

# COASSETS LIMITED

ACN 604 341 826

## Appendix 4E

### Year ended 30 JUNE 2019

Comparative period: Year ended 30 June 2018

#### Results for announcement to the market

				<b>30 June 2019 S\$</b>
Revenue from ordinary activities	up	319%	to	12,407,119
Profit from ordinary activities after tax attributable to members	up	from a loss of \$(889,286)	to	1,889,936
Net Profit for the period attributable to members	up	from a loss of \$(889,286)	to	1,889,936

No dividends have been paid or are proposed

A statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, segmental results and associated notes are contained within the attached annual report, which also contains a comprehensive review of the performance of the Group during the period within the Chairman's letter and Director's report

	<b>30 June 2019 cents</b>	<b>30 June 2018 cents</b>
Net Tangible Assets per security	5.7	5.1

The Group acquired 100% of the share capital of Lounge 7 Pte Ltd on 20 December 2018, which is a minor subsidiary company involved in real estate and not material to the group's results. Control has not been gained or lost over any other entities during the period.

The Group has one associate, details of which are provided within the attached annual report. The Group has no joint ventures.

The financial report attached has an unqualified independent audit report.

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# ANNUAL REPORT

# 2019

COASSETS LIMITED  
ACN 604 341 826

30 JUNE 2019

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### Directors

Getty Goh Te-Win  
CEO and Executive Chairman

Jeffrey Chi  
Non-executive Director

Seh Huan Kiat  
Chief of Staff

David Garry  
Non-executive Director

Aaron Garry  
Non-executive Director



Company Secretary  
Swapna Keskar

Auditors  
DFK Laurence Varnay Audit Pty Ltd  
Level 12 222 Pitt Street  
Sydney NSW 2000

Registered Office  
c/o Company Matters  
Level 12 680 George Street  
Sydney NSW 2000  
Telephone: +61 2 8280 7355  
Facsimile: +61 2 9287 0350

Stock Exchange Listing  
CoAssets Limited shares  
are listed on the Australian  
Securities Exchange  
Code: CA8

Share Registry  
Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross, WA 6153  
+61 8 9315 2333

Company Website  
[www.coassets.com](http://www.coassets.com)

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## OUR VISION

***To be a wealth platform where investors can access credible and profitable non-traditional investments***

## OUR MISSION

***To grow our investors wealth of offering them carefully curated and robustly structured non-traditional investment products online***

### Who are we?

CoAssets Limited (“CoAssets” or the “Group”) is a public company listed in Australia, primarily engaged in online funding, corporate lending and financial technology advisory business (“fintech”).

The Group operates an online funding platform in Singapore through its wholly owned subsidiary, CoAssets Pte Ltd, which has a CMS Licence to deal in securities. CoAssets also operates an online funding platform in China through CoAssets China, a joint venture company with its local Chinese partners. Apart from being an online funding platform, the Group engages in corporate lending through its wholly-owned subsidiary, CoAssets International Pte Ltd. The Group also has an accredited investor fund called the CoAssets Stirling Fort Absolute Return Fund (“CASFAR”).

The Group invests in financial technology (“fintech”) companies that enhance CoAssets’ online financial ecosystem. Past acquisitions include Da Xiang Bing (a Chinese product online platform), Fintech Pte Ltd (a Hong Kong online cash management platform) as well as Brighten Finance Ltd (a licensed money lender in Hong Kong). With offices in Australia, China, Hong Kong and Singapore and a registered investor base of more than 600,000 from around the region, CoAssets aims to become a leading online financial platform for Asia.

### Our Story

CoAssets Pte Ltd was established in 2013 by Getty Goh and Dr Seh Huan Kiat, shortly after the introduction of the United States’ JOBS Act in 2012, with the mission of making funding and financial technology accessible. While CoAssets’ business model has evolved and sharpened over the years, the mission remains unchanged.

Through technology, the Group is able to forge strong partnerships around the region and roll out innovative financial technology solutions. In line with CoAssets’ vision of becoming a leading online financial platform, the Group will continue to seek out opportunities to provide innovative digital solutions for regional financial markets.

