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**G L O B A L**

**R3D GLOBAL LIMITED**

**ABN 53 111 398 040**

**Annual Report**

**For the year ended**

**30 June 2018**

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## CORPORATE INFORMATION

This annual report covers R3D Global Limited (ABN 53 111 398 040) as an individual entity.

A description of the Company's operations and of its principal activities is included in the review of operations and activities in the directors' report.

### Directors

Daniel Yeo Chin Tuan – Appointed 28 March 2017 (Chairman)  
Florence Fang – Appointed 31 August 2017 (Managing Director & CEO)  
Kasudjono Harianto – Appointed 22 March 2013  
Michael Thirnbeck – Appointed 23 December 2013  
Tiffany Tsao – Appointed 28 March 2017  
Muljadi Irawan – Appointed 9 July 2018

### Company Secretary

Henry Kinstlinger – Appointed 20 October 2016

### Registered Office and Principal Place of Business

Level 12  
210 George Street  
SYDNEY NSW 2000

### Share Registry

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

### Legal Advisors

Baker & McKenzie  
Tower One - International Towers Sydney  
Level 46, 100 Barangaroo Avenue  
Sydney NSW 2000

### Auditor

Andrew Newhouse  
HLB Mann Judd (Wollongong)  
65 Kembla Street  
WOLLONGONG NSW 2500

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# R3D GLOBAL LIMITED – ANNUAL REPORT

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## CORPORATE GOVERNANCE STATEMENT

### Background

The Board of Directors is responsible for the corporate governance of R3D Global Limited (the “Company”). The Company operates in accordance with the corporate governance principles as set out by the ASX Corporate Governance Council and required under ASX listing rules.

The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company’s Corporate Governance Statement on the governance practices adopted by the Company is structured with reference to the ASX Corporate Governance Council’s Principles and Recommendations. The practices are summarised below.

The Board is committed to improving its corporate governance practices and embracing the principles put out by the ASX Corporate Governance Council, however the Board is of a view that the adoption of the practices and principles should be in line with the growth in size, changes in the nature and increase in complexity of the Company’s business.

The Board aims to achieve all of the Best Practice Recommendations in stages as the Company grows and its circumstances change over time. As reported in the current year’s annual report, the Company has been concentrating its efforts on restoring the financial position of the Company and has worked to improve its corporate governance practices.

### Principle 1: Lay solid foundations for management and oversight

The Board ensures that the Company is structured such that there are clearly defined roles, segregation of duties and responsibilities and approved levels of authority between the management and the governance of the Company. The Board sets the overall corporate governance policy for the Company, including determining the strategic direction, establishing policies and goals for management and monitoring their achievement. The Board delegates responsibility for the day to day management of the Company to the Chief Executive Officer.

The key responsibilities of the Board include:

- Setting the long-term strategy and business plan including objectives and milestones to be achieved;
- Evaluating capital, cash and operating risk budgets and making appropriate recommendations on an annual basis;
- Considering the the Company’s financial, strategic and operational goals and assessing key business developments as formulated by management in line with the objectives and goals set by the Board;
- Monitoring the performance of the Company against the financial objectives and operational goals of the Company and reviewing the implementation of corporate strategies;
- Assessing the appropriateness of the skill sets and the levels of experience of the members of the Board, individually and as a whole and selecting new members to join the Board when a vacancy exists;
- Appointing, removing and determining the terms of engagement of the Directors, Chief Executive Officer and Company Secretary;
- Overseeing the delegation of authority for the day to day management of the Company;
- Ensuring that the risk management systems, financial reporting and information systems, personnel, policies and procedures are all operating efficiently and effectively by establishing a framework of internal controls and compliance;
- Reviewing major contracts, goods or services on credit terms, acceptance of counter-party risks and issuing guarantees on behalf of the Company;
- Approving the capital structure and major funding requirements of the Company;
- Making recommendations as to the terms of engagement, independence and the appointment and removal of the external auditor;
- Setting the Code of Conduct for the Company and ensuring that appropriate standards of corporate governance and ethics are effectively communicated throughout the Company and complied with;
- Reviewing the adherence by each director to the Director’s Code of Ethics;
- Establishing policies to ensure that the Company complies with the ASX Continuous Disclosure Policy;
- Approving the Company’s half-year and full year reports to the shareholders, ASX and ASIC; and
- Ensuring that recruitment, retention, termination, remuneration, performance review and succession planning policies and procedures are managed effectively.

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Board strives to achieve an appropriate mix of gender diversity among its directors pursuant to the Company's goals, activities and strategy and the relevant guidelines as recommended by the Corporate Governance Council from time to time. The Board intends to consider this in further depth in future years as the Company grows. The Company notes that it is yet to formalise written agreements with all directors but will do so in due course as the Company begins to remunerate directors as the Company grows.

### **Principle 2: Structure the Board to add value**

The Board is presently structured to maximise value to the Company and the shareholders. The Board is of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of perspectives, experiences and skills.

### **Board Composition**

The Board is comprised of six directors. The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report are included in the Directors' Report. As new Directors are appointed, the Company goes through an informal on-boarding process which will be formalised as the Company grows.

The Board has determined that there are sufficient appropriate alternative governance measures in place to ensure that current partial non-compliance with the recommendations does not give rise to undue risk or other material concerns relating to the management and oversight of the Company. The Company has appointed a company secretary who is accountable directly to the Board through the Chairman on all matters with respect to the Board.

### **Term of Office**

The members of the Board are elected by the shareholders to ensure that the Board has the appropriate mix of expertise and experience. In accordance with the Company's Constitution, if a person is appointed as Director during the year, the Company must confirm that appointment by resolution at the Company's next Annual General Meeting.

When a vacancy exists on the Board, the Board appoints the most suitable candidate from a panel of candidates, who then must stand for election at the next Annual General Meeting if he or she wishes to continue as a member of the Board in the following year.

One third of directors (other than the Managing Director) must retire and may submit themselves for re-election at each Annual General Meeting.

### **Personal Interests & Conflicts**

Directors must not take advantage of their position as Directors and must not allow their personal interests, or the interests of any associated person, to interfere or exert undue influence on their conduct or decisions as a Director.

Directors also have a duty to avoid conflicts of interest between the best interests of the Company and their own personal or commercial interests. Conflicts of interest can be either actual or potential. If a conflict of interest arises, Directors must disclose their interests to the Board immediately. The Directors concerned must not be present at any meeting while the matter is being considered and will not be allowed to vote on the matter.

### **Independent Professional Advice**

There are procedures in place, agreed by the Board, to enable directors to seek independent professional advice at the Company's expense as may be reasonably required in the exercise of their duties from time to time.

### **Board Standing Committees**

The Board established a Remuneration and Nomination Committee, which has the authority and power to exercise the roles and responsibilities granted to it under the Remuneration and Nomination Committee Charter and any other resolutions of the Board from time to time. The Company intends to disclose in future annual reports the number of times the committee met, and the attendance at those meetings, at the end of each reporting period. The Remuneration and Nomination Committee is chaired by the Chairman of the Board, and includes two other independent non-executive directors.

