales of US\$1.241 million for the six months ended 31 August 2018. These sales were generated by the Company's wholly owned subsidiary, Meyer Asset Management Ltd., BVI. This improvement in profitability was principally caused by revenue increase.

Cash balance has increased by US\$40,978 and net assets by US\$62,776, respectively, since 1st March 2018.

The Board has taken and is continuing to forge new revenue generating relationships, as well as expanding revenue creating opportunities, in both new avenues and existing. We continue to seek alliances and partnerships with firms in the same and new sectors.

Asia Wealth continues to seek investment opportunities in the Asia region and is currently engaged in multiple discussions on various potential acquisitions. The Directors continue to run the business in a cost-effective manner.

The Accounts have not been audited or reviewed by the Company's auditors.

The Directors of the Company accept responsibility for the content of this announcement.

Richard Cayne
Executive Chairman

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EXTRACTS ARE SET OUT BELOW:

ASIA WEALTH GROUP HOLDINGS LIMITED
Consolidated Statement of Financial Position

At 31 August 2018

All amounts stated in U.S. Dollars

	Note	31-Aug-18	31-Aug-17
Non-current assets			
Fixed assets	3	18,591	26,813
Investment in property	4	373,981	389,135
		<u>392,572</u>	<u>415,948</u>
Current assets			
Cash and cash equivalents		1,387,633	1,168,212
Trade receivables		201,902	241,404
Loans and other receivables		94,970	115,348
Due from related party		-	18,619
Prepayments and other assets		97,047	105,550
Available-for-sale investment		318,162	359,926
		<u>2,099,714</u>	<u>2,009,059</u>
Total assets		<u>\$ 2,492,286</u>	<u>\$ 2,425,007</u>
Equity			
Share capital	5	913,496	913,496
Share-based payment reserve	6	-	-
Consolidation reserve		405,997	405,997
Translation reserve		25,839	1,512
Accumulated deficit		<u>(70,068)</u>	<u>(127,339)</u>
Total equity		<u>1,275,264</u>	<u>1,193,666</u>
Non-current liabilities			
Liabilities under finance lease agreement	7	<u>4,485</u>	<u>13,267</u>
Current liabilities			
Trade payables		1,136,351	1,115,220
Due to related parties		1,177	29,082
Liabilities under finance lease agreement	7	8,970	8,845
Deferred revenue		2,609	2,572
Other payables and accrued expenses		63,430	62,355
		<u>1,212,537</u>	<u>1,218,074</u>
Total liabilities		<u>1,217,022</u>	<u>1,231,341</u>
Total equity and liabilities		<u>\$ 2,492,286</u>	<u>\$ 2,425,007</u>

ASIA WEALTH GROUP HOLDINGS LIMITED
Consolidated Statement of Comprehensive Income

For the half year ended 31 August 2018

All amounts stated in U.S. Dollars

	Note	Mar – Aug 2018	Mar – Aug 2017
Revenue		<u>1,240,960</u>	<u>1,146,815</u>
Expenses			
Commission		685,743	695,430
Professional fees		141,863	138,923
Wages and salaries		20,423	13,392
Directors' fees	8	146,607	101,478
Impairment expense		5,372	-
Travel and entertainment		33,625	27,591
Office expenses		21,117	22,186
Rent		8,518	8,252
Marketing expenses		4,029	5,637
Communication		2,352	2,311
Depreciation	3,4	16,575	16,196
Bank charges		5,778	4,975
Sundry expenses		<u>10,594</u>	<u>16,015</u>
		<u>1,102,596</u>	<u>1,052,386</u>
Net profit/(loss) from operations		<u>138,364</u>	<u>94,429</u>
Other income/(expense)			
Foreign exchange gain/(loss)		(72,477)	63,924
Interest Income		199	4,812
Investment income		<u>-</u>	<u>-</u>
		<u>(72,278)</u>	<u>68,736</u>
Net profit/(loss) before finance cost		66,086	163,165
Finance cost			
Interest expense		<u>(424)</u>	<u>(721)</u>
Net profit/(loss) before taxation		65,662	162,444
Taxation	9	<u>-</u>	<u>-</u>
Total comprehensive income (loss)		<u>\$ 65,662</u>	<u>\$ 162,444</u>

