

For personal use only



GLOBALGOLD
Holdings Ltd

ACN 123 879 416

2016 FINANCIAL REPORT

For the Year Ended 30 June 2016



GLOBALGOLD
Holdings Ltd

CORPORATE DIRECTORY

Directors

Mr Michael Soucik
Mr Leonard Math
Mr Daniel Smith

Non-Executive Director
Non-Executive Director
Non-Executive Director

Auditors

Moore Stephens
Level 15, 2 the Esplanade
Perth, Western Australia, 6000

Company Secretary

Mr Leonard Math

Bankers

Westpac
109 St Georges Terrace
Perth, Western Australia, 6000

Principal Place of Business and Registered Office

Level 3, 88 William Street
Perth, Western Australia, 6000

Telephone: (61-8) 9463 2463
Facsimile: (61-8) 9463 2499

Solicitors

Mills Oakley
2/225 St Georges Terrace
Perth Western Australia 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 11
172 St George's Terrace
Perth, Western Australia, 6000

Telephone: (61-8) 9323 2000
Facsimile: (61-8) 9323 2033

Adnan Sundra Low
Menara Olympia, 8, Jalan Raja Chulan 55100
Kuala Lumpur, Malaysia

Stock Exchange

ASX Limited
Central Park
152-158 St Georges Terrace

ASX Code: GGH

For personal use only



GLOBALGOLD
Holdings Ltd
C O N T E N T S

	PAGE
Corporate Directory	
Directors' Report	1
Auditor's Independence Declaration	8
Remuneration Report	9
Financial Statements	16
Directors' Declaration	52
Independent Audit Report	53
Corporate Governance Statement	55
ASX Additional Information	62

For personal use only



GLOBALGOLD
Holdings Ltd

DIRECTORS' REPORT

The directors present their report together with the financial report of Global Gold Holdings Limited (the "Company") and its controlled entities ("the Group" or "Consolidated entity"), for the financial year ended 30 June 2016 and the auditor's report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Mr Michael Soucik

Non-Executive Director – appointed 25 May 2016

Mr Michael Soucik has 20 years of experience in investment banking and corporate finance, covering mergers and acquisitions, public offerings, secondary debt and equity raisings and asset acquisitions and disposals. Michael specialises in assisting small and mid-cap companies with corporate transactions and capital raisings.

Mr Leonard Math

Non-Executive Director and Company Secretary – appointed 25 May 2016

Mr Leonard Math graduated from Edith Cowan University, majoring in Accounting and Information Systems in 2003 and is a member of the Institute of Chartered Accountants. He is also a member of the Australian Institute of Company Directors. In 2005 Mr Leonard Math worked in the audit division at Deloitte before joining GDA Corporate as Manager for Corporate Service. In 2015, GDA Corporate merged into Nexia Perth Pty Ltd and he is currently the Associate Director for Corporate Services at Nexia.

His public company responsibilities include corporate compliance roles, including extensive liaison with ASX and ASIC, control and implementation of corporate governance, completion of annual financial reports and auditor liaison, and shareholder relations with registry and shareholders both retail and institutional.

He is also the Company Secretary of ASX listed Elemental Minerals Limited, Ishine International Resources Ltd, Padbury Mining Ltd and RMA Energy Limited.

Mr Math is currently a non-executive director of ASX Listed Elemental Minerals Limited (ASX: ELM) and RMA Energy Limited (ASX: RMT).

Mr Daniel Smith

Non-Executive Director – appointed 20 September 2016

Daniel Smith is a member of the Governance Institute of Australia with a background in finance. He has primary and secondary capital markets expertise, having been involved in a number of IPOs and capital raisings. Daniel is currently a non-executive director of Taruga Gold Limited and CoAssets Limited, and he is also a director of Minerva Corporate, a private corporate consulting firm.

Tunku Naquiyuddin

Non-Executive Chairman – appointed 20 June 2007 – Resigned 20 September 2016

Tunku Naquiyuddin is a prominent Malaysian businessman and is presently the Chairman of Sino Hua-An International Berhad, a company listed on Bursa Malaysia (formerly known as the Kuala Lumpur Stock Exchange) with a substantial business in China. He is also the Chairman of the Board of Kian Joo Can Factory Berhad, a company which is also listed on Bursa Malaysia.

Tunku Naquiyuddin was a former diplomat and represented the foreign mission of Malaysia in Paris. He is also a keen environmentalist and was a Committee Member for the World Wide Fund for Nature (Malaysia) and a council member of the Business Council for Sustainable Development in Geneva.

Tunku Naquiyuddin's interests include being a founding Chairman of The Federation of Public Listed Companies Berhad in Malaysia. He was also the head of the Malaysia-France Economic and Trade Association for 8 years. As Chairman of the Alliance Francaise in Malaysia for over 18 years, he was instrumental in the promotion of Malaysia-France cultural and business links. He was nominated by the Malaysian Minister of Finance to sit on the Committee of the Kuala Lumpur Stock Exchange in 1989 for five years.



GLOBAL GOLD
Holdings Ltd

DIRECTORS' REPORT (cont'd)

Mr Jeffrey Choong

Non-Executive Director – appointed 23 April 2008, resigned 25 May 2016

Mr Choong has a Bachelor of Business degree and qualified in 1999 as a Certified Practising Accountant. He has worked in several accounting and audit roles in Singapore and Australia. He is currently working for the University of Western Australia, in the IT department of the Faculty of Medicine and Dentistry.

Mr Andrew Boo Lye Kwa

Non-Executive Director – appointed 3 October 2008, resigned 25 May 2016

Mr Kwa has a Bachelor of Computer Science degree from Teesside University in the UK. He worked as a Systems Analyst and IT Consultant for several years both in Malaysia and in Australia. Mr Kwa has extensive financial and project management experience. He is currently a consultant in a substantial property development in Western Australia.

Mr Krishnan Ramasamy

Non-Executive Director – appointed 20 May 2009, resigned 25 May 2016

Mr Ramasamy is a Chartered Accountant (Malaysia) with over 25 years' experience. He has worked in various senior management and accounting roles and currently provides consultancy services in areas of accounting, corporate, secretarial and tax. Mr Ramasamy is a Fellow of the Chartered Association of Certified Accountants (UK) and a Fellow of the Malaysian Institute of Taxation (Malaysia).

Dato Mohamad Nazir Bin Meraslam

Non-Executive Director – appointed 20 May 2009 - Resigned 20 September 2016

Dato Nazir is Managing Director of Pembinaan Mohamad Nazir Meraslam Sdn Bhd, MNM Team Builders Sdn Bhd, MNM Piling Sdn Bhd and Vibrant Powers Sdn Bhd. These companies undertake projects ranging from building structures to power cables and high speed broad band systems to luxury condominiums. Dato Nazir's projects are for both the public and private sector in Malaysia.

Dato David Sek Yin Tan

Non-Executive Director – appointed 18 September 2008, resigned 25 May 2016

Dato Tan is a businessman with over 20 years of experience in the business environment of Asia. From 1986 to 2004 he was the Executive Director of Tasek Corporation Berhad (Malaysia). His career included over 18 years of experience in the cement industry especially in financial, marketing and technical operations.

He was also a Director of Cement Industries Sabah (Malaysia) overlooking their technical and marketing operations from 1990 to 2005 and from 1989 to May 2007 he was a Director of Jurong Cement Ltd (Singapore).

He is presently the Executive Director of Niche Capital Emas Holdings Berhad (formerly known as Yikon Corporation Berhad) (appointed 1 December 2007), a company quoted in Bursa Malaysia, and is also the CEO of Top-Gold Resources Sdn Bhd (appointed 2 October 2003), Top-Gold Jewellery Sdn Bhd (appointed 23 May 2006) and Top Shell (M) Sdn Bhd (appointed 27 May 2005), in Malaysia, which specialised in the trading of precious metals and stones such as gold and jade.

GLOBALGOLD
Holdings Ltd**DIRECTORS' REPORT (cont'd)****COMPANY SECRETARY****Mr Leonard Math**

Company Secretary – appointed 23 August 2013

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships of other listed entities held by directors of the Company during the last 3 years immediately before the end of the year are as follows:

Director	Company	Period of directorship	
		From	To
Tunku Naquiyuddin	Noble Minerals Resources Limited	7 Jan 2009	11 Sept 2013
	Sino Hua-An International Berhad	21 Mar 2007	Present
	Kian Joo Can Factory Berhad	30 Nov 1999	24 April 2015
	Ann Joo Resources Berhad	8 Jan 2008	Present
	Olympia Industries Berhad	26 Nov 2008	Present
Mr J Choong	Nil	-	-
Mr A Kwa	Audalia Resources Limited	11 October 2011	30 Sep 2015
Dato Nazir	Nil	-	-
Mr K Ramasamy	Nil	-	-
Dato D Tan	Niche Capital Emas Holdings Berhad	1 Dec 2007	Present
Mr J Choong	Nil	-	-
Mr L Math	Kangaroo Resources Limited	1 May 2013	1 Dec 2015
Mr M Soucik	Nil	-	-
Mr D Smith	Taruga Gold Limited	27 Aug 2014	Present
	CoAssets Limited	18 Mar 2015	Present

DIRECTORS' INTERESTS

The relevant interest of each director in the shares issued by Global Gold at the date of this report is as follows:

Director	Ordinary shares
Tunku Naquiyuddin	91,450,000
Dato Nazir	55,000,000
Leonard Math	20,000,000
Michael Soucik	238,321,500
Daniel Smith	-

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings		Audit and Risk Committee Meetings		Nomination and Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Tunku Naquiyuddin	4	4	N/A	N/A	N/A	N/A
Mr J Choong	3	1	-	-	-	-
Mr A Kwa	3	2	-	-	-	-
Dato Nazir	4	4	N/A	N/A	N/A	N/A
Mr K Ramasamy	3	1	N/A	N/A	N/A	N/A
Dato D Tan	3	2	-	-	-	-
Mr L Math	1	1	-	-	-	-
Mr M Soucik	1	1	-	-	-	-



GLOBALGOLD
Holdings Ltd

DIRECTORS' REPORT (cont'd)

DIRECTORS' MEETINGS (cont'd)

Committee membership

Following the board changes during and after the financial year, due to the size of the Board, the full Board assumes the role of the Nomination and Remuneration Committee and the Audit and Risk Committee.

PRINCIPAL ACTIVITY

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.