The Board has also established an Audit and Risk Committee which has the authority and power to exercise the roles and responsibilities granted to it under the Audit and Risk Committee Charter and any other resolutions of the Board from time to time. This Committee is responsible for, among other things, appointing the Company's external auditors and overseeing

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

the integrity of the Company's financial reporting systems and financial statements. The Company intends to disclose in future annual reports the number of times the committee met, and the attendance at those meetings, at the end of each reporting period. The Audit and Risk Committee is chaired by an independent non-executive director, and includes the Managing Director and an independent non-executive director.

### Principle 3: Act ethically and responsibly

#### Code of Conduct

The Board has adopted a code of conduct ('Code of Conduct') which sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of the Company's business and people, taking into account the Company's legal and other obligations to its stakeholders.

The Code of Conduct applies to all Directors, as well as all officers, employees, contractors, consultants and other persons that act on behalf of the Company.

#### Principle 4: Safeguard integrity in corporate reporting

It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information, as well as non-financial considerations such as benchmarking of operational key performance indicators.

#### Audit and Risk Committee - Audit Responsibilities

The Board has established an Audit and Risk Committee. This Committee is responsible for, among other things, appointing the Company's external auditors and overseeing the integrity of the Company's financial reporting systems and financial statements. The Company has also adopted an Audit and Risk Committee Charter. The Company intends to disclose in future annual reports the number of times the Audit and Risk Committee met, and the attendance at those meetings, at the end of each relevant reporting period.

#### Executive Assurance

The Board has implemented a process to receive written assurances from its Managing Director and Chief Financial Officer that the declarations that will be provided under section 295A of the *Corporations Act 2001* (Cth) are founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board will seek these assurances prior to approving the financial statements for all half-year and full year periods.

The Board will take reasonable steps to ensure that the external auditor or their representative will attend the AGM and be available to answer questions about the scope and conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

#### Principle 5: Make timely and balanced disclosure

Consistent with the Board's commitment to improving its disclosure policy, the Board has adopted a Disclosure and Communication Policy, which sets out the Company's commitment to the objective of promoting investor confidence and the rights of shareholders by:

- Complying with the continuous disclosure obligations imposed by law;
- Ensuring that Company announcements are presented in a factual, clear and balanced way;
- Ensuring that all shareholders have equal and timely access to material information concerning R3D Global Limited; and
- Communicating effectively with shareholders and making it easy for them to participate in general meetings.

#### Principle 6: Respect the rights of security holders

The Company recognises the rights of its security holders and other interested stakeholders to have easy access to balanced, understandable and timely information concerning the operations of the Company. The Chief Executive Officer and the Company Secretary are primarily responsible of ensuring that communications with security holders are delivered in accordance with this strategy and with our policy of continuous disclosure.

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Board has adopted a Continuous Disclosure Policy and a Shareholder Communications Policy which supports its commitment to effective communication with its shareholders. In addition, the Company intends to communicate with its shareholders:

- By making timely market announcements;
- By posting relevant information on its website;
- By inviting shareholders to make direct enquiries to the Company; and
- At general meetings.

### Annual General Meeting

The Board encourages participation of security holders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Security holders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors, issue of shares and changes to the constitution.

The Board has also requested that Andrew Newhouse of HLB Mann Judd, the Company's external auditor, be present at the Annual General Meeting to answer questions that shareholders might have about the scope and conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

The Company's security holders may elect to receive information from the Company and its registry electronically. Otherwise, the Company and its registry will communicate by post with shareholders who have not elected to receive information electronically.

### Principle 7: Recognise and Manage Risk

#### Risk Management Responsibilities

The Board has established an Audit and Risk Committee to, amongst other things, ensure that the Company has an effective risk management system in place and to manage key risk areas. The Audit and Risk Committee is chaired by an independent non-executive director, and includes the Managing Director and an independent non-executive director.

Under the Board Charter, the Board will ensure that the Company has in place an appropriate risk management framework and will set the appetite within which the Board expects management to operate. Further, it is intended that the Audit and Risk Committee will, among other things, regularly review and update the risk profile and ensure that the Company has an effective risk management system. As part of this process, the Board will review, at least annually, the Company's risk management framework in order to satisfy itself that it continues to be sound. The Company intends to disclose, at the relevant time, whether a review of the Company's risk management framework was undertaken during the relevant period.

The Audit and Risk Committee is responsible for ensuring that the Company has appropriate internal audit systems and controls in place, and for overseeing the effectiveness of these internal controls. The Committee is also responsible for conducting investigations of breaches or potential breaches of these internal controls. In addition, the Audit and Risk Committee is responsible for preparing a risk profile which describes the material risks facing the Company, regularly reviewing and updating this risk profile, and assessing and ensuring that there are internal controls in place for determining and managing key risks.

### Principle 8: Remunerate fairly and responsibly

#### Remuneration responsibilities

The Company has established a Remuneration and Nomination Committee. The Committee is responsible for developing, reviewing and making recommendations on:

- The remuneration framework for directors, including the process by which any pool of directors fees approved by security holders is allocated to directors;
- The remuneration packages to be awarded to senior executives;
- Equity based remuneration plans for senior executives and other employees; and
- Superannuation arrangements for directors, senior executives and other employees.

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Company's remuneration policy is available on the Company's website. The policy has been set out to ensure that the remuneration of Directors, key executives and staff reflect each person's accountabilities and duties and their level of performance, and to ensure that remuneration is competitive in attracting, motivating and retaining staff of the highest quality. A program of regular performance appraisals and objective setting for key executives and staff is in place. These annual reviews take into account individual and Company performance, market movements and expert advice. The Remuneration and Nomination Committee is chaired by the Chairman of the Board, and includes two other independent non-executive directors.

### Share Trading Policy

Directors, senior executives and other officers of the Company may trade in the Company's securities subject to the Company's Share Trading Policy, the ASX Listing Rules, and Corporations Act, and any other statutory and regulatory provisions applicable. The Share Trading Policy is a code that is designed to minimise the potential for insider trading.

Directors must notify the Chairman of the Board before they buy or sell shares in the Company. If the Chairman of the Board intends to trade in the Company shares, the Chairman of the Board must give prior notice to the Chairman of the Audit and Risk Committee. The details of the share trading must be given to the Company Secretary who must notify the ASX.

Senior executives must give prior notice to the Managing Director, while other officers must notify the Company Secretary, before trading in the Company shares, and details of all such transactions must be given, in writing, to the Company Secretary within 7 business days.