ASIA WEALTH GROUP HOLDINGS LIMITED
Consolidated Statement of Changes in Equity

For the half year ended 31 August 2018

All amounts stated in U.S. Dollars

31-Aug-18		Share Capital	Share-based Payment Reserve	Consolidation Reserve	Translation Reserve	Retained Earnings	Non- Controlling interest	Equity	
	Number								US\$
Balances at beginning of 1 Mar 2018	11,433,433								913,496
Translation differences	-	-	-	-	(2,886)	-	-	(2,886)	
Total comprehensive income	-	-	-	-	-	65,662	-	65,662	
Balances at end of 31 Aug 2018	<u>11,433,433</u>	<u>913,496</u>	<u>-</u>	<u>405,997</u>	<u>25,839</u>	<u>(70,068)</u>	<u>-</u>	<u>1,275,264</u>	

31-Aug-17		Share Capital	Share-based Payment Reserve	Consolidation Reserve	Translation Reserve	Retained Earnings	Non- Controlling interest	Equity	
	Number								US\$
Balances at beginning of 1 Mar 2017	11,433,433								913,496
Share-based payment expired	-	-	(10,708)	-	-	10,708	-	-	
Disposal of subsidiary	-	-	-	-	-	71,590	17,552	89,142	
Translation differences	-	-	-	-	10,829	-	-	10,829	
Total comprehensive income	-	-	-	-	-	162,444	-	162,444	
Balances at end of 31 Aug 2017	<u>11,433,433</u>	<u>913,496</u>	<u>-</u>	<u>405,997</u>	<u>1,512</u>	<u>(127,339)</u>	<u>-</u>	<u>1,193,666</u>	

ASIA WEALTH GROUP HOLDINGS LIMITED
Consolidated Statement of Cash Flows

For the half year ended 31 August 2018

All amounts stated in U.S. Dollars

	Mar – Aug 2018	Mar – Aug 2017
Operating activities		
Total comprehensive income/(Loss)	65,662	162,444
Add back Depreciation	16,575	16,196
Receivables	26,675	(26,363)
Loan and Other Receivable	327	17,698
Prepayments and other assets	5,475	(9,198)
Payables	(58,241)	187,266
Liabilities Under Finance Lease Agreements	(5,230)	(3,150)
Deferred Revenue	(108)	614
Other Payables and Accrued Expenses	(19,977)	(35,042)
	<hr/>	<hr/>
<i>Cash flows from operating activities</i>	31,158	310,465
	<hr/>	<hr/>
Investing activities		
Acquisition of fixed assets	(10,036)	(11,312)
Investments	26,362	(50,653)
Change in equity	(2,886)	99,971
	<hr/>	<hr/>
<i>Cash flows from investing activities</i>	13,440	38,006
	<hr/>	<hr/>
Financing activities		
Net advances from related party	(3,620)	(49,406)
	<hr/>	<hr/>
<i>Cash flows from financing activities</i>	(3,620)	(49,406)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	40,978	299,065
Cash and cash equivalents at beginning of year	1,346,655	869,147
	<hr/>	<hr/>
Cash and cash equivalents at end of period	\$ <u>1,387,633</u>	\$ <u>1,168,212</u>

Cash and cash equivalents comprise cash at bank.

1) GENERAL INFORMATION

Asia Wealth Group Holdings Limited (the "Parent Company") was incorporated in the British Virgin Islands on 7 October 2010 under the BVI Business Companies Act, 2004. The liability of the shareholders is limited by shares. The Parent Company maintains its registered office in the British Virgin Islands and its financial records and statements are maintained and presented in U.S. Dollars, rounded to the nearest dollar. The financial statements were authorised for issue by the Board of Directors on 30 October 2018.

The principal activity of the Parent Company and its subsidiaries (the "Group") is to provide wealth management advisory services to Asian-based high net worth individuals and corporations.

The Parent Company's shares were listed on the PLUS Stock Exchange based in London, United Kingdom. During the prior year, ICAP Plc, an interdealer broker based in London, United Kingdom, bought PLUS Stock Exchange and rebranded and relaunched it as ICAP Securities & Derivatives Exchange ("ISDX"). On 30 December 2016, ISDX was renamed NEX Exchange. The Parent Company's shares were automatically admitted to NEX Exchange.