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## CHAIRMAN'S LETTER



### COASSETS ASPIRES TO BECOME A FINANCIAL PLATFORM IN THE NON- TRADITIONAL INVESTMENT SPACE

Getty Goh,  
Executive Chairman

Dear Shareholder,

On behalf of the Board of Directors of CoAssets (also known as “CoAssets” or “the Group”), I am pleased to share the Group’s Annual Report for Financial Year 2019.

As a whole, this has been a record year for CoAssets as this is the first time our revenue has exceeded the S\$10million mark. The 319.12% jump in revenue, from the restated revenue of \$2.96million the year before, is very encouraging. This goes to show that our business transformation, which we embarked in 2017, is reaping results. To give you a sense of how the company is doing overall, some of the other key financial highlights are as follows:

- **Revenue for FY19 was S\$12.41million;** while FY18 was restated at S\$2.96million. This works out to be an increase of about 319.12%.

- **Net Operating Income (NOI) for FY19 was S\$9.54million;** while FY18 was restated S\$1.98million. This works out to be an increase of about 380.73%.

- **Profit after tax for FY19 was S\$1.64million;** while FY18 was restated at -\$S\$1.1million.

- **Operating Expenses for FY19 was S\$8.24million;** while FY18 was S\$5.36million. The increase of 53.81% reflects more business activities undertaken by CoAssets.

- **Total Assets for the Group in FY19 was S\$47.84million;** while FY18 was S\$28.93million. This works out to be an increase of about 65.35%.

**Restatement of FY2018 Financial Results due to the adoption of AASB 15**  
Before I proceed further, one thing

that shareholders may wish to note is that figures for the prior year (FY18) have been restated due to the adoption of *AASB 15 Revenue from Contracts with Customers*. This new accounting standard is applicable to annual reporting periods beginning on or after 1 January 2018, and has been adopted for the current reporting period with comparable figures restated.

Under the new standards, revenue is recognised when control of goods or services is transferred within a performance obligation. In comparison, revenue was previously recognised on the transfer of risks and rewards under the *IAS 18 Revenue* standard. This change impacts online funding and finance line arrangement fees and the implication is that revenue is now recognised over the period of the loans, whereas it was previously recognised at the point of time when legal arrangements were finalised. To illustrate, a 5% online funding service fee that was previously recognised at the point of funds disbursement under the *IAS 18 Revenue* standard will now have to pro-rate the revenue recognition based on the loan maturity.

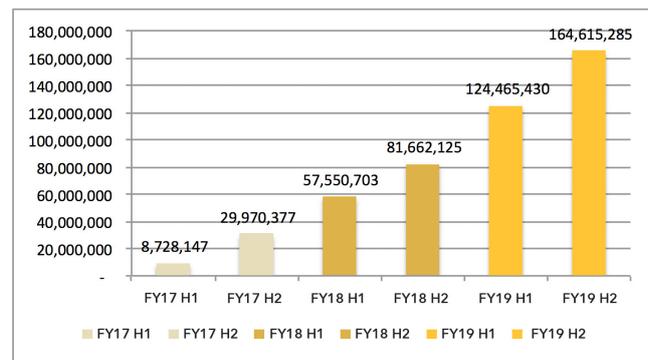
At this juncture, I would like to share some of the highlights in the last 12 months as well as some of plans in the year ahead. For the purpose of this Chairman's letter, those who own CoAssets shares shall be referred to as "shareholders" while those who invest in our funding products shall be referred to as "investors" or "funders".

#### Significant increase in business transactions

As a quick recap, the Group's 3 main revenue streams are: **(1) online funding, (2) corporate lending** and **(3) financial technology advisory**. In terms of business, nothing has materially changed in the last 6 months since the Interim Report was released and we have been growing from strength to strength. In terms of strategy, we are focused on investing in growth areas as well as right-sizing the non-performing ones.