Any changes in substantial shareholding of the Directors, senior executives or other officers must be reported to the ASX within 2 business days of such trading. The policy also requires that directors, executives and other officers in the Company do not execute trades in the Company's securities in closed periods, being:

- Within one month immediately preceding and 48 hours immediately following the release by the Company of its annual results to the ASX;
- Within one month immediately preceding and 48 hours immediately following the release by the Company of its half-yearly results to the ASX;
- Within two weeks immediately preceding and 48 hours immediately following the Company's Annual General Meeting; and
- Other periods as advised by the Board or the Managing Director.

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2018.

### DIRECTORS

The names and details of the Company's directors in office during the financial year and up to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

**Mr Daniel Yeo Chin Tuan**, (Non-Executive Chairman, Chair of the Remuneration and Nomination Committee) appointed 28 March 2017. Appointed Chairman 31 August 2017.

Mr Yeo has over 25 years' experience in senior executive roles in a wide range of corporate and commercial roles. Previously, he served as the CEO of Man Financial (S) Pte Ltd (now known as MF Global Singapore). He also served as a Vice President of Red Co Singapore and pioneered the Singapore futures and options market, building a distinguished track record servicing high net worth clients in foreign exchange and bullion trading. Mr Yeo has served as an Independent Director of Top Global Limited since 2010. He previously served as a Director of ING Futures & Options (S) Pte Ltd, and as an Executive Director of UOB International Treasury.

**Ms Florence Fang**, (Managing Director and CEO, Member of the Audit and Risk Committee) appointed 31 August 2017.

Ms Fang has over 20 years of leadership experience and knowledge in the IR and PR industry. She has successfully built Flame Communications operations as Managing Director in Singapore for the past twelve years, servicing multi-national clients regionally, in a broad range of sectors including fintech, arts and culture, mobile apps, government and healthcare.

**Mr Kasudjono Harianto**, (Non-Executive Director, Chair of the Audit and Risk Committee) appointed 22 March 2013.

Mr Kasudjono Harianto is a qualified engineer with over 25 years' experience in management and operations in Indonesian natural resources. Mr Harianto has been Managing Director in his family timber business in Indonesia, which was the first concession in Kalimantan to be certified by an independent auditor as a Sustainable Forest Management Unit Production in 2010. Mr Harianto holds a Bachelor of Science in Industrial System Engineering, from University of Southern California, CA, USA.

**Mr Michael Thirnbeck**, (Non-Executive Director, Member of the Audit and Risk Committee) appointed 23 December 2013.

Mr Thirnbeck is an experienced geologist with over 25 years in managing numerous mineral development projects in Papua New Guinea, Indonesia and Australia. He has been a Member of the Australasian Institute of Mining and Metallurgy since 1989 and holds B.Sc. (Hons.) degree from University of Queensland.

**Dr Tiffany Tsao**, (Non-Executive Director, Member of the Remuneration and Nomination Committee) appointed 28 March 2017.

Dr Tsao holds a PhD from the University of California, Berkeley, USA. She is currently a writer and editor of books that have been published by Amazon. She is an honorary associate at the University of Sydney, Australia. In the past, she has held teaching positions as lecturer in the University of New South Wales, University of Newcastle and Georgia Institute of Technology in Atlanta, Georgia, USA.

**Mr Muljadi Irawan**, (Non-Executive Director, Member of the Remuneration and Nomination Committee) appointed 9 July 2018.

Mr Irawan holds a Bachelor of Commerce, majoring in Management Information Systems from the University of British Columbia, Vancouver Canada. After graduating from the University of British Columbia, Mr Irawan has helped to develop and expand PT Bintang Group, an Indonesian domiciled company with a diversified investment portfolio including property, renewable energy power plants, water treatment and mining, and focussing on a shipping business.

Mr Irawan was formerly a director in charge of operations at PT Sultra Prima Lestari, a palm oil company in Kendari, Southwest Sulawesi, Indonesia.

**Mr Alberto Migliucci**, (Former Chairman & Non-Executive Director, former member of the Audit and Risk Committee) appointed 13 October 2014; resigned 31 August 2017.

Mr Migliucci is the CEO and founder of Petra Commodities, a Singapore boutique investment firm. He is a specialist in natural resources for mergers and acquisitions, capital raising (debt and equity), structured finance, lending and IPO/RTOs. Mr Migliucci is a highly experienced investment banker with outstanding qualifications. He was Managing Director of Credit Suisse's Global Energy Company as well as Head of the investment bank's Mining & Metals and Oil and Gas/Energy franchise in Asia.

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FOR THE YEAR ENDED 30 JUNE 2018

## DIRECTORS' REPORT

With over 15 years' experience in Asia, Mr Migliucci also worked for Standard Bank PLC, where he was Head of the bank's Energy/Mining Finance Department for Asia Pacific, and for Societe Generale in Hong Kong, where he was a Vice President in the Project Finance & Advisory team. He is a qualified geologist and has over 25 years' industry and finance experience. Mr Migliucci holds a Bachelor of Science (Geology) with First Class Honours from the University of New South Wales (Sydney) and a Masters of Applied Finance from Macquarie University (Sydney).

**Mr Yuen Loke Chin**, (Former Non-Executive Director, former member of the Remuneration and Nomination Committee) appointed 22 March 2013; resigned 9 July 2018.

Mr Chin has over 30 years' experience in banking, investments, and mining. Prior to serving as a Director of a mining company listed in the TSX (Toronto Stock Exchange) in 2000. Mr Chin worked in the banking industry for 19 years for global financial institutions including Credit Suisse, Standard Chartered Bank, BNP and CIBC, handling project finance, corporate lending, and wealth management in Canada, Hong Kong and Singapore.

Mr Chin is currently a Director of a manufacturing company listed on the Jakarta Stock Exchange. Mr Chin has a degree in Economics from the University of Western Ontario, Canada.

## Company Secretary

**Mr Henry Kinstlinger**, appointed 20 October 2016.

Mr Kinstlinger has in the past thirty years been actively involved in the financial and corporate management of several public companies and non-governmental organisations. He is a professional company secretary and corporate consultant with broad experience in investor and community relations and corporate and statutory compliance. Mr Kinstlinger is a Member of the Australian Institute of Company Directors (MAICD).

## DIRECTORS MEETINGS

The Board of Directors monitored and supervised all Company activity closely. The Company's constitution allows the Directors to pass resolutions equivalent to meetings by way of circulating resolution. During the year, the Board passed 8 circulating resolutions. No Board meetings were held.

The Company has an established Audit and Risk Committee and a Remuneration and Nomination Committee and, in the year ended 30 June 2018, the full Board filled the roles of both committees.

## PRINCIPAL ACTIVITIES

R3D Global Limited provides investor relations, financial media and research for small-mid cap stocks in territories that it regards as its key markets, including Australia, South Africa, Israel and all of Asia except Korea.

## DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made at the date of this report.

## REVIEW OF OPERATIONS

The Company's net loss for the year ended 30 June 2018 was \$617,256 (2017: \$6,548,482).