RESULTS

The consolidated entity reported a net loss from operating activities of \$1,086,738 (2015: loss of \$859,916) after income tax for the financial year.

OPERATING AND FINANCIAL REVIEW

During the year, the Company has successfully completed its renounceable rights issue announced on 22 April 2016. A total of 948,180,000 shares were issued under the Entitlement Rights Issue Prospectus, raising a total of \$948,180.

The Company continues with its money lending business and the existing loans remain active.

BOARD CHANGES

During the year, following the completion of the rights issue as announced on 22 April 2016, Mr Leonard Math and Mr Michael Soucik were appointed as Non-Executive Directors of the Company on 25 May 2016. On the same day, Mr Andrew Kwa, Dato David Tan, Mr Krishnan Ramasamy and Mr Jeffrey Choong retired from the Company as Directors.

For personal use only



DIRECTORS' REPORT (cont'd)

ENVIRONMENTAL REGULATION

The consolidated entity's activities are not subject to any significant environmental regulations under either Commonwealth or State Legislation. However, the directors believe that the consolidated entity has adequate systems and procedures in place for the awareness and management of its environmental requirements, and are not aware of any breach of those requirements as they apply to the consolidated entity.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, following the completion of the rights issue as announced on 22 April 2016, Mr Leonard Math and Mr Michael Soucik were appointed as Non-Executive Directors of the Company on 25 May 2016. On the same day, Mr Andrew Kwa, Dato David Tan, Mr Krishnan Ramasamy and Mr Jeffrey Choong retired from the Company as Directors.

There were no other significant changes in the state of affairs during the financial year ended 30 June 2016.

DIVIDENDS

No dividend has been declared or paid by the consolidated entity to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's directors are still in the midst of conducting a thorough investigation on the terms and circumstances surrounding the loans, the validity of security (if any) and the likelihood of recovery. While in the meantime, The Company continues with its money lending business and the existing loans remain active. Following the change of the Board and the management recently, a new strategy for the Company on the business will be discussed and implemented in the near future.

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to period end, Crossborder Alliance (M) Sdn Bhd has made a proposal to G-Vest Corporation Sdn Bhd in relation to the repayment of its loan. The Board of G-Vest Corporation Sdn Bhd is considering this proposal and will update the market as appropriate. G-Vest Corporation Sdn Bhd still holds collaterals for the loan.

On 20 September 2016, Tunku Naquiyuddin and Dato Nazir resigned as directors of the Company. Mr Daniel Smith was appointed as non-executive director on the same day.

Apart from this, no other matter or circumstance has arisen since 30 June 2016 that significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the state of affairs of the consolidated entity in the future financial years.

OPTIONS

No options have been granted during or since the end of the financial year.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify the current directors and company secretary of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and company secretary of the Company, except where the liability did not arise out of conduct in good faith.

The agreement stipulates that the Company will meet, to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

Insurance Premiums

The total amount of insurance contract premiums paid is \$18,700.

DIRECTORS' REPORT (cont'd)

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against 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 purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

During the financial year, Moore Stephens, the Company's auditor, performed certain other services in addition to their statutory duties.

The Board have considered the non-audit services provided during the previous financial period by the auditor and are satisfied that the provision of those non-audit services during the previous financial period by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- (a) all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor.
- (b) the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to Moore Stephens, and its related practices for audit and non-audit services provided during the year are set out below:

	Consolidated 2016 \$	Consolidated 2015 \$
Audit services:		
<i>Auditors of the Company</i>		
-audit and review of financial reports (Moore Stephens, Australia)	26,000	33,500
	<u>26,000</u>	<u>33,500</u>
Services other than statutory audit:		
<i>Other services</i>		
-tax compliance services (Moore Stephens, Australia)	15,821	7,049
	<u>15,821</u>	<u>7,049</u>

OFFICERS OF THE COMPANY WHO ARE FORMER AUDIT PARTNERS OF MOORE STEPHENS

There are no officers of the Company who are former audit partners of Moore Stephens.



DIRECTORS' REPORT (cont'd)

REMUNERATION REPORT

The Remuneration Report is set out on pages 9 to 15 and forms part of the Directors' Report.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 8 and forms part of the Directors' Report.

AUDITOR

Moore Stephens continues in office in accordance with section 327 of the *Corporations Act 2001*.

Dated at Perth this 30th day of September 2016.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'Leonard Math', is written over a faint, larger version of the signature.

Leonard Math
Director

For personal use only



GLOBALGOLD
Holdings Ltd

AUDITORS' INDEPENDENCE DECLARATION

MOORE STEPHENS

Level 15 Exchange Tower,
2 The Esplanade
Perth WA 6000

PO Box 5785, St Georges Terrace
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

www.moorestephenswa.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF GLOBAL GOLD HOLDINGS LIMITED & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Neil Pace
Partner

Moore Stephens
Chartered Accountants

Signed at Perth this 30th day of September 2016

For personal use only



GLOBALGOLD
Holdings Ltd

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the consolidated entity in accordance with the requirements of the *Corporations Act 2001* (the **Act**) and its regulations. This information has been audited as required by section 308(3C) of the Act.

For the purposes of this report, key management personnel of the consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company. The Company does not presently employ any executives, other than executive directors.

KEY MANAGEMENT PERSONNEL

The following were key management personnel of the consolidated entity at any time during the financial year and unless otherwise indicated were key management personnel for the entire financial year:

Directors – Parent

Name	Position held
Tunku Naquiyuddin	Non-Executive Chairman
Mr Jeffrey Choong	Non-Executive Director – Resigned 25 May 2016
Mr Andrew Kwa	Non-Executive Director – Resigned 25 May 2016
Dato Nazir ¹	Non-Executive Director
Mr Krishnan Ramasamy	Non-Executive Director – Resigned 25 May 2016
Dato David Tan	Non-Executive Director – Resigned 25 May 2016
Mr Leonard Math	Non-Executive Director – Appointed 25 May 2016
Mr Michael Soucik	Non-Executive Director – Appointed 25 May 2016

Director - Subsidiary

Name	Position held
Mr Dhamodaran Munusamy	Director, Rimbun Teratai Sdn Bhd

1. Dato Nazir is a director of Rimbun Teratai Sdn Bhd. He was appointed director of Global Gold on 20 May 2009.

REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing remuneration policies for the directors and executives. If necessary, the Nomination and Remuneration Committee obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the consolidated entity.

Further information on the Nomination and Remuneration Committee's role, responsibilities and membership is set out in the section entitled Corporate Governance Statement in this Financial Report.

PRINCIPLES OF REMUNERATION

The remuneration structures explained below are competitively set to attract and retain suitably qualified and experienced candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the relevant segment/s' performance;
- the consolidated entity's performance including:
 - the consolidated entity's earnings;
 - the growth in share price and delivering constant returns on shareholder wealth; and
 - the amount of incentives within each key management person's compensation.



GLOBALGOLD
Holdings Ltd

REMUNERATION REPORT (cont'd)

REMUNERATION STRUCTURE

In accordance with best practice corporate governance, the structure of non-executive directors' remuneration is clearly distinguished from that of executives.

Non-executive director remuneration

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. Directors' fees cover all main board activities and membership of committees.

Non-executive directors do not receive any retirement benefits, other than statutory superannuation, nor do they receive any performance related compensation.

Executive remuneration

Remuneration for executives is set out in employment agreements. There is currently no executive director in the Company.

Executive directors may receive performance related compensation but do not receive any retirement benefits, other than statutory superannuation.

Fixed remuneration

Fixed remuneration consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles) as well as employer contributions to superannuation funds.

Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee through a process that considers individual and overall performance of the consolidated entity. As noted above, the Nomination and Remuneration Committee has access to external advice independent of management.

Long-term incentive

Long-term incentives ("LTI") may be provided to key management personnel via the Global Gold Holdings Limited Employee Share Option Plan ("ESOP"). The LTI are provided as options over ordinary shares of the Company to key management personnel based on their position within the consolidated entity. Vesting conditions may be imposed on any LTI if considered appropriate, in accordance with the ESOP's terms and conditions.

LTI are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth. Options may only be issued to directors subject to approval by shareholders in general meeting.

There were no options issued under the ESOP during financial year ended 30 June 2016.

The Company has introduced a policy that prohibits employees and directors of the consolidated entity from entering into transactions that operate or are intended to operate to limit the economic risk or are designed or intended to hedge exposure to unvested Company securities. This includes entering into arrangements to hedge their exposure to LTI granted as part of their remuneration package. This policy may be enforced by requesting employees and directors to confirm compliance.

Due to the inactive status of Group operations during the year and to preserve the Group's cash holdings, no fees or salaries were paid or payable to the directors of the Company for the year ended 30 June 2016.



GLOBALGOLD
Technology Ltd

REMUNERATION REPORT (cont'd)

Consequences of performance on shareholder wealth

In considering the consolidated entity's performance and benefits for shareholder wealth, the directors have regard to the following indices in respect of the current financial year and the previous financial periods since year ended 2014:

	2016	2015	2014
Net (loss) / profit for the year	(1,086,738)	(859,916)	(1,056,660)
Dividends paid	-	-	-
Change in share price	-	-	(\$0.007)
Share price at beginning of the period	\$0.003	\$0.003	\$0.01
Share price at end of the period	\$0.003	\$0.003	\$0.003
Earnings/ (loss) per share	(0.001)	(0.001)	(0.002)

Total remuneration for all non-executive directors has remained unchanged since voted upon by shareholders in March 2007.

There were no performance related remuneration transactions during the financial year (2015: nil).



GLOBALGOLD
Holdings Ltd

REMUNERATION REPORT (cont'd)

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Details of the nature and amount of each major element of the remuneration of each key management person of the consolidated entity are:

		SHORT-TERM BENEFITS		POST-EMPLOYMENT	SHARE-BASED PAYMENTS		Total \$	Proportion of remuneration related %
		Salary & fees \$	Other \$	Superannuation benefits \$	Termination benefits \$	Options \$		
Directors								
<i>Non-executive</i>								
Tunku Naquiyuddin	2016	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-
Mr J Choong	2016	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-
Dato D Tan	2016	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-
Mr A Kwa	2016	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-
Dato Nazir	2016	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-
Mr K Ramasamy	2016	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-
Mr L Math*	2016	-	36,000*	-	-	-	36,000*	-
	2015	-	36,000*	-	-	-	36,000*	-
Mr M Soucik	2016	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-
Total, all directors	2016	-	36,000*	-	-	-	36,000*	-
	2015	-	36,000*	-	-	-	36,000*	-

*During the year, the Company paid Nexia Perth Pty Ltd (previously GDA Corporate) \$36,000 (2015: \$36,000) for Company Secretarial services provided to the Company. Mr Leonard Math is an employee of Nexia and has no beneficial interest in Nexia and GDA Corporate.