The Parent Company has the following subsidiaries as at 31 August 2018:

	Incorporation Date	Country of Incorporation	Functional Currency	Ownership Interest	
				2018	2017
Meyer Asset Management Ltd. ("Meyer BVI")	2000	British Virgin Islands	US Dollars	100.00%	100.00%
Meyer International Limited ("Meyer Thailand")	2010	Thailand	Thailand Baht	49.00%	49.00%
Prime RE Limited ("Prime RE")	2016	Thailand	Thailand Baht	49.00%	49.00%
BTS Property Holdings Limited ("BTS Property")	2014	Thailand	Thailand Baht	-%	-%

On 13 June 2012, Meyer BVI was licensed to provide investment business services under Section 3 of the Securities and Investment Business Act, 2010 of the British Virgin Islands.

On 23 September 2016, Meyer Thailand acquired 51.00% of Prime RE.

On 20 October 2016, 51.00% of Meyer Thailand, owned beneficially via a trust agreement in favour of Meyer BVI, was acquired by Prime RE.

The Parent Company is the indirect owner of 51.00% of the outstanding shares of Prime RE and Meyer Thailand, and accordingly the Parent Company intends to account for them as wholly owned subsidiaries.

Effective 1 March 2017, the Parent Company, through Meyer Thailand, transferred its ownership of BTS Property but retained title as a nominee shareholder on behalf of the ultimate beneficial owner, and accordingly the Parent Company has not accounted for it as a subsidiary.

2) SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Group's consolidated financial statements are set out below.

2) **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

a) **Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRSs. The financial statements comply with IFRSs as issued by the International Accounting Standards Board ("IASB").

b) **Basis of preparation**

The consolidated financial statements have been prepared on the basis of historical costs and do not take into account increases in the market value of assets.

The accounting policies have been applied consistently by the Group and are consistent with those used in the previous year.

There are no new, revised or amended IFRSs or IFRS IC interpretations that are effective for the first time for the financial period beginning on 1 March 2018 that would be expected to have a material impact on the Group's consolidated financial statements.

c) **Use of estimates**

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and judgments

Depreciation

Management regularly reviews the estimated useful lives and residual values of the Group's fixed assets and will revise rates of depreciation where useful lives and residual values previously estimated have changed.

Fair value of investment property

Fair values, where possible, are based on open market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. However, due to a lack of liquidity in the market, and the fact that no similar transactions have recently taken place, it was not possible to calculate the current market price of the investment property in this way.

2) **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

c) **Use of estimates** (Cont'd)

Leases

In determining whether a lease is to be classified as an operating lease or a finance lease, management is required to use their judgment as to whether the significant risks and rewards of ownership of the leased asset have been transferred or not.

d) **Investment in subsidiaries**

Basis of consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries for the six month ended 31 August 2018. Details of the Group are set out in note 1.

Subsidiaries are enterprises controlled by the Parent Company. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee 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 Parent Company. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Parent Company gains control or until the date the Parent Company ceases to control the subsidiary.

Non-controlling interests pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares and options under share-based transactions.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not wholly-owned and are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, separately from the Parent Company's equity.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity as an "equity reserve" and attributed to the owners of the Group.

Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Parent Company.

All intra-group transactions, balances, income and expenses are eliminated in consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2) **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

d) **Investment in subsidiaries** (Cont'd)

Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the net identifiable assets acquired is recorded as goodwill.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

e) **Fixed assets**

Items of fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of fixed assets.

Subsequent expenditure incurred to replace a component of a fixed asset is capitalised only when it increases the future economic benefits embodied in the item of a fixed asset. All other expenditure is recognised in the consolidated statement of comprehensive income when it is incurred.

2) **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

e) **Fixed assets (Cont'd)**

The annual rates of depreciation in use are as follows:

Leasehold improvements	20%
Office equipment	20-33%
Vehicles	20%

f) **Investment property**

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses (refer to accounting policy (p)), if any, with any change therein recognised in the consolidated statement of comprehensive income.

Investment property comprises condominium units.