R3D's team continues to focus on developing an innovative media intelligence software solution that allows communication professional and investor relations clients to gain market and media insights and develop better customer relationships. The beta version of the product was completed in August 2018 and will be launched in November 2018. The Company remains committed to the development of its business globally, focussing on increasing revenue and saving cost.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

For significant changes in the state of affairs, see review of operations above.

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is not subject to any specific environmental regulation in its operations under the law of a State, Territory or Commonwealth of Australia or Asia.

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## DIRECTORS' REPORT

### OPTIONS

There are no options outstanding at the date of this report. There were no options granted which expired during or since the end of financial year.

### INTERESTS IN THE SHARES OF THE COMPANY AND RELATED BODIES CORPORATE

The following table sets out each director's relevant interest in shares of the Company as at the date of this report:

Directors	R3D Global Limited
	Fully paid ordinary shares
	Number
Daniel Yeo Chin Tuan	965,573
Florence Fang	-
Kasudjono Harianto	-
Michael Thirnbeck	-
Tiffany Tsao	-
Muljadi Irawan	-

### INDEMNIFICATION AND INSURANCE OF DIRECTORS, AUDITORS AND OFFICERS

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

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company.

### Indemnifying Officers

The Company has entered into agreements to indemnify directors 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 of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has paid premiums to insure each of the current and former directors and senior executive officers of the Company against liabilities for costs and expenses incurred by them in defending legal proceeding arising from their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The total premiums paid during the year were \$24,660 and the insurance policies do not contain details of the premiums paid in respect of individual officers of the Company.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

### REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for directors and key management personnel of R3D Global Limited.

The Directors of R3D Global Limited during or since the end of the financial year ended 30 June 2018 were:

Name	Position	Appointment	Ceased
Daniel Yeo Chin Tuan	Non-executive chairman	31 March 2017	n/a
Florence Fang	Managing Director & CEO	17 March 2017	n/a
Michael Thirnbeck	Non-executive director	23 December 2013	n/a
Kasudjono Harianto	Non-executive director	22 March 2013	n/a
Tiffany Tsao	Non-executive director	28 March 2017	n/a
Muljadi Irawan	Non-executive director	9 July 2018	n/a
Alberto Migliucci	Non-executive director	13 October 2014	31 August 2017
Yuen Loke Chin	Non-executive director	22 March 2013	9 July 2018

# R3D GLOBAL LIMITED – ANNUAL REPORT

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## DIRECTORS' REPORT

### Remuneration Policy

The remuneration policy of R3D Global Limited has been designed to align key management personnel ("KMP") objectives with shareholder and business objectives. The Board of R3D Global Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

KMP receive a base salary, plus statutory superannuation guarantee contribution, which is currently 9.5%.

All remuneration paid to KMP is valued at the cost to the Company and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration and Nomination Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting.

### Relationship between Remuneration Policy and Company Performance

As the Company is in its commencement phase, no remuneration is linked to performance conditions

The following table shows the gross revenue, profits and dividends for the last 2 years for the Company, as well as the share prices at the end of the respective financial years.

	2017	2018
	\$	\$
Revenue	192,732	124,119
Net profit/(loss)	(6,548,482)	(617,256)
Share price at year-end	0.045	0.01
Dividends paid	Nil	Nil

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## DIRECTORS' REPORT

### Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, KMP of the Company. The table also illustrates the proportion of remuneration that was performance and non-performance based:

Key Management Personnel	Position held as at 30 June 2018 and any change during the year	Contract detail (duration & termination)	Proportions of elements of remuneration related to performance		Proportions of elements of remuneration not related to performance	
			Non-salary cash-based incentives	Options	Fixed Salary/ Fees	Total
			%	%	%	%
Mr Daniel Yeo Chin Tuan	Chairman (Non-Executive)	No fixed term	-	-	100	100
Ms Florence Fang	Managing Director & CEO	No fixed term	-	-	100	100
Michael Thirnbeck	Director (Non-Executive)	No fixed term	-	-	100	100
Mr Kasudjono Harianto	Director (Non-Executive)	No fixed term	-	-	100	100
Dr Tiffany Tsao	Director (Non-Executive)	No fixed term	-	-	100	100
Mr Alberto Migliucci	Director (Non-Executive)*	No fixed term	-	-	100	100
Mr Yuen Loke Chin	Director (Non-Executive)**	No fixed term	-	-	100	100

\* Resigned 31 August 2017

\*\* Resigned 09 July 2018

\*\*\* Mr Muljadi Irawan was appointed a director on 09 July 2018, and accordingly his remuneration is not presented in the table.

The number of shares in the Company held during the financial year by each Director of R3D Global Limited, including their related entities, is set out below:

2018	Balance at the start of the year	Changes during the year	Balance at the end of the year
Ordinary shares	No.	No.	No.
Daniel Yeo Chin Tuan	965,573	-	965,573
Florence Fang	-	-	-
Kasudjono Harianto	-	-	-
Michael Thirnbeck	-	-	-
Tiffany Tsao	-	-	-
Alberto Migliucci#	25,821,863	(12,911,696)	12,910,167
Yuen Loke Chin	-	-	-

# 5,093,755 shares were sold on 11 May 2018 and 7,817,941 shares were sold on 5 June 2018. Mr Migiucci was not a director at the time of either transaction, having resigned on 31 August 2017.

## Mr Muljadi Irawan was appointed a director on 09 July 2018, and accordingly his interests are not presented in the table.

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## DIRECTORS' REPORT

Table of Benefits and Payments for the Year Ended 30 June 2018

		Short-term Benefits Salary \$	Post-employment Benefits Superannuation \$	Termination Benefits \$	Total \$
Daniel Yeo Chin Tuan	2018	-	-	-	-
	2017	-	-	-	-
Florence Fang	2018	104,901	9,966	-	114,867
	2017	24,289	2,550	-	26,839
Kasudjono Harianto	2018	-	-	-	-
	2017	-	-	-	-
Michael Thirnbeck	2018	-	-	-	-
	2017	-	-	-	-
Tiffany Tsao	2018	-	-	-	-
	2017	-	-	-	-
Alberto Migliucci <sup>^</sup>	2018	147,050	25,000	-	172,050
	2017	-	-	-	-
Yuen Loke Chin <sup>^^</sup>	2018	-	-	-	-
	2017	-	-	-	-
Leo Lopez <sup>^^^</sup>	2018	-	-	-	-
	2017	151,387	12,145	-	163,532
<b>Total</b>	<b>2018</b>	<b>251,951</b>	<b>34,966</b>	<b>-</b>	<b>286,917</b>
	<b>2017</b>	<b>175,676</b>	<b>14,695</b>	<b>-</b>	<b>190,371</b>

<sup>^</sup> Resigned 31 August 2017

<sup>^^</sup> Resigned 09 July 2018

<sup>^^^</sup> Resigned 17 March 2017

<sup>^^^^</sup> Mr Muljadi Irawan was appointed a director on 09 July 2018, and accordingly his benefits and payments are not presented in the table.