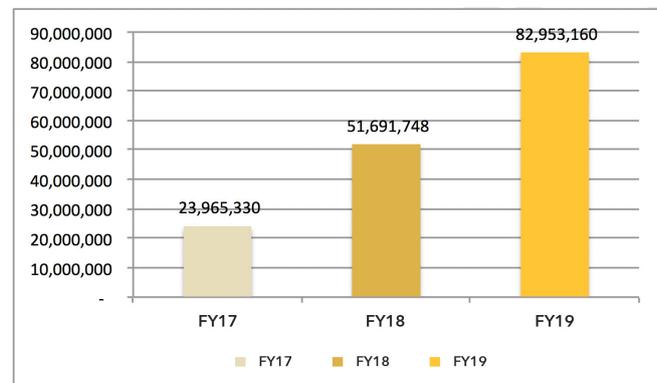
Overall, the Group's cumulative transactions grew strongly in FY 2019. Transaction is defined as the amount of funds facilitated by the Group via online funding and through the corporate cash management service, as well as corporate loans provided. As a financial technology company, I wanted to give our shareholders an idea of how many deals the Group is handling. As at 30 Jun 2019, the total cumulative figure amounted to S\$164,615,285 (see Figure 1).

**Figure 1: Total Cumulative Transactions (S\$) till 30 Jun 2019**



Comparing year-on-year performance (see Figure 2), the amount of transactions done by the Group in FY2019 was S\$82.95million. This works out to be about 60% growth from the year before.

**Figure 2: Comparative analysis of CoAssets Group transactions (S\$) for the respective periods**



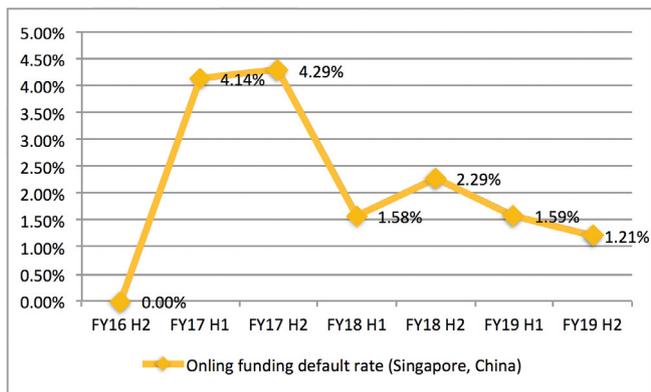
From time-to-time, the Group comes across opportunities to work with external partners to undertake joint financial technology projects. Some examples include working on the technical development of a block chain exchange as well as an online corporate cash management system. In FY19, the financial technology advisory business amounted to about S\$6.77million. It is still too early to determine the long-term prospects of the financial technology advisory business, due to the irregular nature of an advisory business. Nonetheless, we will continue to provide this service when the opportunity arises, as financial technology advisory generates considerable income that can help fund the company's growth.

#### Decreasing Default Rates - better risk monitoring

In terms of default rates, we have been closely monitoring it and we are pleased to share that they have been on a decline.

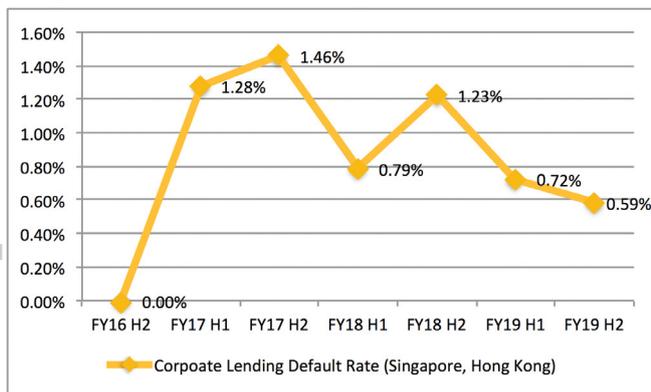
A default is deemed to have happened if as a borrower goes bankrupt and unable to repay the loans. In terms of online funding, our overall default rate dropped in FY2019. Based on Figure 3, the combined default rate for online funding in Singapore and China is currently at 1.21%. This is primarily due to the fact that we are working with partners to source better deals.