GLOBALGOLD
Holdings Ltd

REMUNERATION REPORT (cont'd)

REMUNERATION OF KEY MANAGEMENT PERSONNEL (cont'd)

		SHORT-TERM BENEFITS		POST-EMPLOYMENT	SHARE-BASED PAYMENTS		Total \$	Proportion of remuneration performance related %
		Salary & fees \$	Other \$	Superannuation benefits \$	Termination benefits \$	Options \$		
Executives								
Mr Munusamy	2016	39,897	-	8,326	-	-	48,223	-
	2015	41,685	6,407	-	-	-	48,092	-
Total, all executives								
	2016	39,897	-	8,326	-	-	48,223	-
	2015	41,685	6,407	-	-	-	48,092	-
Total, all directors and executives								
	2016	39,897	36,000	8,326	-	-	84,223	-
	2015	41,685	42,407	-	-	-	84,092	-

GLOBAL GOLD
Holdings Ltd**REMUNERATION REPORT (cont'd)****SHARE BASED PAYMENTS****Options and rights over equity instruments granted as compensation**

There were no options granted as compensation to key management person during the reporting period (2015: nil).

Other key management personnel transactions with the Company or its controlled entities

There were no transactions with KMP or their related entities with the Company or its controlled entities during the year ended 30 June 2016.

Movements in shares

The movement during the year in the number of ordinary shares in Global Gold Holdings Limited held, directly, indirectly or beneficially by each key management person, including their personally-related entities, is as follows:

2016	Held at 1 Jul	Held at date of appointment	Purchased	Received on exercise of options	Held at date of resignation	Other changes	Held at 30 Jun 2016
Directors							
Tunku Naquiyuddin	36,580,000	N/A	54,870,000	-	N/A	-	91,450,000
Mr J Choong ¹	20,000	N/A	-	-	20,000	-	20,000
Mr A Kwa ¹	-	-	-	-	-	-	-
Mr K Ramasamy ¹	380,000	N/A	-	-	380,000	-	380,000
Dato Nazir	22,000,000	N/A	33,000,000	-	N/A	-	55,000,000
Dato D Tan ¹	15,880,000	N/A	-	-	15,880,000	-	15,880,000
Mr L Math ²	-	20,000,000	-	-	N/A	-	20,000,000
Mr M Soucik ²	-	238,321,500	-	-	N/A	-	238,321,500
Executives							
Mr Munusamy	1,020,000	N/A	5,980,000	-	N/A	-	7,000,000

¹Resigned 25 May 2016

²Appointed 25 May 2016



GLOBAL GOLD
Technology Ltd

REMUNERATION REPORT (cont'd)

Movements in shares (cont'd)

2015	Held at 1 Jul	Held at date of appointment	Purchased	Received on exercise of options	Held at date of resignation	Other changes	Held at 30 Jun 2015
Directors							
Tunku Naquiyuddin	36,580,000	N/A	-	-	N/A	-	36,580,000
Mr J Choong	20,000	N/A	-	-	N/A	-	20,000
Mr A Kwa	-	-	-	-	N/A	-	-
Mr K Ramasamy	380,000	N/A	-	-	N/A	-	380,000
Dato Nazir	22,000,000	N/A	-	-	N/A	-	22,000,000
Dato D Tan	15,880,000	N/A	-	-	N/A	-	15,880,000
EXECUTIVES							
Mr Munusamy	1,020,000	N/A	-	-	N/A	-	1,020,000

No shares or options were granted to key management personnel as compensation in the year ended 30 June 2016 (2015: Nil).

End of Remuneration Report.



GLOBALGOLD
Holdings Ltd

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

		Consolidated	
	Note	2016	2015
		\$	\$
Revenue – sale of goods		-	-
Other revenue	4	804	1,585
Cost of sales		-	-
Gross profit / (loss)		804	1,585
Other income	4	81,204	19,433
Administrative expenses	4	(296,644)	(305,030)
Other expenses	4	(868,864)	(574,565)
(Loss)/ Profit before income tax		(1,083,500)	(858,577)
Income tax	6	(3,238)	(1,339)
Net (loss)/profit for the year from continuing operations		(1,086,738)	(859,916)
Net (loss) for the year		(1,086,738)	(859,916)



GLOBALGOLD
Holdings Ltd

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Consolidated	
	2016	2015
	\$	\$
Items that may be reclassified to profit or loss:		
Net gain/(loss) on re-measurement of available for sale financial assets and associates, net of tax expense	(145,331)	(160,466)
Foreign exchange gains / (losses) arising from translations of financial statements of foreign operations	(57,953)	172,048
Other comprehensive income for the period, net of tax	(203,284)	11,582
Total comprehensive (loss) for the year	(1,290,022)	(848,334)
Net (loss) attributable to:		
-Equity holders of the parents	(1,086,738)	(859,916)
-Non-controlling interests	-	-
	(1,086,738)	(859,916)
Total comprehensive income / (loss) attributable to :		
-Equity holders of the parents	(1,290,022)	(848,334)
-Non-controlling interests	-	-
	(1,290,022)	(848,334)
Basic and diluted (loss) / earnings per share (cents)	17	(0.15) (0.14)

The consolidated statement of profit or loss & other comprehensive income is to be read in conjunction with the accompanying notes

GLOBALGOLD
Holdings Ltd**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
as at 30 June 2016

		Consolidated	
	Note	2016	2015
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	7	1,009,462	374,144
Trade and other receivables	8	620,434	1,525,328
Other current assets	9	19,063	2,510
Held for trading investments	10	4,800	2,391
Total Current Assets		<u>1,653,759</u>	<u>1,904,373</u>
NON CURRENT ASSETS			
Available for sale investments	10	397,333	543,115
Property, plant and equipment	12	124,761	193,204
Total Non Current Assets		<u>522,094</u>	<u>736,319</u>
TOTAL ASSETS		<u>2,175,853</u>	<u>2,640,692</u>
CURRENT LIABILITIES			
Current tax liability	11	(1,965)	(692)
Trade and other payables	13	55,561	60,395
Total Current Liabilities		<u>53,596</u>	<u>59,703</u>
NON CURRENT LIABILITIES			
Deferred tax liability	6	-	-
		-	-
TOTAL LIABILITIES		<u>53,596</u>	<u>59,703</u>
NET ASSETS		<u>2,122,257</u>	<u>2,580,989</u>
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	14	29,010,276	28,178,986
Reserves	14	(1,018,963)	(815,679)
Retained earnings/ (accumulated losses)	15	(25,869,056)	(24,782,318)
Parent entity interest		2,122,257	2,580,989
TOTAL EQUITY		<u>2,122,257</u>	<u>2,580,989</u>

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.



GLOBALGOLD
Holdings Ltd

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 30 June 2016

		Consolidated	
	Note	2016	2015
		\$	\$
Cash flows from operating activities			
Cash payments to suppliers		(301,163)	(279,535)
Interest received		21,805	19,835
Income tax paid		(4,510)	(1,369)
Net cash from/(used in) operating activities	21	<u>(283,868)</u>	<u>(261,069)</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		99,743	139
Proceeds from sale of held for trading investments		358	-
Net cash used in investing activities		<u>100,101</u>	<u>139</u>
Cash flows from financing activities			
Proceed from issuance of shares		831,290	-
Advancement/(repayment) of loans - other entities		3,164	(164,610)
Net cash provided by/ (used in) financing activities		<u>834,454</u>	<u>(164,610)</u>
Net increase in cash and cash equivalents		650,687	(425,540)
Cash and cash equivalents at 1 July		374,144	714,193
Effect of exchange rate fluctuations on cash and cash equivalents		(15,369)	85,491
Cash and cash equivalents at 30 June	7	<u><u>1,009,462</u></u>	<u><u>374,144</u></u>

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.



GLOBALGOLD
Holdings Ltd

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2016

Consolidated	Issued Capital \$	Reserves \$	Retained Earnings/ (Accumulated Losses) \$	Non-Controlling Interests \$	Total \$
Balance at 1 July 2015	28,178,986	(815,679)	(24,782,318)	-	2,580,989
Changes in the fair value of available for sale investments	-	(145,331)	-	-	(145,331)
Foreign currency translation	-	(57,953)	-	-	(57,953)
Profit/(loss) for the year	-	-	(1,086,738)	-	(1,086,738)
Total comprehensive income for the year	-	(203,284)	(1,086,738)	-	(1,290,022)
Issuance of shares	831,290	-	-	-	831,290
Total transactions with owners and other transfers	831,290	-	-	-	831,290
At 30 June 2016	29,010,276	(1,018,963)	(25,869,056)	-	2,122,257
Balance at 1 July 2014	28,178,986	(827,261)	(23,922,402)	-	3,429,323
Changes in the fair value of available for sale investments	-	(160,466)	-	-	(160,466)
Foreign currency translation	-	172,048	-	-	172,048
Profit/(loss) for the year	-	-	(859,916)	-	(859,916)
Total comprehensive income for the year	-	11,582	(859,916)	-	(848,334)
Issuance of shares	-	-	-	-	-
Total transactions with owners and other transfers	-	-	-	-	-
At 30 June 2015	28,178,986	(815,679)	(24,782,318)	-	2,580,989

The statement of changes in equity is to be read in conjunction with the accompanying notes.



NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial report of Global Gold Holdings Limited (the “Company” or “Group”) for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 30 September 2016.

Global Gold Holdings Limited (the parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the consolidated entity are described in the Directors’ Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. It has also been prepared on the basis of historical costs, except for held for trading and available-for-sale investments, which have been measured at fair value. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Except for cash flow information, the financial statements have been prepared on an accruals basis.

The financial report is presented in Australian Dollars.

Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board.

New, revised or amending Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

(i) Significant accounting judgments

Impairment of non-financial assets

The consolidated entity assesses impairment of all assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.



GLOBALGOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS

Significant accounting judgments, estimates and assumptions (cont'd)

Provision for impairment of receivables

Included in trade receivables at the end of the reporting period is an amount receivable from Money Lending Activity from a major debtor in current financial year amounting to \$525,362 which has remained outstanding for an extended period of time and in process of negotiation. The directors of the borrowing entity have provided a personal guarantee and collateral consisting of a deed of assignment on several parcels of land located in Malaysia. While there is inherent uncertainty in relation to the outcome of the negotiation, the directors believe that the receivable amount recorded net of provision for impairment is likely to be recoverable, and therefore no further provision for impairment has been made.

(ii) Significant accounting estimates and assumptions

Estimation of useful lives of assets

The estimation of useful lives of assets has been based on historical experience as well as manufacturers' warranties, lease terms and turnover policies. In addition, the condition of the assets is assessed annually and considered against remaining useful life. Adjustments to useful lives are made when necessary.

Useful lives of property, plant and equipment – The cost of property, plant and equipment are depreciated on a straight-line basis over the asset's useful life. Management estimates the useful life of property, plant and equipment to be 5 to 50 years based on the level of expected usage. Management also estimates that these assets will have minimal residual values at the end of its useful life. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Impairment of available-for-sale financial assets

The Group classifies investment in quoted shares as available-for-sale financial assets and recognizes movements in its fair value in equity. When there is a significant or prolonged decline in fair value below their cost, management determine whether it is an impairment that should be recognized in profit or loss. The determination of what is "significant" or "prolonged requires judgment.

Impairment loss on receivables

The Group assess at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

Taxation

Significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.



GLOBALGOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS

Summary of Significant Accounting Policies

Principles of consolidation

The consolidated financial statements comprise the financial statements of Global Gold Holdings Limited and its subsidiaries (as outlined in Note 19) as at 30 June each year (the “consolidated entity”).

Subsidiaries

Subsidiaries are entities controlled by the parent entity. The parent controls an entity when it is expected to, or has right to, variable returns of its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

In the Company’s financial statements, investments in subsidiaries are carried at cost.

Transactions eliminated on consolidation

Inter-entity balances, and any unrealised income and expenses arising from inter-entity transactions, are eliminated in preparing the consolidated financial statements.

The acquisition of subsidiaries is accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Foreign currency translation

Both the functional and presentation currency of Global Gold Holdings Limited is Australian Dollars (\$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to the income statement.

The functional currency of the overseas subsidiaries are as follows:

- Rimbun Teratai Sdn Bhd is Malaysian Ringgit (RM);
- G-Vest Corporation Sdn Bhd is Malaysian Ringgit (RM);
- Global Gold Holdings (HK) Limited is Hong Kong Dollars (HK);

As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Global Gold Holdings Limited at the rate of exchange ruling at the balance sheet date and the income statements are translated at the average exchange rates for the period.

The exchange differences arising on the translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the cumulative amount recognised in equity relating to that particular foreign operation is reclassified into profit or loss in the period in which the operation is disposed of.

Non-controlling interests

Non-controlling interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the consolidated entity, whether direct or indirectly through subsidiaries. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the consolidated entity. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit and loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the consolidated entity.



NOTES TO THE FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (cont'd)

Revenue

Revenue is recognised and measured the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured.

Sale of goods

Revenue from the sale of goods is recognised when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed (for shipped goods this is the bill of lading date).

Interest Income

Revenue is recognised as interest accrues using the effective interest method.

Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.



NOTES TO THE FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible monies. An allowance for doubtful debts is made when there is objective evidence that the consolidated entity will not be able to collect the debts. Bad debts are written off when identified.

Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

(iv) *Available-for-sale financial assets(cont'd)*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Land and buildings are measured at cost less any impairment losses recognised.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the specific asset as follows:

Land	not depreciated
Buildings	50 years
Plant and equipment	5 years
Motor vehicles	5 years
Office furniture and equipment	5 to 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.



GLOBALGOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of those goods and services.

Provisions and employee benefits

A provision is recognised when a legal or constructive obligation exists as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The time value of money is not material to the currently recognised provisions and they are not discounted to expected future cash flows at a pre-tax rate.

Employee benefits - wages, salaries and annual leave

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

Contributed equity

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

Earnings per share is determined by dividing net profit after income tax attributable to members of the Group, 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 any bonus element.

Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

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 2016. Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Summary of Significant Accounting Policies (cont'd)

New Accounting Standards and Interpretations not yet mandatory or early adopted (cont'd)

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The new Standard does not make any significant changes to lessor accounting and as such is only expected to impact lease accounting from a lessee's perspective. AASB 16 is therefore not expected to significantly impact the Group's financial statements

For personal use only



GLOBALGOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. FINANCIAL RISK MANAGEMENT

Overview

The Company and the consolidated entity have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's and consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included in Note 14.

Global Gold's risk management framework is supported by the Board, management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's and consolidated entity risk management strategy and policy. Management are responsible for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk. The Audit and Risk Committee is responsible for identifying, monitoring and managing significant business risks faced by the Company and consolidated entity and considering the effectiveness of its internal control system. Management and the Audit and Risk Committee report to the Board.

The Board has established an overall Risk Management Policy which sets out the Company's and consolidated entity's system of risk oversight, management of material business risks and internal control.

Financial risk management objectives

The overall financial risk management strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents. For the Company it arises from receivables due from subsidiaries and from money lending customers.

The consolidated entity does not hold any credit derivatives to offset its credit exposure.

Trade and other receivables

It is the consolidated entity's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Purchase limits are set for each individual customer in accordance with parameters set by the Board. These purchase limits are regularly monitored.

The consolidated entity trades only with recognised, creditworthy third parties, but safeguards its position by requesting and accepting tangible collaterals.

Liquidity risk

Liquidity risk arises from the financial liabilities of the consolidated entity and the consolidated entity's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and commodity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. FINANCIAL RISK MANAGEMENT (cont'd)

Foreign currency risk

The consolidated entity is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies of the consolidated entities, primarily the Australian dollar (AUD), but also the Malaysian Ringgit (RM) and the Hong Kong Dollar (HK). The currencies in which these transactions primarily are denominated are AUD, RM, HK and United States Dollars (USD).

In respect of monetary assets and liabilities denominated in foreign currencies, the consolidated entity ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Company's investments in subsidiaries are not hedged as that currency position is considered to be long-term in nature.

The Board believes the balance date risk exposures are representative of the risk exposure inherent in financial instruments.

Interest rate risk

The consolidated entity's exposure to interest rates primarily relates to the consolidated entity's cash at bank. The consolidated entity manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.

Other market price risk

The consolidated entity is exposed to equity securities.

The Board has determined an appropriate price risk management and diversification framework for the management of the Company's investments in equity securities. The Group has ceased trading in gold and gold related products.

Equity securities price risk arises from investments in equity securities. To limit this risk the consolidated entity diversifies its portfolio in accordance with limits set by the Board. The equity investments are of a high quality and are publicly traded on the ASX.

Capital management

When managing capital, the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board are constantly adjusting the capital structure to take advantage of favorable costs of capital or high return on assets. As the market is constantly changing, management may issue new shares, sell assets to reduce debt or consider payment of dividends to shareholders.

The Board has no current plans to issue further shares on the market.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels. The consolidated entity had no bank loans and interest bearing borrowings at 30 June 2016 (2015: nil).

The consolidated entity has no formal financing and gearing policy or criteria during the year having regard to the early status of its development and low level of activity. This position has not changed from the previous year.

There were no changes in the consolidated entity's approach to capital management during the year. The consolidated entity is not subject to any externally imposed capital requirements.



GLOBALGOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. REVENUE AND EXPENSES	Consolidated	
	2016	2015
	\$	\$
(a) Other revenue		
Interest	804	1,585
	<u>804</u>	<u>1,585</u>
(b) Other income		
Fair value gain on investment classified as held for trading	4,200	974
Interest income from money lending business	21,001	18,320
Gain on disposal of classified as held for trading	932	-
Gain on disposal of property, plant and equipment	54,350	139
Other	721	-
	<u>81,204</u>	<u>19,433</u>
(c) Administrative expenses		
Corporate and administrative expenses	148,169	199,118
Employee benefits expense [4(e)]	131,744	80,438
Depreciation expense	16,731	25,474
	<u>296,644</u>	<u>305,030</u>
(d) Other expenses		
Impairment losses on trade receivables	868,611	574,565
Exchange loss	253	-
	<u>868,864</u>	<u>574,565</u>
(e) Employee benefits expense		
Wages and salaries	131,744	77,486
Other employee benefits expense	-	2,952
	<u>131,744</u>	<u>80,438</u>



GLOBALGOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. AUDITOR'S REMUNERATION

Audit services:	Consolidated	
	2016	2015
	\$	\$
Auditors of the Company		
Moore Stephens, Australia	26,000	33,500
-audit and review of financial report		
Baker Tilly, Malaysia		
audit and review of financial report	10,639	9,379
	<hr/>	<hr/>
	36,639	42,879
Other services:		
Moore Stephens, Australia		
- tax compliance	15,821	7,049
Baker Tilly, Malaysia		
- tax compliance	3,258	8,233
	<hr/>	<hr/>
	19,079	15,282



GLOBALGOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. INCOME TAX

	2016 \$	2015 \$
(a) Income tax expense		
The major components of income tax expense are:		
Income statement		
<i>Current income tax</i>		
Current income tax charge	3,043	1,339
Adjustment in respect of current income tax of previous years	195	-
<i>Deferred income tax</i>		
Deferred income tax credit	-	-
Adjustment in respect of current income tax of previous years	-	-
Income tax benefit reported in statement of comprehensive income	<u>3,238</u>	<u>1,339</u>
(b) Changes in equity		
<i>Deferred income tax charged to equity</i>		
Fair value reserve	-	-
Income tax expense reported in equity	<u>-</u>	<u>-</u>
(c) Reconciliation		
The reconciliation of income tax expense applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax is as follows:		
Accounting profit/(loss) before tax from continuing operations	<u>(1,083,500)</u>	<u>(858,577)</u>
Prima facie income tax expense/(benefit) at the statutory income tax rate of 30% (2015: 30%)	(325,050)	(257,573)
Non-allowable items	233,816	157,836
Losses and deferred tax balance not recognised	44,526	58,054
Effect of lower tax rate	56,101	37,586
Other assessable items	-	6,008
Adjustment in respect of income tax of previous years	195	1,338
Other non-assessable items	(1,596)	(1,910)
Loss recouped not previously recognised	(4,754)	-
Income tax benefit reported in statement of comprehensive income	<u>3,238</u>	<u>1,339</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. INCOME TAX (CONT'D)

(d) Recognised deferred tax assets and liabilities

	2016 \$	2015 \$
<i>Deferred tax liabilities</i>		
Investments	-	-
<i>Deferred tax assets</i>		
Carry forward revenue losses	-	-
Capital raising costs	-	-
Provisions and accruals	-	-
	-	-

(e) Deferred tax assets not recognised

Carry forward revenue losses	5,703,858	6,157,125
Carry forward capital losses	201,204	201,204
Investments	5,080,479	5,037,527
Provisions and accruals	4,500	6,900
Capital raising costs	30,752	-
Other	9,833	40,504
	<u>11,030,626</u>	<u>11,443,260</u>

The tax benefits of the above deferred tax assets will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the company in utilising the benefits.

