

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

UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 AUGUST 2016

The Board is pleased to report the unaudited interim results of Asia Wealth Group Holdings Limited ("Accounts") for the period from 1 March 2016 to 31 August 2016. 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 2016 include:

- Consolidated revenue of US\$600,649 (2015: US\$578,183)
- Operating profit for Meyer Group of US\$254,371 (representing a gross margin of 43%) (2015: US\$338,369 and 60%)
- Cash at bank and on hand of US\$1.4m at 31 August 2016 (2015:\$1.5m).

The Group reports a loss after tax of US\$.011 million on sales of US\$0.601 million for the six months ended 31 August 2016. These sales were generated by the Company's wholly owned subsidiary, Meyer Asset Management Ltd., BVI. This slight improvement in profitability was principally caused by expense reduction.

Cash balance has decreased by US\$86,915 and net assets by US\$52,096, respectively, since 1st March 2016.

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 2016

All amounts stated in U.S. Dollars

| | Note | 31 Aug 2016 | 31 Aug 2015 |
|---|------|---------------------|---------------------|
| Non-current assets | | | |
| Fixed assets | 3 | 36,974 | 51,520 |
| Investments | 13 | 358,208 | 356,805 |
| | | <u>395,182</u> | <u>408,325</u> |
| Current assets | | | |
| Cash and cash equivalents | | 1,368,304 | 1,518,646 |
| Trade receivables | | 197,896 | 232,734 |
| Prepayments and other assets | 7 | 75,626 | 89,450 |
| | | <u>1,641,826</u> | <u>1,840,830</u> |
| Total assets | | <u>\$ 2,037,008</u> | <u>\$ 2,249,155</u> |
| Equity | | | |
| Share capital | 4 | 913,500 | 913,500 |
| Share-based payment reserve | 5 | 35,423 | 35,423 |
| Consolidation reserve | | 401,057 | 399,585 |
| Translation reserve | | (7,571) | (9,605) |
| Retained earnings | | (273,379) | (168,854) |
| Current earnings | | (11,057) | (22,301) |
| Total equity | | <u>1,057,973</u> | <u>1,147,748</u> |
| Non-current liabilities | | | |
| Liabilities under finance lease agreement | 6 | 3,730 | 5,958 |
| Current liabilities | | | |
| Trade payables | | 951,222 | 1,055,115 |
| Liabilities under finance lease agreement | 6 | — | — |
| Other payables and accrued expenses | | 24,083 | 40,334 |
| | | <u>975,305</u> | <u>1,095,449</u> |
| Total liabilities | | <u>979,035</u> | <u>1,101,407</u> |
| Total equity and liabilities | | <u>\$ 2,037,008</u> | <u>\$ 2,249,155</u> |

ASIA WEALTH GROUP HOLDINGS LIMITED
Consolidated Statement of Comprehensive Income

For the half year ended 31 August 2016

All amounts stated in U.S. Dollars

| | Note | Mar – Aug 2016 | Mar - Aug 2015 |
|--|------|--------------------|--------------------|
| Revenue | | <u>600,649</u> | <u>578,183</u> |
| Expenses | | | |
| Commission | | 338,235 | 227,539 |
| Professional fees | 5 | 66,863 | 88,228 |
| Wages and salaries | | 79,295 | 78,437 |
| Directors' fees | 7 | 101,106 | 100,801 |
| Travel and entertainment | | 24,800 | 37,616 |
| Office expenses | | 4,231 | 8,767 |
| Rent | | 18,556 | 18,170 |
| Marketing expenses | | 6,427 | 15,795 |
| Communication | | 2,804 | 2,906 |
| Depreciation | 3 | 7,117 | 11,908 |
| Bank charges | | 3,331 | 3,480 |
| Sundry expenses | | <u>5,905</u> | <u>4,236</u> |
| | | <u>658,670</u> | <u>597,883</u> |
| Net profit/(loss) from operations | | <u>(58,021)</u> | <u>(19,700)</u> |
| Other income/(expense) | | | |
| Initial public offering expenses | | — | — |
| Foreign exchange gain/(loss) | | 43,334 | (1,698) |
| Interest Income | | 5,329 | 1,185 |
| Investment income | | <u>—</u> | <u>—</u> |
| | | <u>48,663</u> | <u>(513)</u> |
| Net profit/(loss) before finance cost | | <u>(9,358)</u> | <u>(20,213)</u> |
| Finance cost | | | |
| Interest expense/(income) | | (1,699) | (2,088) |
| Net profit/(loss) before taxation | | (11,057) | (22,301) |
| Taxation | 8 | <u>—</u> | <u>—</u> |
| Total comprehensive income | 2(d) | <u>\$ (11,057)</u> | <u>\$ (22,301)</u> |