**Figure 3: Online funding default rate trend (Singapore and China)**



In terms of corporate lending, the default rate has also dropped. For FY19 H2, the percentage dropped to 0.59% (see Figure 4). As our business matures, we are continuously coming up with better ways to monitor and manage our risks. Lowering our default rate is an ongoing process and we will continue to work hard to bring the percentage down.

**Figure 4: Corporate lending default rate trend**



**MOVING AHEAD**

As we grow, it becomes increasingly clear to me how CoAssets is working towards becoming a financial platform in the non-traditional investment space. You might be wondering, what's the difference between crowdfunding and being a non-traditional investment platform?

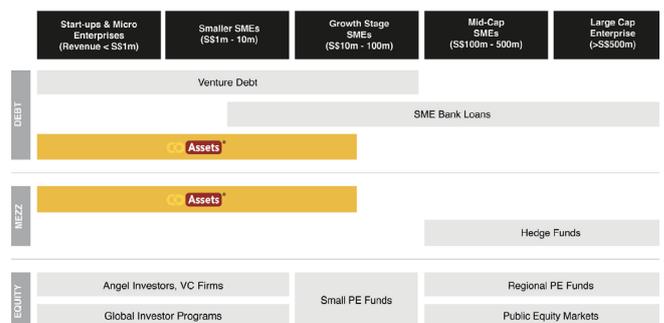
For crowdfunding, we were just focused on serving SMEs that needed money but could not get it from the existing banks/ financial institutions. When we first started, passing the Risk Assessment Model was the only condition. As we grow, the management team and I realised that this business model

is haphazard and not very scalable in the countries that we operate in. This is because, by the time a business owner comes to us, he would be in very desperate need of funds. Based on that borrower profile, it is also highly questionable whether he's able to pay back the loans. Hence, the management team and I felt that the crowdfunding business model was rather reactive as the initiative did not lie with the company.

Being a non-traditional investment platform, there is no change to the mechanics of connecting those who have funds to those who need them. The main difference is that rather than serving any SMEs, we work with funds and financial institutions and let investors invest in deals curated by them. Naturally, we will do our own due diligence on the deals brought in by these funds/financial institutions, however such arrangements allow us to focus on our strength – being a distribution platform to serve our investors and users well.

If you read CoAssets' FY2017 Annual Report, I wrote that we aspired towards being a financial platform. In that report, I also highlighted the funding niche that the Group aims to operate in (see Figure 5). Looking at where we are today, there has been no change in direction and we have continued to execute the direction set out 2 years ago.

**Figure 5: Funding Niche that CoAssets operates in (extract from FY2017 Annual Report)**



**CONCLUSION**

In conclusion, we are still a young company and there are many things that we have yet to accomplish.

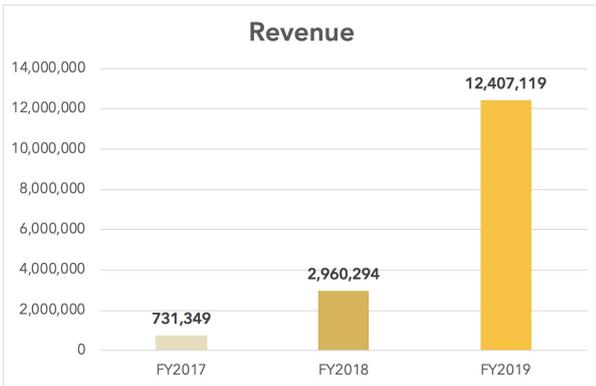
Based on FY2019's full year results, we are very encouraged that our financial results are on more stable financial footing. At this point, I would like to personally thank all the investors who have invested during our IPO and are still with us. On behalf of my team, we appreciate your faith and continuous support. We are working hard to increase shareholder value and we look forward to the day when our share price will be more than the IPO price.

Thank you once again.