GLOBALGOLD
Holdings Ltd**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

7. CASH AND CASH EQUIVALENTS	2016	2015
	\$	\$
Cash at bank and on hand	1,009,462	374,144
	<u>1,009,462</u>	<u>374,144</u>

8. TRADE AND OTHER RECEIVABLES**Current**

Trade receivables	620,434	1,525,328
	<u>620,434</u>	<u>1,525,328</u>

Non-Current

Trade receivables	-	-
	<u>-</u>	<u>-</u>

Current trade receivables includes an amount owing of \$525,362 which is personally guaranteed by the directors of the borrowers and the Group has received collaterals as security for the amount due. The collaterals mainly consist of deed of assignment on several parcels of land. The trade receivable bears effective interest rate of 4.775% per annum (2015:4.775%).

The consolidated entity's exposure to credit risks relating to trade and other receivables is disclosed in Note 16.

9. OTHER CURRENT ASSETS**Current**

Other	19,063	2,510
	<u>19,063</u>	<u>2,510</u>

10. OTHER INVESTMENTS**Current**

Held for trading investments – Australian listed shares	4,800	2,391
At fair value	<u>4,800</u>	<u>2,391</u>

Non-Current

Available for sale investments – at fair value	397,333	543,115
	<u>397,333</u>	<u>543,115</u>

Available-for-sale and held for trading investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate. The fair value of listed securities has been determined directly by reference to published price quotations in an active market.

Investment in Niche Capital Emas Holding Berhad as at 30 June 2016 was valued at \$397,333 (2015:\$543,115).

The consolidated entity's exposure to price, currency and interest rate risks related to other investments is disclosed in Note 16.

11. TAX**Current**

Current tax receivable	1,965	692
	<u>1,965</u>	<u>692</u>



GLOBALGOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. PROPERTY, PLANT & EQUIPMENT

	Freehold land	Buildings	Plant & equipment	Consolidated Office furniture & equipment	Leasehold improvements	Motor vehicles	Total
At 1 July 2015	46,922	127,176	2	10,991	-	8,113	193,204
Other additions	-	-	-	-	-	-	-
Disposals	(13,857)	(31,975)	-	-	-	-	(45,832)
Exchange differences	(1,392)	(3,799)	-	(373)	-	(316)	(5,880)
Depreciation charge for the year	-	(2,477)	-	(6,459)	-	(7,795)	(16,731)
At 30 June 2016, net of accumulated depreciation	31,673	88,925	2	4,159	-	2	124,761
At 30 June 2016							
Cost	31,673	102,605	17,494	168,040	-	100,987	420,799
Accumulated depreciation	-	(13,680)	(17,492)	(163,881)	-	(100,985)	(296,038)
Net carrying amount	31,673	88,925	2	4,159	-	2	124,761
At 1 July 2014	44,841	124,438	3	21,328	-	18,267	208,877
Other additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(1)	(1)
Exchange differences	2,081	5,790	(1)	1,038	-	894	9,802
Depreciation charge for the year	-	(3,052)	-	(11,375)	-	(11,047)	(25,474)
At 30 June 2015, net of accumulated depreciation	46,922	127,176	2	10,991	-	8,113	193,204
At 30 JUNE 2015							
Cost	46,922	152,006	17,862	173,163	-	104,076	494,029
Accumulated depreciation	-	(24,830)	(17,860)	(162,172)	-	(95,963)	(300,825)
Net carrying amount	46,922	127,176	2	10,991	-	8,113	193,204

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)****13. TRADE AND OTHER PAYABLES**

Trade creditors (a)	55,561	60,395
Other creditors and accruals (b)	-	-
	<u>55,561</u>	<u>60,395</u>

- (a) Trade creditors are non-interest bearing and are normally settled on 30 day terms.
(b) Other creditors and accruals are provision of interest expenses and have no fixed terms of repayment.

14. ISSUED CAPITAL AND RESERVES**(i) Issued capital**

1,580,300,001 (2015: 632,120,001) fully paid ordinary shares	<u>29,010,276</u>	<u>28,178,986</u>
--	-------------------	-------------------

The following movements in issued capital occurred during the year:

	2016	2015
	Number of	Number of
	Shares	Shares
Balance at beginning of year	632,120,001	632,120,001
Issue during the year	948,180,000	-
Balance at end of year	<u>1,580,300,001</u>	<u>632,120,001</u>
Reserves		
<i>Foreign currency translation reserve</i>		
Balance at the beginning of the year	(2,085,857)	(2,257,905)
Currency translation differences	(57,953)	172,048
Balance at the end of the year	<u>(2,143,810)</u>	<u>(2,085,857)</u>
<i>Fair value reserve</i>		
Balance at the beginning of the year	1,270,178	1,430,644
Fair value movement – available for sale investment net of tax	(145,331)	(160,466)
Balance at end of the year	<u>1,124,847</u>	<u>1,270,178</u>
Reserves at the end of the year	<u>(1,018,963)</u>	<u>(815,679)</u>



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. ISSUED CAPITAL AND RESERVES (CONT'D)

Foreign currency translation reserve

This reserve is used to record the value of exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Fair value reserve

This reserve is used to record movements in the fair value of investments in associates and available for sale assets.

(ii). **Capital Management**

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. Management aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. The gearing ratios for the years ended 30 June 2016 and 30 June 2015 are as follows:

The gearing ratio is calculated as net debt divided by total capital. Net debt is defined as interest bearing liabilities less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

As noted below, the Group's gearing ratio is nil as it has no net debt.

	2016	2015
Gearing ratio	nil	nil

	Consolidated	
	2016	2015
	\$	\$
15. RETAINED EARNINGS/ (ACCUMULATED LOSSES)		
Retained earnings/ (accumulated losses) at the beginning of the year	(24,782,318)	(23,922,402)
Dividends	-	-
Profit/ (loss) for the year	(1,086,738)	(859,916)
Retained earnings/ (accumulated losses) at the end of the year	<u>(25,869,056)</u>	<u>(24,782,318)</u>



GLOBAL GOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. FINANCIAL INSTRUMENTS DISCLOSURE

Credit risk

Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

	Consolidated Carrying Amount	
	2016	2015
	\$	\$
Cash and cash equivalents	1,009,462	374,144
Trade and other receivables – current	620,434	1,525,328
Trade and other receivables – non current	-	-
Held for trading investments	4,800	2,391
Available for sale investments	397,333	543,115
	<u>2,032,029</u>	<u>2,444,978</u>

Exposure to credit risk

The Group's maximum exposure to credit risk for trade receivables at reporting date by geographic region was:

	Carrying Amount	
	2016	2015
	\$	\$
Australia	-	-
Asia	620,434	1,525,328
	<u>620,434</u>	<u>1,525,328</u>

Impairment losses

The aging of the consolidated entity's trade receivables at reporting date was:

	Gross 2016	Impairment 2016	Gross 2015	Impairment 2015
	\$	\$	\$	\$
Not past due	98,139	-	190,058	-
Past due 0-30 days	-	-	-	-
Past due 31-90 days	-	-	-	-
Past due 91-180 days	522,295	-	1,335,270	-
	<u>620,434</u>	<u>-</u>	<u>1,525,328</u>	<u>-</u>

At 30 June 2016, the consolidated entity has made allowance for any impairment on its trade receivables of \$868,611 (2015: \$574,565).

Credit risk

Collateral Held as Security

Included in trade receivables of G-Vest Corporation Sdn Bhd is an amount of \$525,362 (2015:\$1,280,055) due from an unrelated third party, Crossborder Alliance (M) Sdn Bhd, for which there is personal guarantee from the directors of the borrower and the Group has received collaterals as security for the amount due. The collaterals mainly consist of deed of assignment on several parcels of land.

For personal use only



GLOBALGOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. FINANCIAL INSTRUMENTS DISCLOSURE (CONT'D)

Post Balance Sheet Event

Subsequent to period end, Crossborder Alliance (M) Sdn Bhd has made a proposal to G-Vest Corporation Sdn Bhd in relation to the repayment of its loan. The Board of G-Vest Corporation Sdn Bhd is considering this proposal and will update the market as appropriate. G-Vest Corporation Sdn Bhd still holds collaterals for the loan. Apart from this, no other matter or circumstance has arisen since 30 June 2016 that significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the state of affairs of the consolidated entity in the future financial years.

Liquidity risk

The following are the contractual maturities of financial liabilities on an undiscounted basis, including estimated interest payments: Cash flows for liabilities without fixed amount or timing are based on conditions existing at year end.

Consolidated

30 JUNE 2016	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	2-5 years
Trade and other payables	55,561	(55,561)	(55,561)	-	-	-	-
30 JUNE 2015	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	2-5 years
Trade and other payables	60,395	(60,395)	(60,395)	-	-	-	-

Price risk

Equity price risk is the risk that the fair value of equities will decrease as a result of change in the value of individual stocks. The consolidated entity holds all of its equities as held for trading and available for sale. See note 2 for the accounting policy.

Exposure to equity price risk

The consolidated entity's exposure to equity price risk at balance date was as follows, based on carrying amounts:

	Consolidated Carrying Amount	
	2016	2015
	\$	\$
Held for trading investments	4,800	2,391
Available-for-sale investments	397,333	543,115
	402,133	545,506

For personal use only



GLOBAL GOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)

Price risk

Sensitivity analysis

The analysis below demonstrates the impact of a 30% movement in the price of listed securities. The Board considers a 30% movement to be reasonable in light of recent historical movements. This analysis assumes a post-tax profit (at the statutory rate of 30%) and is performed on the same basis for 2015.