Cost includes expenditure that is directly attributable to the acquisition of investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of comprehensive income. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of property changes such that it is reclassified as fixed assets, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Depreciable investment property is stated at cost less accumulated depreciation. Depreciation is charged to the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of the investment property.

The annual rate of depreciation in use for condominium units is 5%.

Subsequent expenditure incurred is capitalised only when it increases the future economic benefits embodied in that property. All other expenditure is recognised in the consolidated statement of comprehensive income when it is incurred.

g) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash includes current deposits with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and bank overdrafts.

2) **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

h) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets that are classified as loans and receivables comprise trade receivables, loans and other receivables and due from related party.

Originated loans and receivables are recognised on the day that they are transferred to the Group.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any.

Financial assets are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all risks and rewards of ownership.

Trade receivables are recognised initially at fair value and are subsequently recorded at fair value reduced by any appropriate allowances for estimated irrecoverable amounts. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect amounts due.

The Group primarily uses the specific identification method to determine if a receivable is impaired. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income.

The Group determines its allowance by considering a number of factors, including the length of time a trade receivable is past due, the Group's previous loss history, the customer's current ability to pay its obligation to the Group, and the condition of the general economy and the industry as a whole. The Group writes off trade receivables when they become uncollectible. Actual bad debts, when determined, reduce the allowance, the adequacy of which management then reassesses. The Group writes off accounts after a determination by management that the amounts at issue are no longer likely to be collected, following the exercise of reasonable collection efforts and upon management's determination that the costs of pursuing the collection outweigh the likelihood of recovery.

i) **Available-for-sale ("AFS") investments**

AFS investments are carried at fair value. Gains and losses arising from changes in the fair value are recognised as other comprehensive income. When securities classified as AFS are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the consolidated statement of comprehensive income as gains and losses from investment securities.

AFS are presented as non-current assets unless they mature, or the Group intends to dispose of them within twelve (12) months from the end of the reporting period.

j) **Associates**

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

2) **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

k) **Share capital and accumulated deficit**

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

Accumulated deficit represent the cumulative balance of periodic net income/loss, dividend distributions and prior period adjustments.

l) **Share-based payment**

The Group entered into a series of equity-settled, share-based payment transactions, under which the Group received services from a third party as consideration for equity instruments (shares, options or warrants) of the Group.

For non-vesting share-based payments, the fair value of the service received in exchange for the shares is recognised as an expense immediately with a corresponding credit to share capital.

For share-based payments with vesting periods, the service received is recognised as an expense by reference to the fair value of the share options granted or warrants issued. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied with a corresponding credit to the share capital reserve.

m) **Foreign currency**

Functional and presentation currency

The subsidiaries' functional currencies are disclosed in note 1 to the financial statements. The consolidated financial statements are presented in U.S. Dollars, rounded off to the nearest dollar.

Transactions and balances

Transactions in foreign currencies are converted at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences arising on conversion or translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the consolidated statements of income and comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to investments are included in net realised/unrealised gain/(loss) on investments. All other foreign currency exchange differences relating to monetary items, including cash and cash equivalents, are presented in the consolidated statements of income and comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into U.S. Dollars at the exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated into U.S. Dollars at the average rate. The net differences arising from translation and remeasurement of foreign operations are recognised as other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit and loss when the foreign operation is disposed of.

2) **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

m) **Foreign currency (Cont'd)**

None of the foreign operations has the currency of a hyperinflationary economy.

Translation reserve

Assets and liabilities of the Group's non-U.S. Dollar functional currency subsidiaries are translated into U.S. Dollars at the closing exchange rates at the reporting date. Revenues and expenses are translated at the average exchange rates for the year. All cumulative differences from the translation of the equity of foreign subsidiaries resulting from changes in exchange rates are included in a separate caption within equity without affecting income.

n) **Leases**

Leases of equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are recorded as long-term liabilities. The finance charge is taken to the consolidated statement of comprehensive income over the lease period. Assets acquired under finance lease agreements are depreciated over their useful lives.

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the term of the lease. When an operating lease is terminated before the lease term has expired, any penalty is recognised as an expense in the period in which the termination takes place.

o) **Financial liabilities**

Financial liabilities are non-derivative contractual obligations to deliver cash or another financial asset to another entity and comprise trade payables, due to related parties, liabilities under finance lease agreements and other payables and accrued expenses.