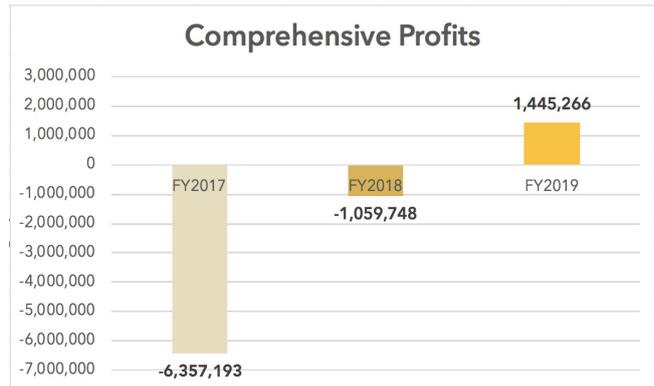
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# DIRECTORS' COMPARATIVE ANALYSIS OF FULL YEAR RESULTS FROM FY2017 AND FY2019 (S\$)

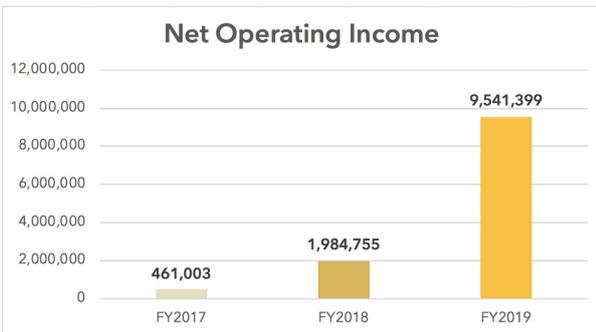
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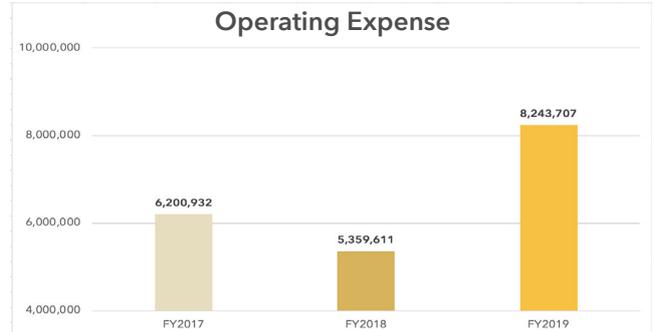
Revenue for FY19 was S\$12,407,119; while restated FY18 was S\$2,960,294. This works out to be a percentage increase of about 319.12%.



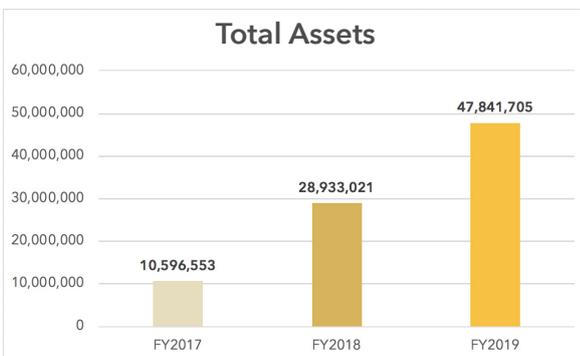
Total comprehensive income for FY19 was S\$1,445,266; while restated FY18 was -S\$1,059,748.



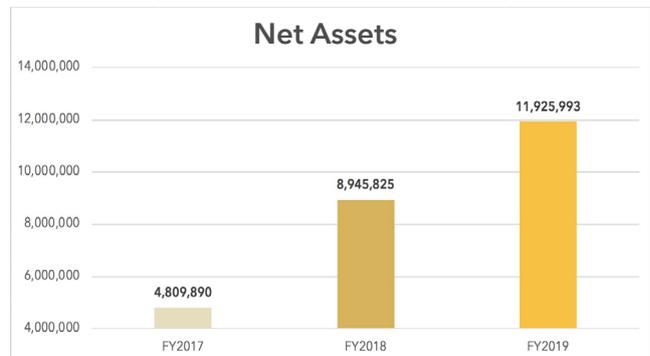
Net Operating Income (NOI) for FY19 was S\$9,541,399; while FY18 was S\$1,984,755. This works out to be a percentage increase of about 380.73%.