Consolidated

30 JUNE 2016	Profit or loss		Other Equity	
	30% increase	30% decrease	30% increase	30% decrease
Held for trading investments	1,440	(1,440)	-	-
Available-for-sale investments	-	-	119,200	(119,200)

30 JUNE 2015	Profit or loss		Other Equity	
	30% increase	30% decrease	30% increase	30% decrease
Held for trading investments	717	(717)	-	-
Available-for-sale investments	-	-	162,934	(162,934)

Foreign currency risk

Exposure to foreign currency risk

The parent entity carries inter-company loans with its subsidiaries. The consolidated entity's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

30 JUNE 2016	Consolidated	
	MYR	HKD
Loan to Rimbum Teratai Sdn Bhd	4,677,302	-
Loan to G-Vest Corporation Sdn Bhd	3,208,512	-
Loan to Global Gold Holdings (HK) Limited	-	3,695,396
Less: Provision for non-recovery	(7,885,814)	(3,695,396)
Net balance sheet exposure	-	-

30 JUNE 2015	Consolidated	
	MYR	HKD
Loan to Rimbum Teratai Sdn Bhd	4,677,302	-
Loan to G-Vest Corporation Sdn Bhd	3,248,971	-
Loan to Global Gold Holdings (HK) Limited	-	3,798,260
Less: Provision for non-recovery	(7,926,273)	(3,798,260)
Net balance sheet exposure	-	-

The loans are denominated in the functional currency of the subsidiaries (MYR and HKD), and are translated at reporting date at the prevailing spot rates through the income statement. To the extent appropriate, the parent entity has provided for the non-recovery of the loans. The net carrying value (in AUD) of the loans in the financial statements of the parent entity (after provision) at 30 June 2016 is \$nil (2015: \$nil).

For personal use only

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)

Sensitivity analysis

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2016	2015	2016	2015
	\$	\$	\$	\$
MYR	3.0077	2.8787	2.9789	2.8905
HKD	5.6530	6.4883	5.7609	5.9346

Sensitivity analysis

Based on the financial instruments held at 30 June, a 10% strengthening/weakening of the Australian Dollar against the Malaysian Ringgit and Hong Kong Dollar at 30 June would have increased the parent entity's loss for the year by nil and reduced the loss by nil respectively (2015: increased the loss for the year by nil and reduced the loss by nil respectively), mainly as a result of foreign exchange losses/gains on translation of foreign currency denominated loans to subsidiaries.

The foreign exchange movement for the above sensitivity analysis was based on foreign exchange risk exposures existing at balance sheet date.

Management assessed a 10% movement as being reasonably possible based on short term historical movements.

Interest rate risk

Profile

At the reporting date the interest rate profile of the consolidated entity's interest bearing financial instruments was:

	Consolidated Carrying Amount	
	2016	2015
	\$	\$
Variable rate instruments		
Financial assets	1,009,462	374,144
	<u>1,009,462</u>	<u>374,144</u>

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The Board assessed a 100 basis point movement as being reasonably possible based on short term historical movements. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2016.

A change of 100 basis points in interest rates would have increased or decreased the consolidated entity's profit or loss by \$10,095 (2015: \$3,741).

Fair value of financial instruments

The fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flows. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)****16. FINANCIAL INSTRUMENTS DISCLOSURE (cont'd)****Financial instruments measured at fair value**

The financial instruments recognized at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

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

Consolidated Group 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
- Investments – held for trading	4,800	-	-	4,800
Available for sale financial assets:				
- Associate	-	-	-	-
- Listed investments	397,333	-	-	397,333
- Other	-	-	-	-
	<u>402,133</u>	<u>-</u>	<u>-</u>	<u>402,133</u>

Consolidated Group 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
- Investments – held for trading	2,391	-	-	2,391
Available for sale financial assets:				
- Associate	-	-	-	-
- Listed investments	543,115	-	-	543,115
- Other	-	-	-	-
	<u>545,506</u>	<u>-</u>	<u>-</u>	<u>545,506</u>

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available have been adopted to determine the fair values of these investments.

Derivative instruments are included in Level 2 of the hierarchy with the fair values being determined using valuation techniques incorporating observable market data relevant to the hedged position.

For personal use only



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

17. EARNINGS/ (LOSS) PER SHARE

Basic and diluted earnings/ (loss) per share

The calculation of basic and diluted (loss) / earnings per share at 30 June 2016 was based on the loss attributable to ordinary shareholders of \$1,086,738 (2015: loss of \$859,916) and a weighted average number of ordinary shares outstanding during the year of 725,639,124 shares (2015: 632,120,001) calculated as follows:

	Consolidated	
	2016	2015
	\$	\$
Profit/(loss) attributable to ordinary shareholders		
Net profit/(loss) for the year	(1,086,738)	(859,916)
	Number	Number
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	725,639,124	632,120,001

No potential ordinary shares therefore no diluted EPS.

18. SEGMENT INFORMATION

Identification of reportable 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 investments in gold equities and gold related 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 Malaysia.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. This price is based on what would be realised in the event the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation for the Group's financial statements.

Segment assets

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to the money lending and investment segments as they are not considered part of the core operations of this segment:

- Net gains/losses on foreign exchange; and
- Deferred tax assets & liabilities.

For personal use only



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

18. SEGMENT INFORMATION (cont'd)

(a) Segment Performance

The following table presents segment revenue and profit information for the respective year ends.

	Money Lending	
	Consolidated	
	2016	2015
	\$	\$
Revenue		
Sales to external customers	-	-
Interest income	21,004	19,819
Total segment revenue	<u>21,004</u>	<u>19,819</u>
Total segment result before tax	<u>(990,099)</u>	<u>(730,376)</u>
Investments in gold equities & gold related entities		
	2016	2015
	\$	\$
Revenue		
Gain on fair value revaluation of investments classified as held for trading	4,200	975
Interest and dividend income from investments classified as held for available for sale	802	16
Total segment revenue	<u>5,002</u>	<u>991</u>
Total Segment Result before tax	<u>(148,166)</u>	<u>(128,409)</u>

For personal use only



GLOBALGOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

18. SEGMENT INFORMATION (cont'd)

Reconciliation of segment result to net profit /(loss) before tax

Amounts not included in segment result but reviewed by the Board:

	2016	Consolidated 2015
	\$	\$
• Net gain on foreign exchange	(253)	-
• Other income	55,018	208
Net loss before tax – continuing operations	<u>(1,083,500)</u>	<u>(858,577)</u>
Segment Assets		
Trade receivables – money lending	599,849	1,525,328
Investment in gold equities & gold related entities	402,132	545,506
Increase for the period		
• capital expenditure	-	-
• acquisitions		
	<u>-</u>	<u>-</u>
<i>Reconciliation of segment assets to group assets</i>		
Unallocated assets:		
Corporate assets	1,173,872	569,858
Total assets as at 30 June	<u>2,175,853</u>	<u>2,640,692</u>

(a) Segment Liabilities

All liabilities of the consolidated entity and company relate to the investment in gold entities and money lending segments.

For personal use only



GLOBAL GOLD
Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

18. SEGMENT INFORMATION (cont'd)

(b) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	Consolidated	
	2016	2015
	\$	\$
Malaysia	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

(d) Assets by geographical region

Australia	1,246,204	555,638
Malaysia	929,602	1,804,701
Hong Kong	47	280,353
Total Assets	<hr/>	<hr/>
	2,175,853	2,640,692

(a) Major customers

The consolidated entity has ceased its gold trading segment which accounted for 100% of the external revenue. The total revenue derived from the customer during the years ended 30 June 2016 and 2015 were \$nil and \$nil respectively.

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)****19. CONTROLLED ENTITIES****(a) Subsidiaries**

The consolidated financial statements include the financial statements of Global Gold Holdings Limited and the subsidiaries listed in the following table:

	Country of Incorporation	% Equity interest		Investment (\$)	
		2016	2015	2016	2015
Rimbun Teratai Sdn Bhd	Malaysia	100%	100%	1	1
G-Vest Corporation Sdn Bhd	Malaysia	100%	100%	-	-
Global Gold Holdings (HK) Limited	Hong Kong	100%	100%	-	-

(b) Ultimate parent

Global Gold Holdings Limited is the ultimate parent of the consolidated entity.

20. RELATED PARTIES**Key management personnel compensation**

	Consolidated	
	2016	2015
	\$	\$
Short-term employee benefits	75,897	41,685
Other benefits	8,326	42,407
Termination benefits	-	-
	<u>84,223</u>	<u>84,092</u>

21. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

	Consolidated	
	2016	2015
	\$	\$
Cash flows from operating activities		
Profit/(loss) for the year	(1,086,738)	(859,916)
Less: non-cash transactions		
Gain on revaluation of investment classified as held for trading	(4,200)	(975)
Impairment losses on trade receivables	868,611	574,565
Loss on disposal of property, plant and machinery	(54,350)	(139)
Net (gain) /loss on disposal of investments	(932)	-
Depreciation	16,731	25,474
Other	20,255	(11,384)
Operating profit/(loss) before changes in working capital and provisions	<u>(240,623)</u>	<u>(272,375)</u>
Change in trade and other receivables	(20,976)	11,315
Change in prepayments	(16,163)	-
Change in inventories	-	-
Change in trade and other payables	(4,834)	22
Change in income tax receivables	(1,272)	(31)
Net cash (used in) operating activities	<u>(283,868)</u>	<u>(261,069)</u>

For personal use only

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)****22. CONTINGENCIES**

The consolidated entity does not have any contingent assets or liabilities at balance and reporting dates.

23. RELATED PARTY TRANSACTIONS

During the year, the Company paid Nexia Perth Pty Ltd (previously GDA Corporate) \$36,000 (2005: \$36,000) for Company Secretarial services provided to the Company. Mr Leonard Math is an employee of Nexia and has no beneficial interest in Nexia and GDA Corporate.

24. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to period end, Crossborder Alliance (M) Sdn Bhd has made a proposal to G-Vest Corporation Sdn Bhd in relation to the repayment of its loan. The Board of G-Vest Corporation Sdn Bhd is considering this proposal and will update the market as appropriate. G-Vest Corporation Sdn Bhd still holds collaterals for the loan.

On 20 September 2016, Tunku Naquiyuddin and Dato Nazir resigned as directors of the Company. Mr Daniel Smith was appointed as non-executive director on the same day.

Apart from this, no other matter or circumstance has arisen since 30 June 2016 that significantly affected or may significantly affect the consolidated entity's operations, the results of those operations or the state of affairs of the consolidated entity in the future financial years.