These financial liabilities are recognised initially at fair value less any directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method.

Financial liabilities are derecognised when the obligation specified in a contract is discharged, cancelled or expired.

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is estimated as the greater of an asset's net selling price or value in use. An impairment loss is recognised in the consolidated statement of comprehensive income whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

If in a subsequent period, the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the consolidated statement of comprehensive income.

2) **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

p) **Impairment**

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

q) **Revenue and expense recognition**

In relation to the rendering of professional services, the Group recognises fee income as time is expended and costs are incurred, provided the amount of consideration to be received is reasonably determinable and there is reasonable expectation of its ultimate collection.

Rental income arising from operating leases on investment property is recognised in the consolidated statement of comprehensive income on a straight line basis over the term of the lease.

Interest income is recognised in the consolidated statement of comprehensive income as it accrues.

All expenses are recognised in the consolidated statement of comprehensive income on the accrual basis.

r) **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position whenever the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

s) **Segment reporting**

The Group's operating businesses are organised and managed separately according to geographical area, with each segment representing a strategic business unit that serves a different market. Financial information on business segments is presented in note 14 of the consolidated financial statements.

t) **Taxation**

Taxation on net profit before taxation for the year comprises both current and deferred tax.

Current tax is the expected income tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years in the countries where the Parent Company and its subsidiaries operate and generate taxable income.

The Group accounts for income taxes in accordance with IAS 12, "Income Taxes," which requires that a deferred tax liability be recognised for all taxable temporary differences and a deferred tax asset be recognised for an enterprise's deductible temporary differences, operating losses, and tax credit carryforwards. A deferred tax asset or liability is measured using the marginal tax rate that is expected to apply to the last dollars of taxable income in future years. The effects of enacted changes in tax laws or rates are recognised in the period that includes the enactment date.

2) **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

u) **Related parties**

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

v) **Amended and newly issued accounting standards**

A number of new standards, amendments to existing standards and interpretations are effective for annual periods beginning after 1 March 2017 and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group; however, IFRS 16, "Leases", effective for annual periods beginning on or after 1 January 2019, and IFRS 9, "Financial Instruments: Classification and Measurement" effective for annual periods beginning on or after 1 January 2018, may result in additional disclosures for the Group upon implementation.

3) **FIXED ASSETS**

	Leasehold improvement	Office equipment	Vehicles	Total
Cost:				
At 28 February 2018	20,281	36,832	55,392	112,505
Translation reserve	(1,543)	(6,251)	(5,844)	(13,638)
Disposal	-	-	-	-
Additions	-	-	-	-
At 31 August 2018	<u>18,738</u>	<u>30,581</u>	<u>49,548</u>	<u>98,867</u>
Depreciation:				
At 28 February 2018	20,281	31,617	35,477	87,375
Translation reserve	(1,543)	(6,663)	(5,051)	(13,257)
Disposal	-	-	-	-
Charge for 1 March – 31 August 2018	-	1,163	4,995	6,158
At 31 August 2018	<u>18,738</u>	<u>26,117</u>	<u>35,421</u>	<u>80,276</u>
Net book value:				
At 31 August 2018	<u>\$-</u>	<u>\$4,464</u>	<u>\$14,127</u>	<u>\$18,591</u>
At 28 February 2018	<u>\$-</u>	<u>\$5,215</u>	<u>\$19,915</u>	<u>\$25,130</u>

As at 31 August 2018, the Group had fixed assets under a finance lease agreement (refer to note 6) with a net book value of \$13,875 (2017 : \$23,358).

4) **INVESTMENT PROPERTY**

	Condominium units
Cost:	
At 28 February 2018	430,398
Translation reserve	<u>(17,143)</u>
At 31 August 2018	<u>413,255</u>
Depreciation:	
At 28 February 2018	30,055
Translation reserve	(1,197)
Charge for 1 March – 31 August 2018	<u>10,416</u>
At 31 August 2018	<u>39,274</u>
Net book value:	
At 31 August 2018	<u>\$ 373,981</u>
At 28 February 2018	<u>\$ 400,343</u>

Investment property comprises condominium units at The Prime 11 Condominium in Bangkok, Thailand.