### Options granted as part of remuneration

No options were granted or outstanding at the date of this report.

### NON-AUDIT SERVICES

The following fees were paid or payable to HLB Mann Judd (Wollongong) Pty Ltd for non-audit services provided during the year ended 30 June 2018: \$1,800. This was for the lodgement and preparation of the Company's 2017 tax return.

The following fees were paid or payable to HLB Mann Judd (Wollongong) Pty Ltd for non-audit services provided during the year ended 30 June 2017: \$17,220.

The Board of Directors is satisfied that the provision of non-audit services during the financial year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Board is satisfied that the services disclosed below did not compromise the external auditor's Independence for the following reasons:

- all non-audit services are reviewed by the Board prior to commencement to ensure that they do not adversely affect the Integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## DIRECTORS' REPORT

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration for the year ended 30 June 2018 is set out on page 13 of the Annual Report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors pursuant to s 298(2) of the Corporations Act 2001.

Signed by



**Florence Fang**

**Managing Director & CEO**

**27 September 2018**

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**AUDITOR'S INDEPENDENCE DECLARATION**

**To the Directors of R3D Global Limited:**

I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



Andrew J Newhouse  
**Registered Company Auditor**  
27 September 2018

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# R3D GLOBAL LIMITED – ANNUAL REPORT

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue – services income	6	124,119	192,732
Other revenue	6	5,001	20,798
Professional fees		(265,645)	(345,458)
ASX listing fee		(28,788)	(15,753)
Employment expenses		(251,526)	(232,721)
Support Services Agreement		-	27,264
Depreciation and amortisation expense		(2,004)	(601,663)
Impairment expense		(22,000)	(5,237,705)
Operations expense		(32,752)	(89,520)
Rent expense		(38,477)	(68,665)
Business meetings, travel & transport		(34,690)	(66,451)
Insurance expense		(24,660)	(33,187)
Website & mobile app fees		(25,150)	(17,228)
Other expenses		(20,684)	(80,925)
<b>Profit/(Loss) before income tax</b>		<b>(617,256)</b>	<b>(6,548,482)</b>
Income tax expense	7	-	-
<b>Profit/(Loss) for the year</b>		<b>(617,256)</b>	<b>(6,548,482)</b>
<b>Other comprehensive income/(loss)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(617,256)</b>	<b>(6,548,482)</b>
<b>Loss per share</b>			
Basic earnings/(loss) per share (cents)	21	(1.50)	(10.47)
Diluted earnings/(loss) per share (cents)	21	(1.50)	(10.47)

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

# R3D GLOBAL LIMITED – ANNUAL REPORT

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		646,881	1,057,920
Trade and other receivables	9	17,640	22,000
Prepayments	10	10,323	9,900
<b>TOTAL CURRENT ASSETS</b>		<b>674,844</b>	<b>1,089,820</b>
<b>NON-CURRENT ASSETS</b>			
Intangible assets	11	6,296	-
Property, plant & equipment	12	3,788	5,021
Investments	13	17,178	20,435
<b>TOTAL NON-CURRENT ASSETS</b>		<b>27,262</b>	<b>25,456</b>
<b>TOTAL ASSETS</b>		<b>702,106</b>	<b>1,115,276</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	250,032	56,997
Provisions	15	11,051	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>261,083</b>	<b>56,997</b>
<b>TOTAL LIABILITIES</b>		<b>261,083</b>	<b>56,997</b>
<b>NET ASSETS</b>		<b>441,023</b>	<b>1,058,279</b>
<b>EQUITY</b>			
Issued capital	16	61,770,159	61,770,159
Accumulated losses		(61,329,136)	(60,711,880)
<b>TOTAL EQUITY</b>		<b>441,023</b>	<b>1,058,279</b>

The above statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Issued capital	Accumulated Losses	Total
	\$	\$	\$
<b>Balance at 1 July 2016</b>	61,770,160	(54,163,398)	7,606,762
Total Comprehensive (Loss)	-	(6,548,482)	(6,548,482)
Share buy-back	(1)	-	(1)
<b>Balance at 30 June 2017</b>	<u>61,770,159</u>	<u>(60,711,880)</u>	<u>1,058,279</u>
<b>Balance at 1 July 2017</b>	61,770,159	(60,711,880)	1,058,279
Total Comprehensive (Loss)	-	(617,256)	(617,256)
<b>Balance at 30 June 2018</b>	<u>61,770,159</u>	<u>(61,329,136)</u>	<u>441,023</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		106,977	175,265
Payments to suppliers and employees		(515,521)	(1,020,819)
Interest received		4,572	9,517
<b>Net cash provided by (used in) operating activities</b>	8	<u>(403,972)</u>	<u>(836,037)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for office equipment		(771)	(2,928)
Payments for intangible assets		(6,296)	-
		<u>(7,067)</u>	<u>(2,928)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share buy-back		-	(1)
<b>Net cash provided by (used in) financing activities</b>		<u>-</u>	<u>(1)</u>
Net increase/(decrease) in cash and cash equivalents held		(411,039)	(838,966)
Cash and cash equivalents at beginning of financial year		1,057,920	1,896,886
<b>Cash and cash equivalents at end of financial year</b>		<u>646,881</u>	<u>1,057,920</u>

The above statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 1: GENERAL INFORMATION

R3D Global Limited ("the Company") is a public company incorporated in Australia, listed on the Australian Securities Exchange.

#### Registered office and principal place of business

Level 12  
210 George Street  
Sydney NSW 2000  
Australia

The financial statements were authorised for issue by the directors of the Company on 27 September 2018.

#### NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial assets.

##### (b) Going concern

The financial report has been prepared on the going concern basis, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

As at 30 June 2018, the Company had net assets of \$441,023 and net current assets of \$413,761, and in the year then ended incurred a loss of \$617,256 and net operating cash outflows of \$403,972. These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern and to pay its debts as and when they become due and payable is dependent upon the Company earning sufficient revenue and reducing its costs. Given the funds available at 30 June 2018, and the approved budget for the 2019 year, the Directors are of the opinion that the Company has sufficient cash to be able to continue as a going concern.

##### (c) Foreign currency translation

#### Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### Transactions and balances

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

#### (d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### Rendering of services

Revenue relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

#### Interest income

Revenue is recognised as the interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### (e) Trade and other receivables

Trade receivables for the activities, which generally have 14 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An allowance for impairment is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or overdue debts are considered objective evidence of impairment.

#### (f) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### (g) Intangible assets

##### Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### **Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### **(h) Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost.

#### **(i) Impairment of Assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets.

#### **(j) Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of 3 months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### **(k) Employee Leave Benefits**

##### **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related services, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

##### **Employee benefit on-costs**

Employee benefit on-costs, including superannuation and workers' compensation insurance, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

#### **(l) Trade and other payables**

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company 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 these goods and services.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

##### **(m) 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 calculated using applicable income tax rates enacted, or substantively enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore 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 directly to equity instead of to profit or loss when the tax relates to items that are credited or charged directly to equity.