Operating Expenses for FY19 was S\$8,243,707; while FY18 was S\$5,359,611. The increase of 53.81% reflects more business activities undertaken by CoAssets Group.



Total Assets for FY19 was S\$47,841,705; while FY18 was S\$28,933,021. This works out to be a percentage increase of about 65.35%.



Net Assets for FY19 was S\$11,925,993; while FY18 was S\$8,945,825. This works out to be a percentage increase of about 33.31%.



# DIRECTORS' REPORT

Your directors present their financial report of the consolidated entity consisting of CoAssets Limited ("CA8 or the "Company") and the entities it controlled at the end of, or during the financial year ended 30 June 2019 (together the "Group"). All amounts are stated in Singapore dollars (S\$) unless otherwise noted.

## DIRECTORS OF COASSETS LIMITED

The names of each person who has been a director during the period and who continue in office at the date of this report (unless otherwise stated) are:

**Getty Goh Te-Win** (Chief Executive Officer)

**Seh Huan Kiat** (Chief of Staff)

**Chen Chik (Nicholas) Ong** (Independent Non-Executive Director) (*Resigned 1 July 2019*)

**Jeffrey Chi** (Independent Non-Executive Director)

**David Garry** (Independent Non-Executive Director)

**Aaron Garry** (Independent Non-Executive Director) (*Appointed 1 July 2019*)

## SENIOR EXECUTIVES OF COASSETS LIMITED

**COL (NS) Lawrence Lim** (Chief Operating Officer) (*Resigned 2 May 2019*)

**Heng Aik Kwang** (Director of Operations (Controls & Regulation))

## INFORMATION ON DIRECTORS DURING AND SINCE THE END OF THE FINANCIAL YEAR UNDER REVIEW



### Getty Goh Te-Win

(*Appointed 18 March 2015; Executive Chairman since 1 March 2017*)

(*Executive Chairman and a member of the Audit & Risk Committee*)

Mr Goh is the Chief Executive Officer and co-founder of CoAssets Pte Ltd. He holds both a Bachelor in Building Science and a Masters of Real Estate from National University of Singapore. Mr Goh resides in Singapore.

#### Directorships in the Last Three Years

Mr Goh did not serve as a Director of any other listed companies in the last three years.

### Huan Kiat Seh

(*Appointed 18 March 2015*)

(*Executive Director and a member of the Remuneration and Nomination Committee*)

Dr Seh is a co-founder of CoAssets Pte Ltd. He holds a Bachelors degree from Imperial College London and a PhD from Massachusetts Institute of Technology. Before working on CoAssets, he worked at Intel for six years, managing suppliers in Japan and Taiwan. During that time he deployed and managed supplier data portals for rapid manufacturing data exchanges and real-time reporting. Dr Seh is in charge of product and IT architecture design. Dr Seh resides in Singapore.

#### Directorships in the Last Three Years

Dr Seh did not serve as a Director of any other listed companies in the last three years.





### Chen Chik (Nicholas) Ong

*(Appointed 18 March 2015; Non-Executive Chairman to 1 March 2017; Resigned 1 July 2019)  
(Independent Non-Executive Director)*

Mr Ong was a Principal Adviser at the Australian Securities Exchange in Perth and has ten years' experience in listing rules compliance and corporate governance. He was an active member of the ASX JORC Group and has overseen the admission of over 100 companies to the official list of the ASX. Mr Ong is a member of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia. Mr Ong resides in Western Australia.