ASIA WEALTH GROUP HOLDINGS LIMITED
Consolidated Statement of Changes in Equity

For the half year ended 31 August 2016

All amounts stated in U.S. Dollars

| | | 31 Aug 2016 | | | | | | | |
|--------------------------------------|---------|--------------------|------------------|-----------------------------------|--------------------------|------------------------|----------------------|---------------------|--------------------|
| | | Share Capital | | Share-based Payment Reserve | Consolidation Reserve | Translation Reserve | Retained Earnings | Current Earnings | Equity |
| | Note | Number | US\$ | | | | | | |
| Balances at beginning of year | | 11,433,433 | \$913,500 | \$35,423 | \$399,585 | \$(9,605) | \$(168,854) | \$(22,301) | \$1,147,748 |
| Issuance of share capital | 4 | | | — | — | — | — | — | |
| Issuance of share options | 2(n), 5 | — | — | — | — | — | — | — | — |
| Issuance of share warrants | 2(n), 5 | — | — | — | — | — | — | — | — |
| Translation differences | 2(f) | — | — | — | \$1,472 | \$2,034 | — | — | \$3,506 |
| Total comprehensive income | | — | — | — | — | — | \$(104,525) | \$11,244 | \$(93,281) |
| Balances at end of year | | <u>11,433,433</u> | <u>\$913,500</u> | <u>\$35,423</u> | <u>\$401,057</u> | <u>\$(7,571)</u> | <u>\$(273,379)</u> | <u>\$(11,057)</u> | <u>\$1,057,973</u> |

| | | 31 Aug 2015 | | | | | | | |
|--------------------------------------|---------|--------------------|------------------|-----------------------------------|--------------------------|------------------------|----------------------|---------------------|--------------------|
| | | Share Capital | | Share-based Payment Reserve | Consolidation Reserve | Translation Reserve | Retained Earnings | Current Earnings | Equity |
| | Note | Number | US\$ | | | | | | |
| Balances at beginning of year | | 11,433,433 | \$913,500 | \$35,423 | \$404,227 | \$(2,732) | \$(129,463) | \$71,156 | \$1,292,111 |
| Issuance of share capital | 4 | | | — | — | — | — | — | |
| Issuance of share options | 2(n), 5 | — | — | — | — | — | — | — | — |
| Issuance of share warrants | 2(n), 5 | — | — | — | — | — | — | — | — |
| Translation differences | 2(f) | — | — | — | \$(4,642) | \$(6,873) | — | — | \$(11,515) |
| Total comprehensive income | | — | — | — | — | — | \$(39,391) | \$(93,457) | \$(132,848) |
| Balances at end of year | | <u>11,433,433</u> | <u>\$913,500</u> | <u>\$35,423</u> | <u>\$399,585</u> | <u>\$(9,605)</u> | <u>\$(168,854)</u> | <u>\$(22,301)</u> | <u>\$1,147,748</u> |