##### **(n) Other taxes**

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 (“ATO”).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

##### **(o) Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

##### **(p) Earnings per share**

Basic earnings per share is calculated as net profit adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares and adjusted for any bonus element.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

##### **(q) Comparatives**

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

##### **(r) Critical accounting estimates and judgments**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the Company.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

##### Key estimates

###### *Impairment*

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

During the year ended 30 June 2017, the Company fully impaired the cost of the Intellectual Property Deed (“IP Deed”) agreement with RedChip Companies Inc. The IP Deed allowed for R3D Global Limited to acquire and exploit all the materials as set out in the IP Deed for the world outside of North and South America and online. The impairment expense of \$5,237,705 was recognised in profit or loss for the year ended 30 June 2017.

##### Key judgements

###### *Provision for impairment of receivables*

Included in trade receivables at the end of the reporting period was an amount of \$45,092, owing from several clients, that remains uncollected from periods ranging from September 2016 to May 2017 and at the date of this report. This amount represents 56% of the total trade receivables. A provision for impairment has been brought to account on the basis that this amount may not be collected.

##### (s) Standards and Interpretations on issue not yet adopted

Certain Accounting Standards have been issued by the Australian Accounting Standards Board prior to 30 June 2017 that are not yet mandatorily applicable to the Company. The Company’s assessment of the impact of those standards is discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 July 2018).  
The Standard will be applicable retrospectively 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.  
As the Company already carries its investment in listed shares at fair value through profit or loss, this standard is expected to have no impact.
- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 July 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. Apart from 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.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company'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 July 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 main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application

Although the directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, at this stage an estimate of such impact has not yet been made.

No other Accounting Standards that have been issued prior to 30 June 2018 are expected to have any impact on the future financial statements of the Company.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 3: FINANCIAL RISK MANAGEMENT

##### Objectives and policies and financial instruments

The Company's financial instruments consist mainly of deposits with banks, accounts receivable, investments and accounts payable.

The totals for each category of financial instruments, measured in accordance with *AASB 139: Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018 \$	2017 \$
<b>Financial assets</b>			
Cash and cash equivalents	8	646,881	1,057,920
Trade and other receivables	9	17,640	22,000
Investments	13	17,178	20,435
<b>Total financial assets</b>		<b>681,699</b>	<b>1,100,355</b>
<b>Financial liabilities</b>			
Trade and other payables	14	250,032	56,997
<b>Total Financial liabilities</b>		<b>250,032</b>	<b>56,997</b>

##### Financial Risk Management Policies

The Board of Directors monitors the Company's financial risk management policies and exposures and approves financial transactions. It also reviews the effectiveness of internal controls relating to counterparty credit risk, currency risk, liquidity risk and interest rate risk.

##### Specific Financial Risk Exposures and Management

The main risks that the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (equity price risk). There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

##### Credit risk

There are no significant concentrations of credit risk within the Company.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The class of assets described as 'Trade and other receivables' is considered to be the main source of credit risk.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 14 to 30 days from the invoice date.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 3: FINANCIAL RISK MANAGEMENT (Cont.)

##### Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to its trade and other payables. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile; and
- only investing surplus cash with major financial institutions.

Other payables are payable within 1 year.

##### Market risk

###### *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The financial instruments that primarily expose the Company to interest rate risk are cash and cash equivalents. The Company is not aware of any significant risk relating to interest rates.

###### *Foreign exchange risk*

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the AUD functional currency of the Company. The Company is not aware of any such risk.

###### *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or currency risk) for commodities. The Company is not aware of any such risk, other than in relation to its investments. As the Company's investments are listed securities, there is the risk that the market price of these investments will fall, due to economic and market factors.

##### Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	<b>Profit</b> \$	<b>Equity</b> \$
<b>Year to 30 June 2018</b>		
+/- 100 basis points in interest rates	6,469	6,469
<b>Year to 30 June 2017</b>		
+/- 100 basis points in interest rates	10,579	10,579

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 3: FINANCIAL RISK MANAGEMENT (Cont.)

##### Fair Values

##### Fair value estimation

The fair values of financial assets and financial liabilities approximate their carrying amounts. Refer to Note 4 for detailed disclosures regarding the fair value measurement of the Company's financial assets and financial liabilities.

#### NOTE 4: FAIR VALUE MEASUREMENTS

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Shares in listed companies

##### Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

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

The Company's investments, being shares in listed companies, are all in level 1.

#### NOTE 5: SEGMENT INFORMATION

The directors have considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded at this time that there are no separately identifiable segments. The Company operates solely as a provider of investor relations, financial media and research for small-mid cap stocks.

#### NOTE 6: REVENUE AND OTHER INCOME

	2018 \$	2017 \$
Revenue		
Services income	124,119	192,732
Other revenue		
Interest revenue	4,572	9,518
Other income	429	11,280
	<u>5,001</u>	<u>20,798</u>

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 7: INCOME TAX

	2018 \$	2017 \$
<b>The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:</b>		
Prima facie tax (benefit)/expense on (loss)/profit before income tax at 27.5% (2017: 27.5%)	(169,745)	(1,800,833)
Non-deductible amounts	-	44,664
Tax losses not recognised	109,598	1,736,313
Other deferred tax assets not recognised	60,147	19,856
Income tax expense	-	-

The franking account balance of the Company at 30 June 2018 is \$ Nil (30 June 2017: \$ Nil).

The available gross tax losses of the Company at 30 June 2018 are \$ Nil (30 June 2017: \$6,985,003).

### NOTE 8: RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH PROFIT/(LOSS) AFTER TAX

	2018 \$	2017 \$
Profit/(Loss) after income tax	(617,256)	(6,548,482)
<i>Non-cash flows in profit:</i>		
Non-cash income	(428)	-
Depreciation and amortisation	2,004	601,663
Impairment	22,000	5,237,705
Change in fair value of investments	3,685	3,015
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(17,640)	(6,123)
(Increase)/decrease in prepayments	(423)	-
Increase/(decrease) in trade and other payables	193,035	(123,815)
Increase/(decrease) in provisions	11,051	-
<b>Net cash flow from operations</b>	<b>(403,972)</b>	<b>(836,037)</b>

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 9: TRADE AND OTHER RECEIVABLES

	2018 \$	2017 \$
<b>CURRENT</b>		
Trade receivables	62,732	45,092
Provision for impairment	(45,092)	(23,092)
Total current trade and other receivables	17,640	22,000

#### Provision for Impairment of Receivables

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 01/07/2017 \$	Change for the Year \$	Amounts Written Off \$	Closing Balance 30/06/2018 \$
Current trade receivables	(23,092)	(22,000)	-	(45,092)
	(23,092)	(22,000)	-	(45,092)

#### Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty or company of counterparties other than those receivables specifically provided for and mentioned within Note 9. The class of assets described as “trade and other receivables” is considered to be the main source of credit risk related to the Company.