5) **SHARE CAPITAL**

Authorised

The Parent Company is authorised to issue an unlimited number of no par value shares of a single class

Issued and fully paid:	31-Aug-18	31-Aug-17
11,433,433 (2016: 11,433,433) shares of no par value per share.	<u>\$913,496</u>	<u>\$913,496</u>

Each share in the Parent Company confers upon the shareholder:

- (a) the right to one vote on any resolution of shareholders;
- (b) the right to an equal share in any dividend paid by the Parent Company; and
- (c) the right to an equal share in the distribution of the surplus assets of the Parent Company on its liquidation

6) **SHARE-BASED PAYMENTS**

Options

All share options were expired

Grant Date	Expired date	Exercise Price	31-Aug-18	31-Aug-17
1/Oct/2012	27/May/2017	£0.60	-	-
1/Jul/2013	1/Jul/2016	£0.60	-	-
31/Jul/2013	30/Jul/2017	£0.60	-	-

7) **LEASES**

	31-Aug-18	31-Aug-17
Liabilities under finance lease agreement:		
Less than 1 year	8,970	8,845
1 to 5 years	<u>4,485</u>	<u>13,267</u>
Total	13,455	22,112
Less: Deferred interest	<u>(1,086)</u>	<u>(2,070)</u>
	12,369	20,042
Less: Current portion net of short term deferred interest	<u>(8,187)</u>	<u>(7,847)</u>
Net	<u>\$4,182</u>	<u>\$12,195</u>

8) **RELATED PARTY TRANSACTIONS**

During the half year, the Group paid director's fees amounting to \$146,607 (2017:\$101,478).

9) **TAXATION**

There is no mainstream taxation in the British Virgin Islands. The Parent Company and Meyer BVI are not subject to any forms of taxation in the British Virgin Islands, including income, capital gains and withholding taxes.

Meyer Thailand, and Prime RE are subject to Thailand graduated statutory income tax at a rate of 0-20% on profit before tax.

The current tax expense included in the consolidated statement of comprehensive income was \$nil (2017: \$nil).

The Group had no deferred tax assets or liabilities as at the reporting date.

10) **SEGMENTAL INFORMATION**

The Group has three reportable segments based on geographical areas where the Group operates and these were as follows:

British Virgin Islands ("BVI") - where the Company and Meyer BVI are domiciled. The Parent Company serves as the investment holding company of the Group and Meyer BVI provides wealth management and advisory services.

Thailand - where Meyer Thailand is domiciled and provides marketing and economic consulting services to the Group; where Prime RE is domiciled and provides property rental services; and BTS Property is domiciled and provides property management services.

The reportable segmental revenue, other profit and loss disclosures and assets were as follows:

10) **SEGMENTAL INFORMATION** (Cont'd)

Revenue

	31-Aug-18			31-Aug-17		
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Total segment revenue	Inter-segment revenue	Revenue from external customers
BVI	1,225,309	-	1,225,309	1,127,464	-	1,127,464
Thailand	125,988	(110,337)	15,651	125,187	(105,836)	19,351
Total	\$1,351,297	\$(110,337)	\$1,240,960	\$1,252,651	\$(105,836)	\$1,146,815

The revenue between segments is carried out at arm's length.

Other profit and loss disclosures

	31-Aug-18			31-Aug-17		
	Commission expense	Depreciation	Income tax	Commission expense	Depreciation	Income tax
BVI	683,959	428	-	693,671	383	-
Thailand	1,784	16,147	-	1,759	15,813	-
Total	\$685,743	\$16,575	\$-	\$695,430	\$16,196	\$-

Assets

	31-Aug-18	31-Aug-17
	Total Assets	Total Assets
BVI	1,981,851	1,820,514
Thailand	<u>510,435</u>	<u>604,493</u>
Total	<u>\$2,492,286</u>	<u>\$2,425,007</u>

Intersegment assets amounting to \$3,436,675 (2017: \$3,220,060) were already eliminated in the total assets per segment above.

Liabilities

	31-Aug-18	31-Aug-17
	Total Liabilities	Total Liabilities
BVI	1,152,427	1,135,247
Thailand	<u>64,595</u>	<u>96,094</u>
Total	<u>\$1,217,022</u>	<u>\$1,231,341</u>

Intersegment Liabilities amounting to \$3,314,360 (2017: \$3,098,619) were already eliminated in the total Liabilities per segment above.

11) FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Financial assets of the Group include cash and cash equivalents, trade receivables, loans and other receivables, due from related party and available-for-sale investment. Financial liabilities include trade payables, due to related parties and other payables and accrued expenses.

a) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of the Group's financial instruments. The Group's exposure to market risk is determined by a number of factors which include interest rate risk.

Interest rate risk

The financial instruments exposed to interest rate risk comprise cash and cash equivalents.

The Group is exposed to interest rate cash flow risk on cash and cash equivalents, which earn interest at floating interest rates that are reset as market rates change. The Group is exposed to interest rate risk to the extent that these interest rates may fluctuate.

A sensitivity analysis was performed with respect to the interest-bearing financial instruments with exposure to fluctuations in interest rates and management noted that there would be no material effect to shareholders' equity or net income for the year.

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if financial instrument counterparties failed to perform as contracted.

As at 31 August 2018, the Group's financial assets exposed to credit risk amounted to the following:

	31-Aug-18	31-Aug-17
Cash and cash equivalents	1,387,633	1,168,212
Trade receivables	201,902	241,404
Loans and other receivables	94,970	115,348
Due from related party	-	18,619
Available-for-sale investment	<u>318,162</u>	<u>359,926</u>
	<u>\$2,002,667</u>	<u>\$1,903,509</u>

The ageing of the Group's trade receivables as at 31 August 2018 is as follows:

	31-Aug-18		31-Aug-17	
	Gross	Impairment	Gross	Impairment
1 – 90 days	145,951	-	166,195	-
91 – 180 days	55,951	-	75,209	-
	<u>\$201,902</u>	-	<u>\$241,404</u>	-

The Group invests all its available cash and cash equivalents in several banks. The Group is exposed to credit risk to the extent that these banks may be unable to repay amounts owed. To manage the level of credit risk, the Group attempts to deal with banks of good credit standing, whenever possible.

11) **FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Cont'd)**

The Group has two significant customers which expose it to credit risk, though the exposure to credit risk is reduced as these customers have a good working relationship with the Group. To reduce exposure to credit risk, the Group may perform ongoing credit evaluations on the financial condition of its customers, but generally does not require collateral.

The Group is exposed to credit risk with respect to its investments. Bankruptcy or insolvency of the investee companies may cause the Group's rights to the security to be delayed or limited.

The extent of the Group's exposure to credit risk in respect of these financial assets approximates their carrying values.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational needs as they arise.

12) **FAIR VALUE INFORMATION**

The Group's investment at the reporting date comprises an investment in the unlisted ordinary shares of Ray Alliance. Ordinary shares that have no active market and whose fair value cannot be reliably measured are carried at cost, less impairment, if any.

For certain of the Group's financial instruments, not carried at fair value, including cash and cash equivalents, trade receivables, loans and other receivables, due to/from related parties, trade payables and other payables and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level of input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Group. The Group considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments whose values are based on quoted market prices in active markets are therefore classified within Level 1.

12) **FAIR VALUE INFORMATION (Cont'd)**

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. The Group's Level 3 investment comprises an investment in unlisted shares valued at cost, since there was no information to estimate their fair values. The Group believes that the value stated as at 28 February 2017 is most representative of its fair value.

The following table analyses within the fair value hierarchy the Group's financial assets (by class) measured at fair value at the reporting date:

	31-Aug-18	31-Aug-17
<i>Level 3</i>		
Available-for-sale investment	318,162	359,926
	<u>\$318,162</u>	<u>\$359,926</u>

The Group did not hold any investments under the Level 1 and Level 2 hierarchies as at 31 August 2018 and 2017.

There were no significant investments transferred between Levels 1, 2 and 3.

13) **CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern; and
- to provide adequate returns to its shareholders.

In order to maintain or balance its overall capital structure to meet its objectives, the Group is continually monitoring the level of share issuance and any dividend declaration and distributions to shareholders in the future.

14) **COMPARATIVE INFORMATION**

Certain comparative figures have been reclassified to conform with the current year's presentation.