ASIA WEALTH GROUP HOLDINGS LIMITED
Consolidated Statement of Cash Flows

For the half year ended 31 August 2016

All amounts stated in U.S. Dollars

| | Note | Mar – Aug 2016 | Mar - Aug 2015 |
|---|------|-------------------------|----------------------------|
| Operating activities | | | |
| Profit/(Loss) | | (11,057) | (22,301) |
| Add back Depreciation | | 7,119 | 11,908 |
| Add back Foreign Exchange Adjustments | | (41,039) | (10,219) |
| Receivables | | 134,742 | 79,969 |
| Prepayments and Deposits | | 2,318 | (26,888) |
| Payables | | 15,914 | (132,555) |
| Trade Creditors and Other Liabilities | | (16,594) | (56,116) |
| | | <u>91,403</u> | <u>(156,202)</u> |
| <i>Cash flows from operating activities</i> | | | |
| Investing activities | | | |
| Acquisition of fixed assets | | (3,253) | 5,497 |
| Investments | | (1,235) | (26,233) |
| | | <u>(4,488)</u> | <u>(20,736)</u> |
| <i>Cash flows from investing activities</i> | | | |
| Financing activities | | | |
| Share issues | | - | - |
| | | <u>-</u> | <u>-</u> |
| <i>Cash flows from financing activities</i> | | | |
| Net increase/(decrease) in cash and cash equivalents | | 86,915 | (176,938) |
| Cash and cash equivalents at beginning of year | | <u>1,281,389</u> | <u>1,695,584</u> |
| Cash and cash equivalents at end of period | \$ | <u><u>1,368,304</u></u> | \$ <u><u>1,518,646</u></u> |

Cash and cash equivalents comprise cash at bank.

1) GENERAL INFORMATION

Asia Wealth Group Holdings Limited (the “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 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 2016.

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

On 16 May 2011, the Company’s shares were admitted to trading on ISDX, formerly PLUS Stock Exchange, based in London, United Kingdom.

The Company has the following subsidiaries:

| | Incorporation Date | Country of Incorporation | Ownership Interest |
|--|-------------------------------|-------------------------------------|-------------------------------|
| Meyer Asset Management Ltd. (“Meyer BVI”) | 2000 | British Virgin Islands | 100% |
| Meyer International Limited (“Meyer Thailand”) | 2010 | Thailand | 49% |

2) SIGNIFICANT ACCOUNTING POLICIES

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

a) **Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

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 International Financial Reporting Interpretations Committee (“IFRIC”) interpretations that are effective for the first time for the financial period beginning on 1 March 2011 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

Business combination

Refer to note 2 (d) for the rationale behind the use of merger rather than the acquisition accounting for the consolidation of these financial statements.

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.

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 has been transferred or not.

d) **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the six months ended 31 August 2016.

Details of the Group are set out in note 1.

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combination under common control

Prior to the acquisitions, all the entities were under common control. Combinations involving entities or businesses under common control are specifically outside the scope of IFRS 3, “Business Combinations,” and there is no guidance elsewhere within IFRSs covering such transactions.

International Accounting Standard 8, “Accounting Policies, Changes in Accounting Estimates and Errors,” requires that where IFRSs do not include guidance for a particular transaction, the directors may consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards. Accordingly, the directors note that UK Financial Reporting Standard 6, “Acquisitions and Mergers” (“FRS 6”), sets out accounting guidance for combinations of entities or businesses under common control.

The guidance contained in FRS 6 indicates that merger accounting may be used when accounting for transactions under common control. Under merger accounting, the carrying values of the assets and liabilities of the combined entities are not required to be adjusted to fair value on consolidation. Therefore, goodwill from consolidation of the merged entities is not recognised. Upon consolidation, the carrying values of the assets and liabilities of the combined entities are combined from the beginning of the financial year.

e) **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 10 of the consolidated financial statements.

f) **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.

g) **Financial instruments**

(i) ***Classification***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These comprise trade receivables.