The following table details the Company’s trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as “past due” when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction.

	Gross Amount \$	Past Due and Impaired \$	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms \$
			< 30 \$	31–60 \$	61–90 \$	> 90 \$	
<b>2018</b>							
Trade and term receivables	62,732	45,092	-	-	-	-	17,640
Total	62,732	45,092	-	-	-	-	17,640

	Gross Amount \$	Past Due and Impaired \$	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms \$
			< 30 \$	31–60 \$	61–90 \$	> 90 \$	
<b>2017</b>							
Trade and term receivables	45,092	23,092	5,500	-	11,000	5,500	-
Total	45,092	23,092	5,500	-	11,000	5,500	-

### NOTE 10: PREPAYMENTS

	2018 \$	2017 \$
<b>CURRENT</b>		
Prepayments	10,323	9,900
Total prepayments	10,323	9,900

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# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 11: INTANGIBLE ASSETS

	2018 \$	2017 \$
<b>Carrying amounts of</b>		
Intellectual Property Deed (IP Deed)	-	-
R3D Platform Intellectual Property	6,296	-
Total intangible assets	<u>6,296</u>	<u>-</u>
<b>Movement:</b>		
Balance at beginning of year	-	5,837,705
R3D Platform Intellectual Property acquisition costs	6,296	-
Amortisation expense	-	(600,000)
Impairment expense	-	(5,237,705)
Balance at end of financial year	<u>6,296</u>	<u>-</u>

During the year ended 30 June 2018, the Company contracted with a software and application developer to build a software platform, known as the R3D Platform. The R3D Platform is a new integrated media platform for direct digital marketing analysis and email campaigning. The R3D Platform will be officially launched during the next financial year.

During the year ended 30 June 2017, the Company fully impaired the cost of the IP Deed agreement with RedChip Companies Inc. as the recoverable amount of the asset could not be reliably measured. The IP Deed allows for R3D Global Limited to acquire and exploit all the materials as set out in the IP Deed for the world outside of North and South America and online. The impairment expense of \$5,237,705 is recognised in profit or loss.

#### NOTE 12: PROPERTY, PLANT & EQUIPMENT

	2018 \$	2017 \$
<b>Plant &amp; Equipment</b>		
Office equipment – at cost	7,458	6,687
Provision for depreciation	(3,670)	(1,666)
Carrying value	<u>3,788</u>	<u>5,021</u>
	<b>Office equipment \$</b>	<b>Total \$</b>
<b>Movements:</b>		
<b>Balance at 1 July 2016</b>	3,756	3,756
Additions	2,928	2,928
Depreciation expense	(1,663)	(1,663)
<b>Balance at 30 June 2017</b>	<u>5,021</u>	<u>5,021</u>
Additions	771	771
Depreciation expense	(2,004)	(2,004)
<b>Balance at 30 June 2018</b>	<u>3,788</u>	<u>3,788</u>

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 13: INVESTMENTS

	2018	2017
	\$	\$
Listed investments: at fair value through profit or loss	17,178	20,435

### NOTE 14: TRADE AND OTHER PAYABLES

	2018	2017
	\$	\$
Unsecured liabilities:		
Trade payables	5,951	9,848
Other payables	244,081	47,149
Total current trade and other payables	250,032	56,997

Trade payables and other payables are non-interest bearing and are normally settled on 30 days - 150 days terms.

#### Financial liabilities at amortised cost classified as trade and other payables

	2018	2017
	\$	\$
Trade and other payables:		
Total current	250,032	56,997
Total non-current	-	-
	250,032	56,997

### NOTE 15: PROVISIONS

	2018	2017
	\$	\$
Provision for annual leave	11,051	-

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

### NOTE 16: ISSUED CAPITAL

<b>a) Movement in shares on issue</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Fully paid ordinary shares at the beginning of the year	61,770,159	61,770,160
Share buy-back#	-	(1)
Fully paid ordinary shares at end of the year	61,770,159	61,770,159

  

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Balance at beginning of financial year	41,147,058	71,147,058
Share buy-back#	-	(30,000,000)
Balance at end of financial year	41,147,058	41,147,058

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Fully paid ordinary shares participate in the winding up of the company in proportion to the number of securities held.

#On 17 March 2017 the Company bought back 30,000,000 ordinary shares in accordance with the terms of the buy-back agreement entered into between the Company and RedChip Companies Inc. The shares were bought back for \$1 and subsequently cancelled, resulting in the percentage holdings of all other shareholders increasing on a proportionate basis.

#### Capital Management

Management controls the capital of the Company in order to maintain a sustainable debt to equity ratio, generating long-term shareholder value and ensuring that the Company can fund its operations and continue as a going concern. The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

The Company is not subject to any externally imposed capital requirements.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 17: INTEREST OF KEY MANAGEMENT PERSONNEL (“KMP”)

Refer to the Remuneration Report contained in the Directors’ Report for details of the remuneration paid or payable to each member of the Company’s key management personnel for the year ended 30 June 2018.

The key management personnel during the years ended 30 June 2018 and 2017 were as follows:

2018	2017
Mr Daniel Yeo Chin Tuan	Mr Daniel Yeo Chin Tuan – Appointed 28 March 2017
Ms Florence Fang	Ms Florence Fang – Appointed 17 March 2017
Mr Kasudjono Harianto	Mr Kasudjono Harianto
Mr Michael Thirnbeck	Mr Michael Thirnbeck
Dr Tiffany Tsao	Dr Tiffany Tsao – Appointed 28 March 2017
Mr Alberto Migliucci – Resigned 31 August 2017	Mr Alberto Migliucci
Mr Yuen Loke Chin – Resigned 9 July 2018	Mr Yuen Loke Chin
	Mr Leo Lopez – Resigned 17 March 2017

The totals of remuneration paid to KMP of the Company during the year are as follows:

	2018 \$	2017 \$
Short-term employee benefits	251,951	175,676
Post-employment benefits	34,966	14,695
Share-based payments	-	-
	<u>286,917</u>	<u>190,371</u>

#### Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 17: INTEREST OF KEY MANAGEMENT PERSONNEL (“KMP”) (Cont.)

##### Post-employment benefits

These amounts are the current-year’s costs of providing for superannuation contributions made during the year.

##### Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

The number of shares in the Company held during the financial year by each Director of R3D Global Limited and Key Management Personnel of the Company, including their related entities, are set out below:

2018	Balance at the start of the year	Changes during the year	Balance at the end of the year
Ordinary shares	No.	No.	No.
Daniel Yeo Chin Tuan	965,573	-	965,573
Florence Fang	-	-	-
Kasudjono Harianto	-	-	-
Michael Thirnbeck	-	-	-
Tiffany Tsao	-	-	-
Alberto Migliucci#	25,821,863	(12,911,696)	12,910,167
Yuen Loke Chin	-	-	-

# 5,093,755 shares were sold on 11 May 2018 and 7,817,941 shares were sold on 5 June 2018.

2017	Balance at the start of the year	Changes during the year	Balance at the end of the year
Ordinary shares	No.	No.	No.
Daniel Yeo Chin Tuan*	893,438	72,135	965,573
Florence Fang^	-	-	-
Kasudjono Harianto	-	-	-
Michael Thirnbeck	-	-	-
Tiffany Tsao*	-	-	-
Alberto Migliucci#	25,821,863	-	25,821,863
Yuen Loke Chin	-	-	-
Leo Lopez+	-	-	-

# 23,821,863 shares were held by Petra Pacific Pte Ltd and 2,000,000 shares were held by Petra Commodities Pte Ltd.

\* Appointed 28 March 2017 - balance at the start of the year represents the balance at this date.

+ Appointed 1 September 2016, resigned 17 March 2017 - balance at the start of the year represents the balance at 1 September 2016. Balance at end of the year represents balance at 17 March 2017.

^ Appointed 17 March 2017 - balance at the start of the year represents the balance at this date.

#### NOTE 18: DIVIDENDS

No dividends were paid to members during the financial year or prior year.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 19: AUDITOR'S REMUNERATION

	2018 \$	2017 \$
Audit or review of financial statements	28,000	30,000
Related party of Mr A. Newhouse:		
Other services - Tax	1,800	17,220
	29,800	47,220

#### NOTE 20: RELATED PARTIES

##### Transactions with related parties:

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no transactions with related parties during 2018, other than as disclosed in note 17.

No amounts were receivable from or payable to related parties at the end of the year or at the end of the prior year.

The following transactions occurred with related parties during 2017:

- The Company terminated the Support Services Agreement (“SSA”) with RedChip Companies Inc. pursuant to the terms of the SSA, which permitted termination for more than 4 breaches of the SSA. As a result of the termination of the SSA, the Company was no longer entitled to the services of RedChip Companies Inc. under the SSA. The Company and its third party suppliers now perform all back office, operational and sales and marketing functions.
- The Company bought back 30,000,000 ordinary shares in accordance with the terms of the Buy-back Agreement entered into between the Company and RedChip Companies Inc. The shares were bought back for \$1 and subsequently cancelled, resulting in the percentage holdings of all other Shareholders increasing on a proportionate basis.

#### NOTE 21: EARNINGS PER SHARE

Basic earnings/(loss) per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of any dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings/(loss) per share computations:

	2018 \$	2017 \$
Profit/(Loss) for the year attributable to members	(617,256)	(6,548,482)
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares for basic earnings per share	41,147,058	62,516,921
Effect of dilution	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	41,147,058	62,516,921

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 22: COMMITMENTS

The Company's commitments as at 30 June 2018 are rent payments of \$2,050 per month until such time that the lease agreement is terminated.

The Company had no commitments as at 30 June 2017.

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# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## DIRECTORS' REPORT

1. In the directors' opinion:
  - (a) the financial statements and notes set out on pages 14 to 35 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declaration by the chief executive officer for the year ended 30 June 2018 required by section 295A of the *Corporations Act 2001*.
3. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the board of directors of R3D Global Limited.



**Florence Fang**  
**Managing Director & CEO**  
**27 September 2018**

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018



Accountants | Business and Financial Advisers

## Independent Auditor's Report

To the Members of R3D Limited

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

I have audited the financial report of R3D Limited ("the Company") which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company on 27 September 2018, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Material Uncertainty Related To Going Concern

I draw attention to Note 1(b) in the financial report, which indicates that the Company incurred a net loss of \$617,256 during the year ended 30 June 2018 and, as of that date, the Company's current assets exceeded its **current** liabilities by \$413,761. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, I have determined that there are no key audit matters to communicate in my report.

**HLB Mann Judd (Wollongong) Pty Ltd ABN 20 073 798 615**

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# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon.

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

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

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

## Responsibilities of the Directors for the Financial Report

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

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Opinion on the Remuneration Report

I have audited the Remuneration Report included in pages 11 to 13 of the directors' report for the year ended 30 June 2018.

In my opinion, the Remuneration Report of R3D Global Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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



Andrew Newhouse  
**Registered Company Auditor**  
Wollongong, NSW  
27 September 2018

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES – UNAUDITED

The following additional information is required by the ASX Limited in respect of listed public companies only. Shareholders information set out below was applicable at 31 August 2018.

### 1. Shareholdings

#### a. Distribution of Shareholders

Category	Number of equity security holders	
	Ordinary shares	
1 - 1,000	428	
1,001 - 10,000	399	
10,001 - 100,000	64	
100,001 and over	17	

b. The number of shareholdings held in less than marketable parcel is 887.

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number Ordinary
Petra Pacific Pte Ltd	7,910,167
Indonoble Res Pte Ltd	7,817,941
Guilford Entps Ltd	5,443,755
German Bulk Carrier Inc	3,500,000
Whatt Ng Han	3,500,000

#### d. Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2018

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES – UNAUDITED

### e. 20 Largest Shareholders – Ordinary Shares

	<b>Name</b>	<b>Number of Ordinary Fully Paid Shares Held</b>	<b>% Held of Issued Ordinary Capital</b>
1	Petra Pacific Pte Ltd	7,910,167	19.22%
2	Indonoble Res Pte Ltd	7,817,941	19.00%
3	Guildford Entps Ltd	5,443,755	13.23%
4	German Bulk Carrier Inc	3,500,000	8.51%
5	Whatt Ng Han	3,500,000	8.51%
6	Petra Commodities Pte Ltd	2,000,000	4.86%
7	Muliawan Rolex	1,115,000	2.71%
8	Tuan Daniel Yeo Chin	893,438	2.17%
9	Taraville PL	859,961	2.09%
10	Diamond Mountain Wealth C	750,000	1.82%
11	Gioquest Ltd	700,000	1.70%
12	Ooi Douglas	500,000	1.22%
13	Kim Leslie Kuek Bak	500,000	1.22%
14	Crossroads Inv Pte Ltd	428,135	1.04%
15	Baek Kwon Woo	300,000	0.73%
16	Leggett Jaimes William A	109,829	0.27%
17	Henderson Noel R + J	100,109	0.24%
18	CS Fourth Nom PL	77,684	0.19%
19	Torrington Fiona Helen	77,202	0.19%
20	HSBC Custody Nom Aust Ltd	72,135	0.18%
		<hr/>	
		36,655,356	89.08%

### 2. Stock Exchange Listing

The Company has been admitted to the Official List of the Australian Securities Exchange (“ASX”).

### 3. Difference in results reported to Australian Securities Exchange

The results reported to the ASX in the preliminary final report do not differ from those reported in the annual report.