25. PARENT ENTITY FINANCIAL INFORMATION**(a) Summary financial information**

	2016 \$	2015 \$
Current assets	850,114	18,780
Non-Current assets	396,091	536,859
Total assets	<u>1,246,205</u>	<u>555,639</u>
Current liabilities	45,648	48,447
Non-Current liabilities	-	-
Total liabilities	<u>45,648</u>	<u>48,447</u>
Net assets	<u>1,200,557</u>	<u>507,192</u>
Shareholders' Equity		
Contributed equity	29,010,276	28,178,986
Reserves	(58,893)	84,284
Accumulated profit/(loss)	<u>(27,750,826)</u>	<u>(27,756,078)</u>
Net equity	<u>1,200,557</u>	<u>507,192</u>
Profit/(loss) for the year after tax	<u>5,252</u>	<u>3,668</u>
Total comprehensive income/(loss)	<u>(137,925)</u>	<u>(153,860)</u>

(b) Contractual commitments for the acquisition of property, plant and equipment

As at 30 June 2016, the parent entity had no contractual commitments for the acquisition of property, plant or equipment.

(c) Guarantees and contingent liabilities

As at 30 June 2016, the parent entity had no guarantees or contingent liabilities.

For personal use only



DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 16 to 51, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the consolidated group.
2. The Chairman and acting Chief Finance Officer have each given the declarations required by s295A of the Corporations Act 2001,
3. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed by authority for and on behalf of the Directors by:

A handwritten signature in black ink, appearing to read 'Leonard Math', is written over a horizontal line.

Leonard Math
Director

Perth, Western Australia
30 September 2016



MOORE STEPHENS

Level 15 Exchange Tower,
2 The Esplanade
Perth WA 6000

PO Box 5785, St Georges Terrace
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

www.moorestephenswa.com.au

INDEPENDENT AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL GOLD HOLDINGS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Global Gold Holdings Limited which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Basis for Qualified Opinion

As detailed in Notes 8 and 16, the consolidated entity is exposed to a significant level of credit risk arising from a money lending debtor. At balance date, there is a loan receivable of \$525,361 which has remained outstanding for an extended period of time and continues to be under negotiation. Notwithstanding that the directors of the borrowing entity have provided a personal guarantee and collateral consisting of a deed of assignment on several parcels of land located in Malaysia, negotiations remain ongoing and there exist significant uncertainty the borrower will settle. As a result, we were unable to obtain sufficient appropriate audit evidence as to the recoverable amount of the loan receivable as at 30 June 2016. Consequently, we were unable to determine whether any adjustments to this amount was necessary.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

- a. the financial report of Global Gold Holdings Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the remuneration report as included in the Directors' Report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion the remuneration report of Global Gold Holdings Limited for the year ended 30 June 2016 complies with s 300A of the *Corporations Act 2001*.



Neil Pace
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 30th day of September 2016



CORPORATE GOVERNANCE STATEMENT

GLOBAL GOLD HOLDINGS LIMITED

Overview

The Company's Board governs the business on behalf of shareholders as a whole with the prime objective of protecting and enhancing shareholder value. The Board is committed to, and ensures that the:-

- (i) executive management runs the Group in accordance a high level of ethics and integrity;
- (ii) Board and management complies with all applicable laws and regulations;
- (iii) Company continually reviews the governance framework and practices to ensure it fulfils its corporate governance obligations.

Good corporate governance will evolve with the changing circumstances of a company and must be tailored to meet these circumstances. The Board endorses the ASX Corporate Governance Principles and Recommendations ('ASX CGP') however, as a company recently ceased operating in gold trading and actively seeking for new business venture, at this stage of the Company's corporate development, implementation of the ASX CGP is not practical in every instance given the modest size and scale of the Company operations.

During the year ended 30 June 2016, the Company considered the 3rd Edition of the ASX CGP. This Statement reports on the revised recommendations and outlines the main corporate governance practices employed by the Board. Where it has not adopted a particular recommendation, an explanation is provided.

This Corporate Governance Statement was approved by the Board on 30 September 2016 and is current as at that date in accordance with ASX Listing Rule 4.10.3. The Corporate Governance Statement will be published on the Company's website at www.globalgold.com.au rather than contain it in its Annual Report.

1. Laying solid foundations for management and oversight

Role and Responsibility of Board and Management

The relationship between the Board and senior management is critical to the Company's long term success. The Board is responsible for the performance of the Company in both the short and longer term and seeks to balance sometimes competing objectives in the best interests of the Group as a whole. The key aims of the Board are to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and senior management.

The responsibilities of the Board as a whole, the Chairman and individual Directors are set out in the Company's Board Charter and are consistent with ASX CGP 1. A copy of the Board Charter is available in the Corporate Governance section of the Company's website.

Before appointing a new director, the Company will undertake appropriate checks such as a character reference, police clearance certificate, bankruptcy check and any other check it deems appropriate. Where a director is to be re-elected or a candidate is put up for election to shareholders, all material information will be provided to shareholders for consideration.

To ensure that Directors clearly understand the requirements of their role, formal letters of appointment are provided to them. The content of the appointment letter is consistent with that set out in ASX CGP 1.

To ensure that Executive Directors clearly understand the requirements of the role, service contracts and formal job descriptions are provided to them, the content of which is consistent with ASX CGP1.

Access to information

Directors may access all relevant information required to discharge their duties in addition to information provided in Board papers and regular presentations delivered by executive management on business performance and issues. With the approval of their Chairman, Directors may seek independent professional advice, as required, at the Company's expense.

CORPORATE GOVERNANCE STATEMENT

Company Secretary

The Company Secretary, Leonard Math, is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The role of the Company Secretary is consistent with ASX CGP1.

Diversity

The Board has established a diversity policy which supports the commitment of the Company to an inclusive workplace that embraces and promotes diversity and provides a framework for new and existing diversity-related initiatives, strategies and programs within the business.

The Board has not yet set measurable objectives, however, these will be considered by the Board and the Board will review progress against any objectives identified on an annual basis.

The proportion of women within the whole organisation as at the date of this report are as follows:

	Number	%
Number of females on the Board	0	0%
Number of females reporting to the CEO	0	0%
Number of females in the Company	2	50%

The Board acknowledges the absence of female participation on the Board of Directors. However, as noted above, the Board has determined that the composition of the current Board represents the best mix of directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

The Company is at variance with Recommendation 1.5 in that it has not set or disclosed measurable objectives for achieving gender diversity in accordance with its Diversity Policy. Due to the size and status of the Company, the Board does not deem it practical to limit the Company to specific targets for gender diversity as it operates in a very competitive labor market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background

The Code of Conduct Policy is available on the Global Gold website.

Board performance

The Board undertakes an annual self-assessment of its collective performance, by way of a series of questionnaires. The results are collated and discussed at a Board meeting and any action plans are documented together with specific performance goals which are agreed for the coming year.

The Chairman undertakes an annual assessment of the performance of individual directors and meets privately with each director to discuss this assessment. A director is nominated to review the individual performance of the Chairman and meets privately with him to discuss this assessment. During this financial year, the Board review was not undertaken due to the changes to the Board and management. The new Board intends to conduct a review for 2016 in accordance with this process in December 2016.

Senior executive performance

Mr Munusamy, acting in the capacity as the CEO undertakes an annual self-assessment of his performance and provides a report to the Board for consideration.

The Chairman undertakes an annual assessment of the performance of CEO and provides a report to the Board for consideration.

CORPORATE GOVERNANCE STATEMENT

2. Structure of the Board

Board composition

The Directors determine the composition and size of the Board in accordance with the Company's Constitution. The Constitution empowers the Board to set upper and lower limits with the number of Directors not permitted to be less than three.

During and since the financial year ended 30 June 2016, the Board consists of the following:

Michael Soucik	(Non-Independent Non-Executive Director) – Appointed 25 May 16
Leonard Math	(Independent Non-Executive Director) – Appointed 25 May 16
Daniel Smith	(Independent Non-Executive Director) – Appointed 20 Sep 16
Tunku Naquiyuddin	(Non-Independent Non-Executive Chairman) – Resigned 20 Sep 16
Mr Jeffrey Choong	(Independent Non-Executive Director) – Resigned 25 May 16
Mr Andrew Kwa	(Independent Non-Executive Director) – Resigned 25 May 16
Dato Mohamad Nazir Bin Meraslam	(Independent Non-Executive Director) – Resigned 20 Sep 16
Mr Krishnan Ramasamy	(Independent Non-Executive Director) – Resigned 25 May 16
Dato David Tan	(Non-Independent Non-Executive Director) – Resigned 25 May 16

There are currently 3 Directors appointed to the Board and their skills and experience, qualifications, term of office and independence status is set out in the Directors' Report.

Nominations committee

During the financial year, the Board had a Remuneration and Nominations Committee to assist the Board in its discharge of duties. Refer to 8. below for further information. Subsequent to the Board changes in May 2016 and due to the size of the Board, the full Board assumes the roles of the Remuneration and Nominations Committee.

Board succession/Board skills matrix

The Board has yet to adopt a Board skills matrix which identifies its collective mix of skills and diversity. The Board's collective skills include board of director experience, CEO succession planning, financial, fundraising, independence, industry knowledge, leadership, legal, lobbying/networking, marketing/PR, risk management and strategic planning.

As the Company has recently ceased operations in the gold trading industry and working towards a new operation in a different industry, the Board is unable to apply the Board skills matrix due to the unidentified industry that the Company will operate in.

During the financial year, the composition of the Board was regarded as balanced with a complementary range of skills, independence, diversity and experience to enable it to discharge its duties and responsibilities effectively.

Should the Company be in the position where it believes that it or a new director does not have the requisite skills and experience, the Company will ensure that appropriate training or development is provided to ensure that the current or new director has sufficient knowledge, skills and understanding of their responsibilities.

Director independence

Refer to the table below in relation to the independence of directors during and since the financial year based on the definition of independence published in ASX CGP 2.

Director	Independent	Reasons for non-independent
Michael Soucik	No	Substantial shareholder
Leonard Math	Yes	-
Daniel Smith	Yes	-
Tunku Naquiyuddin	No	Substantial shareholder
Jeffrey Choong	Yes	-
Andrew Kwa	Yes	-
Dato Mohamad Nazir Bin Meraslam	No	Substantial shareholder
Krishnan Ramasamy	Yes	-
Dato David Tan	No	Substantial shareholder



CORPORATE GOVERNANCE STATEMENT

Independent Decision Making

A majority of the Board are independent which is consistent with ASX CGP 2. All Directors bring to the Board the requisite skills which are complementary to those of the other Directors and enable them to adequately discharge their responsibilities and bring independent judgments to bear on their decisions.