Financial liabilities measured at amortised cost are non-derivative contractual obligations to deliver cash or another financial asset to another entity. These comprise trade payables and other payables.

(ii) ***Recognition and derecognition***

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of an instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from a financial asset expire or it transfers a financial asset and the transfer qualifies for derecognition in accordance with IAS 39, “Financial Instruments: Recognition and Measurement.” A financial liability is derecognised when the obligation specified in a contract is discharged, cancelled or expired.

(iii) **Measurement**

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

Financial liabilities are measured at amortised cost using the effective interest method.

(iv) **Specific instruments**

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with banks, net of any overdrafts, and other highly liquid financial instruments with maturities of three months or less from the date of acquisition.

Receivables

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 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.

Payables

Payables are stated at their cost. No interest is incurred on payables.

Share capital

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

h) **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.

i) **Impairment**

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 and 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 or allowance is reversed through the consolidated statement of comprehensive income.

An impairment loss 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 losses had been recognised.

j) **Income and expenditure recognition**

In relation to the rendering of services, the Group recognises revenues and fees 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 ultimate collection of fees.

Interest income and expense are recognised in the consolidated statement of comprehensive income on the accrual basis.

k) **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 took place.

l) **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.

The annual rates of depreciation in use are as follows:

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

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.

m) **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 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.

n) **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.

o) **Foreign currency**

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 into U.S. Dollars at the foreign currency 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 statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost are translated at the foreign currency exchange rate ruling at the date of the transaction, or if impaired, at the date of the impairment recognition. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into U.S. Dollars at the foreign currency exchange rates ruling at the dates that the values were determined.

p) **Amended and newly issued accounting standards not yet adopted**

The following new standards and revision and amendment to existing standards are relevant to the Group's operations. The Group has not opted to adopt them early and the Group has yet to assess the full impact on the Group's consolidated financial statements.

IFRS 10 (new), "Consolidated Financial Statements" ②

IFRS 13 (new), "Fair Value Measurement" ②

IAS 1 (amended), "Presentation of Financial Statements" ①

IAS 27 (revised 2011), "Separate Financial Statements" ②

① Effective for annual periods beginning on or after 1 July 2012

② Effective for annual periods beginning on or after 1 January 2013

IFRS 10, “Consolidated Financial Statements”

The objective of this new standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It also defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee and sets out the accounting requirements for the preparation of the consolidated financial statements.

IFRS 13, “Fair Value Measurement”

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

IAS 1, “Presentation of Financial Statements”

The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

IAS 27, “Separate Financial Statements”

IAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.

3) **FIXED ASSETS**

| | Leasehold improvement | Office equipment | Vehicles | Total |
|-------------------------------------|--------------------------|---------------------|-----------------|-----------------|
| Cost: | | | | |
| At 29 February 2016 | 20,281 | 28,396 | 89,833 | 138,510 |
| Gain (Loss) on exchange | (2,563) | (4,328) | (8,290) | (15,181) |
| Disposal | - | - | (35,142) | (35,142) |
| Additions | - | 1,544 | 450 | 1,994 |
| At 31 August 2016 | <u>17,718</u> | <u>25,612</u> | <u>46,851</u> | <u>90,181</u> |
| Depreciation: | | | | |
| At 29 February 2016 | 20,082 | 23,033 | 54,129 | 97,244 |
| Gain (Loss) on exchange | (2,569) | (4,017) | (9,428) | (16,014) |
| Disposal | - | - | (35,142) | (35,142) |
| Charge for 1 March – 31 August 2016 | <u>205</u> | <u>1,712</u> | <u>5,202</u> | <u>7,119</u> |
| At 31 August 2016 | <u>17,718</u> | <u>20,728</u> | <u>14,761</u> | <u>53,207</u> |
| Net book value: | | | | |
| At 31 August 2016 | \$ <u>-</u> | <u>\$4,884</u> | <u>\$32,090</u> | <u>\$36,974</u> |
| At 29 February 2016 | <u>\$199</u> | <u>\$5,363</u> | <u>\$35,704</u> | <u>\$41,266</u> |

As at 31 August 2016, the Group had fixed assets under a finance lease agreement (refer to note 6) with a net book value of \$32,090 (28 Feb 2016: \$35,704).