The Board Charter sets out the criteria the Board uses to determine director independence. Materiality thresholds used to assess director independence are set out in the Board Charter.

The Board believes that the interests of the shareholders are best served by:

- The current composition of the Board which is regarded as balanced with a complementary range of skills, diversity and experience as detailed in the Directors' Report; and
- The Independent Directors providing an element of balance as well as making a considerable contribution in their respective fields of expertise.

The following measures are in place to ensure the decision making process of the Board is subject to independent judgments:-

- A standard item on each Board Meeting agenda requires Directors to focus on and declare any conflicts of interest in addition to those already declared;
- Directors are permitted to seek the advice of independent experts at the Company's expense, subject to the approval of the Chairman;
- All Directors must act all times in the interest of the Company; and
- Directors meet as required independently of executive management.

Adoption of these measures ensure that the interests of shareholders, as a whole, are pursued and not jeopardised by a lack of independence.

Inducting new directors

New Non-Executive Directors are provided with a pack of information and documents relating to the Company including the Constitution, Group structure, financial statements, recent Board papers and the various Board policies and charters.

3. Ethical and Responsible Decision Making

Code of Conduct

A Code of Conduct Policy is in place to promote ethical and responsible practices and standards for directors, employees and consultants of the Company to discharge their responsibilities. This Policy reflects the directors' and key officers' intention to ensure that their duties and responsibilities to the Company are performed with the utmost integrity. A copy of the Standards of Conduct policy is available to all employees and is also available in the Corporate Governance section of the Company's website. The terms are consistent with ASX CGP 3.

4. Integrity of corporate reporting

Audit & Risk Committee

During the financial year, the Board had an Audit & Risk Committee to assist the Board in the discharge of its responsibilities. Subsequent to the Board changes in May 2016 and due to the size of the Board, the full Board assumes the roles of the Audit & Risk Committee.

The Audit & Risk Committee charter is available in the Corporate Governance section of the Company's website and the composition, operations and responsibilities of the Committee are consistent with ASX CGP 4. The members are however considered to be the best qualified to serve on the Committee given their background and experience.

Details of these Directors' qualifications and attendance at Audit & Risk Committee meetings are set out in the Company's Directors' Report.



CORPORATE GOVERNANCE STATEMENT

The Audit & Risk Committee undertakes all responsibilities which include the following:-

- Reviewing and approving statutory financial reports and all other financial information distributed externally;
- Monitoring the effective operation of the risk management and compliance framework;
- Reviewing the effectiveness of the Company's internal control environment including compliance with applicable laws and regulations;
- The nomination of the external auditors and the review of the adequacy of the existing external audit arrangements; and
- Considering whether non audit services provided by the external auditor are consistent with maintaining the external auditor's independence.

CEO/CFO Sign Off

Before the Board approves the Company's financial statements it receives a declaration from its CEO and CFO in accordance with ASX CGP 4.

External Auditor

The lead audit partner responsible for the Group's external audit is required to attend each Annual General Meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

5. Timely and balanced disclosure

Continuous Disclosure Policy

The Company has a written policy on information disclosure that focuses on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities.

A copy of the Continuous Disclosure Policy is located in the Corporate Governance section of the Company's website and the terms are consistent with ASX CGP 5.

The Company Secretary has been nominated as the person responsible for communications with the Australia Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

6. Rights of Securityholders

Website

The Company maintains a website at www.globalgold.com.au. Due to the recent change in the Board and management, the Company is currently updating the Company's website.

Communication

The Company's Shareholder Communications Policy promotes effective communication with the Company's shareholders and encourages shareholder participation at general meetings. A copy of this Policy, which deals with communication through the ASX, the Share Registry, shareholder meetings and the annual report, may be found in the Corporate Governance section of the Company's website.

Shareholders are provided with the opportunity to question the Board concerning the operation of the Company at the annual general meeting. They are also afforded the opportunity to question the Company's auditors at that meeting concerning matters related to the audit of the Company's financial statements.

Shareholders are also encouraged and given the opportunity to receive electronic communications from, and send electronic communications to, the Company and its share registry.



CORPORATE GOVERNANCE STATEMENT

7. Recognising and Managing Risk

Risk Committee

During the financial year, the Board had an Audit & Risk Committee to assist the Board in the discharge of its responsibilities. Refer to 4. above. Subsequent to the Board changes in May 2016 and due to the size of the Board, the full Board assumes the roles of the Audit & Risk Committee.

Internal Audit

The Company does not currently have an internal audit function. Once the Company is at a size and scale that warrants an internal auditor or nears production status, the Board, through the Audit & Risk Committee will be responsible for the appointment and overseeing of the internal auditor.

Exposure to Economic, Environmental and Social Sustainability Risks

The Company's corporate ethics includes a strong focus on environmental responsibility. This approach is integral to ensuring the long-term sustainability of the Company's operations. Due to the current status of the Company, it has very limited exposure to economic, environmental and social sustainability risk.

An important key to the Company's current and future success is open communications with all stakeholders. The Company acknowledges its responsibility towards local communities and are committed to being a good neighbor.

Part of the Company's long-term approach towards community relations is to:

- Pursue mutual benefits for all involved;
- Improve the quality of life for neighboring communities; and
- Working in partnership with the community and local level government to find solutions for any social impact resulting from the mines.

8. Remunerating Fairly and Responsibly

Remuneration and Nominations Committee

During the financial year, the Board had established a Remuneration and Nominations Committee to assist the Board in its discharge of duties. Subsequent to the Board changes in May 2016 and due to the size of the Board, the full Board assumes the roles of the Remuneration and Nominations Committee.

The Remuneration and Nominations Committee Charter is available in the Corporate Governance section of the Company's website and the composition, operations and responsibilities of the Committee is consistent with the terms of ASX CGP 2 and 8.

Details of the Directors' qualifications and attendance at the Remuneration and Nominations Committee meetings are set out in the Directors' Report.

The Committee seeks to ensure that collectively its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective. It shall review the range of expertise of its members on a regular basis and seeks to ensure that it has operational and technical expertise relevant to the operation of the Company.

Directors are re-elected, nominated and appointed to the Board in accordance with the Board's policy on these matters set out in the Charter, the Company's Constitution and ASX Listing Rules. In considering appointments to the Board, the extent to which the skills and experience of potential candidates complement those of the Directors in office is considered.

The Company's remuneration philosophy, objectives and arrangements are detailed in the Remuneration Report which forms part of the Directors' Report.



GLOBALGOLD
Holdings Ltd

CORPORATE GOVERNANCE STATEMENT

Remuneration of Non-Executive Directors

The annual total of fees to Non-Executive Directors is set by the Company's shareholders and allocated as Directors' Fees by the Board on the basis of the roles undertaken by the Directors. Full details of Directors' remuneration appear in the Remuneration Report. These fees are inclusive of statutory superannuation contributions. No retirement benefits are paid to Non-Executive Directors and no equity-based remuneration scheme exists for them.

Remuneration of Executive Management

Remuneration packages for Executive management are generally set to be competitive so as to both retain executives and attract experienced executives to the Company. Packages comprise a fixed (cash) element and variable incentive components. Payment of the variable components will depend on the Company's financial and the executive's personal performance.

For personal use only



SHAREHOLDER INFORMATION

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 28 September 2016.

Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	4	51	0.00
1,001 - 5,000	1	3,400	0.00
5,001 - 10,000	5	47,500	0.00
10,001 - 100,000	555	30,484,180	1.93
100,001 - 9,999,999,999	584	1,549,764,870	98.17
Total	1,149	1,580,300,001	100.00

Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

Rank	Name	Units	% of Units
1.	MAHE INVESTMENTS PTY LTD	238,321,500	15.08
2.	MR JASON PETERSON + MRS LISA PETERSON <J & L PETERSON S/F A/C>	80,000,000	5.06
3.	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	60,000,000	3.80
4.	ARIS NOMINEES PTY LTD <SHREEVE SUPER FUND A/C>	59,999,990	3.80
5.	ROCK POINT ALLIANCE SDN BHD	59,000,000	3.73
6.	MOHAMED NAZIR BIN MERASLAM	55,000,000	3.48
7.	MS NICOLE GALLIN + MR KYLE HAYNES <GH SUPER FUND A/C>	37,500,000	2.37
8.	MR BRENT JOSEPH EVITT <B&J BE FUND A/C>	30,000,000	1.90
9.	PLATINUM PARADE SDN. BHD	30,000,000	1.90
10.	RICHSHAM NOMINEES PTY LTD	30,000,000	1.90
11.	MR DANIEL CHOONG YEW CHEE	28,866,000	1.83
12.	PARAMSOTHY SIVAPAKIAM	26,244,000	1.66
13.	TUANKU AMPUAN NAJIHAH BINTI {AL-MARHUM TUNKU BESAR BURHANUDDIN}	23,600,000	1.49
14.	TUANKU JA'AFAR IBNI {AL-MARHUM TUANKU ABDUL}	23,400,000	1.48
15.	TENGGU NURUN HAYATI @ {TUNKU NURUL HAYATI}	22,950,000	1.45
16.	CITICORP NOMINEES PTY LIMITED	22,667,909	1.43
17.	MR BAN SEAN BENNY KHOO	22,180,000	1.40
18.	MR DAVID CHARLES NEESHAM + MRS PAMELA CHRISTINE NEESHAM <DC & PC NEESHAM SUPER A/C>	20,000,000	1.27
19.	MR RYAN JAMES ROWE	20,000,000	1.27
20.	MS EMILIA DINGLE WALKER	20,000,000	1.27
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		909,729,399	57.57
Total Remaining Holders Balance		670,570,602	42.43



SHAREHOLDER INFORMATION (cont'd)

Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

<u>Substantial Shareholder</u>	<u>Number of Shares</u>
MAHE INVESTMENTS PTY LTD	238,321,500
TUNKU NAQUIYUDDIN	91,450,000
JASON PETERSON	80,000,000

Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being 250,000 as at 28 September 2016):

<u>Holders</u>	<u>Units</u>
785	68,564,116

Voting Rights

The voting rights attaching to ordinary shares are:

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

On-Market Buy Back

There is no current on-market buy-back.

For personal use only