4) **SHARE CAPITAL**

Authorised

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

Issued and fully paid:

11,433,433 shares of no par value per share (28 Feb 2016 : 11,433,433 shares of no par value per share).

5) **SHARE-BASED PAYMENTS**

Options

The total share options reserve as at 31 August 2016 amounted to \$26,402 (2015: \$26,402).

Share options outstanding at the end of the half year have the following expiry date and exercise price:

| Grant Date | Expiry Date | Exercise Price | 31 Aug 2016 | 31 Aug 2015 |
|-------------------|--------------|----------------|-------------|-------------|
| 30 September 2012 | 26 May 2017 | £0.60 | 50,000 | 50,000 |
| 30 July 2013 | 29 July 2017 | £0.60 | 100,000 | 100,000 |

Warrants

On 16 May 2011, the Company issued share warrants to BCL to subscribe for 55,444 shares, in accordance with the terms of its Agreement. The warrants are exercisable at the placing price for a period of 5 years. The total share warrants reserve as at 31 August 2016 amounted to \$9,021 (28 Feb 2016: \$9,021).

The fair value of the options granted and warrants issued during the year determined using the Black-Scholes valuation model was £0.102 (28 Feb 2016: £0.102). The significant inputs into the model were the share price of £0.60 (28 Feb 2016: £0.60) at the grant date, exercise price shown above, volatility of 10% (28 Feb 2016: 10%), dividend yield of 0% (28 Feb 2016: 0%), an expiry date of 5 years (28 Feb 2016: 5 years) and an annual risk-free interest rate of 3% (28 Feb 2016: 3%).

6) **LEASES**

Finance lease

Liabilities under finance lease agreement:

| | 31 Aug 2016 | 31 Aug 2015 |
|-------------------------|--------------------|--------------------|
| Less than 1 year | 8,482 | 12,236 |
| 1 to 5 years | <u>21,205</u> | <u>28,647</u> |
| Total | 29,687 | 40,884 |
| Less: Deferred interest | <u>(3,153)</u> | <u>(4,612)</u> |
| | 26,534 | 36,271 |
| Less: Current portion | <u>(7,313)</u> | <u>(10,667)</u> |
| Net | <u>\$19,221</u> | <u>\$25,604</u> |

Operating lease

As at 31 August 2016, the Group has non-cancellable operating lease commitments as follow:

| | 31 Aug 2016 | 31 Aug 2015 |
|------------------|--------------------|--------------------|
| Payable within: | | |
| Less than 1 year | 8,408 | 13,909 |
| 1 to 5 years | <u>-</u> | <u>9,886</u> |
| Total | <u>\$8,408</u> | <u>\$23,795</u> |

7) **RELATED PARTY TRANSACTIONS**

During the half year, the Group paid director's fees amounting to \$101,106 (2015: \$100,801).

8) **TAXATION**

There is no mainstream taxation in the British Virgin Islands. The 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 is 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 relates to the following subsidiaries:

| | 31 Aug 2016 | 31 Aug 2015 |
|----------------|--------------------|--------------------|
| Meyer Thailand | <u>-</u> | <u>-</u> |
| | <u>\$ -</u> | <u>\$ -</u> |

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

9) **SEGMENTAL INFORMATION**

The Group has two reportable segments (last year three) 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 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.

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

Revenue

| | 31 Aug 2016 | | | 31 Aug 2015 | | |
|----------|-----------------------------|------------------------------|--|-----------------------------|------------------------------|--|
| | Total segment revenue | Inter- segment revenue | Revenue from external customers | Total segment revenue | Inter- segment revenue | Revenue from external customers |
| BVI | 592,605 | - | 592,605 | 565,938 | - | 565,938 |
| Thailand | <u>110,784</u> | <u>(102,740)</u> | <u>8,044</u> | <u>116,188</u> | <u>(103,943)</u> | <u>12,245</u> |
| Total | <u>\$703,389</u> | <u>\$(102,740)</u> | <u>\$600,649</u> | <u>\$682,126</u> | <u>\$(103,943)</u> | <u>\$578,183</u> |

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

Other profit and loss disclosures

| | 31 Aug 2016 | | | 31 Aug 2015 | | |
|-------------------------|-------------------------|-----------------------|----------------------|-------------------------|------------------------|----------------------|
| | Commission expense | Depre- ciation | Income tax | Commission expense | Depre- ciation | Income tax |
| BVI | 338,235 | 377 | - . | 227,539 | 496 | - . |
| Thailand | <u>- .</u> | <u>6,740</u> | <u>- .</u> | <u>- .</u> | <u>11,412</u> | <u>- .</u> |
| Total Assets | <u>\$338,235</u> | <u>\$7,117</u> | <u>\$ - .</u> | <u>\$227,539</u> | <u>\$11,908</u> | <u>\$ - .</u> |

| | 31 Aug 2016 | | 31 Aug 2015 | |
|---------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | Total Assets | Non-current assets | Total Assets | Non-current assets |
| BVI Companies | 1,877,942 | - . | 2,104,419 | - . |
| Thailand | <u>159,066</u> | <u>86,560</u> | <u>144,736</u> | <u>101,179</u> |
| Total | <u>\$2,037,008</u> | <u>\$ 86,560</u> | <u>\$2,249,155</u> | <u>\$101,179</u> |

Intersegment assets amounting to \$501,059 (2015: \$501,926) were already eliminated in the total assets per segment above.

Revenues from two customers of the BVI segment represent approximately 65% (31 Aug 2015: 54%) of the Group's total revenues.

10) **FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS**

Financial assets of the Group include cash and cash equivalents and trade receivables. Financial liabilities include trade payables and other payables.

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 2016, the Group's financial assets exposed to credit risk amounted to the following:

| | 31 Aug 2016 | 31 Aug 2015 |
|---------------------------|---------------------|---------------------|
| Cash and cash equivalents | 1,368,304 | 1,518,646 |
| Trade receivables | <u>197,896</u> | <u>232,734</u> |
| | <u>\$ 1,566,200</u> | <u>\$ 1,751,380</u> |

The ageing of the Group's trade receivables as at 31 August 2016 is as follows:

| | 31 Aug 2016 | | 31 Aug 2015 | |
|---------------|--------------------|-------------------|--------------------|-------------------|
| | Gross | Impairment | Gross | Impairment |
| 1 – 90 days | 19,987 | - | 119,832 | - |
| 91 – 180 days | <u>177,909</u> | <u>-</u> | <u>112,902</u> | <u>-</u> |
| | <u>\$197,896</u> | <u>\$ -</u> | <u>\$232,734</u> | <u>\$ -</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.

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 performs ongoing credit evaluations on the financial condition of its customers, but generally does not require collateral.

b) Credit risk

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.

11) **FAIR VALUE INFORMATION**

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of judgment and therefore, cannot be determined with absolute precision. Nevertheless, fair values can be reliably determined within a reasonable range of estimates.

12) **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 shareholder(s) in the future.

13) **INVESTMENT**

In the financial year ended 31 December 2015, Ray Alliance had a net profit of S\$205,522 (2014 S\$ loss 167,805) on revenue of S\$3.8 million (2014 S\$2.6 million).

The equity investment in Ray Alliance is held at fair value under IAS39. No accounting policy on financial assets valuation or impairment has yet been formalised, and it is likely that this would in any case not have a material effect on the valuation of the investment.

14) **SUBSEQUENT EVENTS**

None.