#### Directorships in the Last Three Years

Excelsior Gold Limited (ASX:EXG) (resigned 22 September 2016)  
Fraser Range Metals Group Ltd (ASX:FRN) (resigned 8 March 2016)  
Auroch Minerals Limited (ASX:AOU) (resigned 29 June 2016)  
Tianmei BG Corp Ltd (ASX: TB8) (resigned 15 February 2018)  
Arrow Minerals Limited (ASX: AMD) formerly known as Segue Resources Limited (ASX:SEG) (current)  
Vonex Limited (ASX: VN8) (current)



### Jeffrey Chi *(Appointed 15 February 2016)*

*(Independent Non-executive Director, Chairman of the Audit & Risk Committee and member of the Remuneration & Nomination Committee)*

Dr. Chi is Managing Director of Vickers Venture Partners, and a member of its Investment Committee and is the Ex-Chairman of the Singapore Venture Capital & Private Equity Association. Dr. Chi also sits on the Engineering & Technology Management Departmental Consultative Committee at the National University of Singapore. Dr. Chi is a Chartered Financial Analyst, and graduated from Cambridge University with 1st Class Honours in Engineering. He earned his PhD from the Massachusetts Institute of Technology in Organizational Knowledge and Information Technology.

#### Directorships in the Last Three Years

Dr Chi did not serve as a Director of any other listed companies in the last three years.



### David Garry *(Appointed 1 March 2017)*

*(Independent Non-Executive Director and a member of the Audit & Risk Committee and Chairman of the Remuneration and Nomination Committee)*

David has a wealth of experience in the Australian Small and Medium Enterprise (SME) sector. He is Fellow of the Institute of Company Directors, Governance Institute of Australia, as well as the Institute of Public Accountants. He was involved in listing his own firm David Garry Holdings Limited on the ASX in 1991. He also owned an unlisted Public Company (acquired in 2000) in the financial services industry that has A\$45million funds under management.

#### Directorships in the Last Three Years

Mr David Garry did not serve as a Director of any other listed companies in the last three years.



**Aaron Garry** (Appointed 1 July 2019)  
 (Independent Non-Executive Director and a member of the Audit & Risk Committee)

Aaron holds a Graduate Diploma of Chartered Accountants and a Graduate Diploma of Applied Finance and is a highly qualified senior financial and compliance specialist with more than 12 years' relevant experience and a strong track record working for blue chip companies within the financial services industries across Australia and the U.K. Aaron is currently the Managing Director of ABN Australia, a leading business formation and compliance company operating in Australia.

**Directorships in the Last Three Years**

Mr Aaron Garry did not serve as a Director of any other listed companies in the last three years.

**COMPANY SECRETARY**

Ms Swapna Keskar, (a Company Matters' practitioner) was appointed as the Company Secretary on 7 March 2017. Company Matters is a specialist Company Secretarial and Governance Advisory services provider. Swapna has been a member of the Company Matters' team since 2007, having performed many secondments at Company Matters' S&P/ASX 100 clients during this time, including with Lendlease, Qantas and the Commonwealth Bank of Australia and is the company secretary of a number of unlisted companies. Previously, Swapna was a Company Secretary at ASX listed Ainsworth Game Technology Limited and prior to that, Swapna was part of a specialist company secretarial services team in India. Ms Keskar is a member of the Governance Institute of Australia, the Institute of Company Secretaries and Administrators, UK and the Institute of Company Secretaries of India.

**PRINCIPAL ACTIVITIES, REVIEW OF OPERATIONS AND FINANCIAL RESULTS**

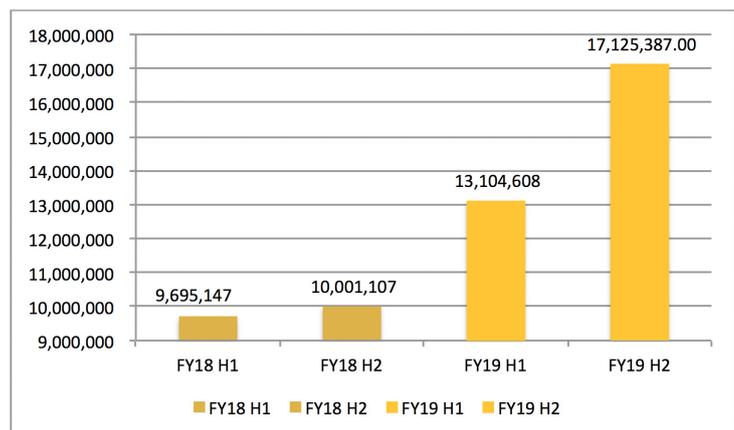
The Group intends to continue its principal activities as described above in this full-year report. The operational review for the different regions are as follows:

**1. Overview of Singapore's operations**

Singapore's online funding has an addressable market size of more than S\$480million. Based on figures from Singapore's Department of Statistics, in 2017, the percentage of households with monthly household income between S\$10,000 per month to S\$19,999 per month formed about 23.7% of Singapore's resident households. With the number of resident households in 2017 at 1,289,900, this group of underserved users may be as many as 300,000. Based on our current conversion rate of about 2% and the average investment amount of S\$80,000, the funding supply works out to be circa S\$480million.

In terms of online funding for Singapore, we have seen steady growth. As at 30 Jun 2019, the cumulative online funding for Singapore alone amounted to S\$17.13million (see Figure 6). Moving ahead, we expect this number to grow considerably, as we work with more partners to bring more online funding deals on board.

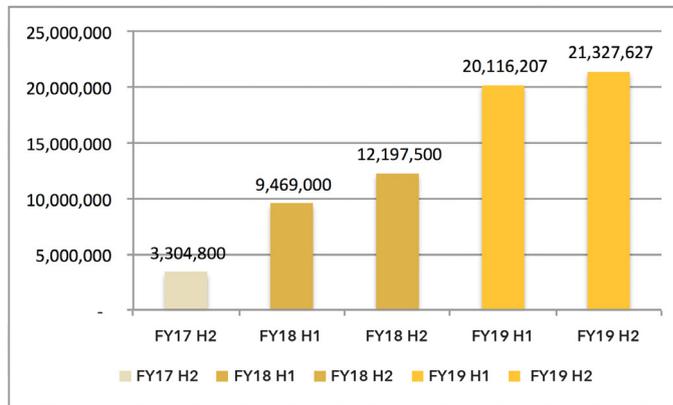
**Figure 6: Cumulative Online funding (S\$) facilitated in Singapore**



**2. Overview of Hong Kong's operations**

Loans in Hong Kong are disbursed through Brighten Finance Limited (BFL), a licensed money-lending company, which was acquired in Sep 2017. The trend showing the total cumulative loan disbursed is in Figure 7. As a whole, the property-backed loan business in Hong Kong is growing well. Nonetheless, BFL is continuously looking at ways to diversify their loan portfolio while maintaining a low default rate.

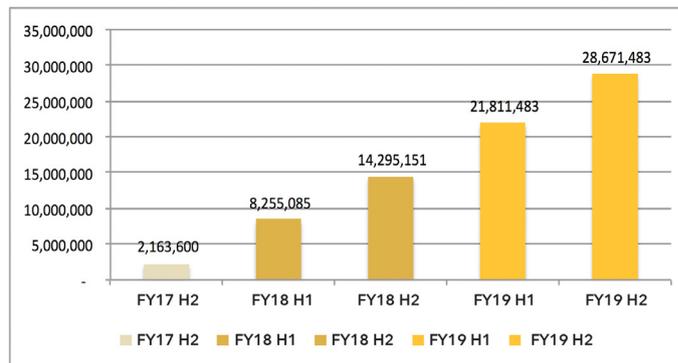
**Figure 7: Cumulative Loan Deployment (S\$) in Hong Kong**



**3. Overview of China's operations**

In the last 12-months, the online funding sector in China continues to face strong regulatory headwinds. To date, many P2P platforms have been ordered to wind down by the Chinese Government. On the other hand, CoAssets China, along with a handful of other platforms, continues to operate under certain conditions improved by the regulator. The online funding trend for our China platform is shown in Figure 8.

**Figure 8: Cumulative P2P loans (S\$) facilitated in China**

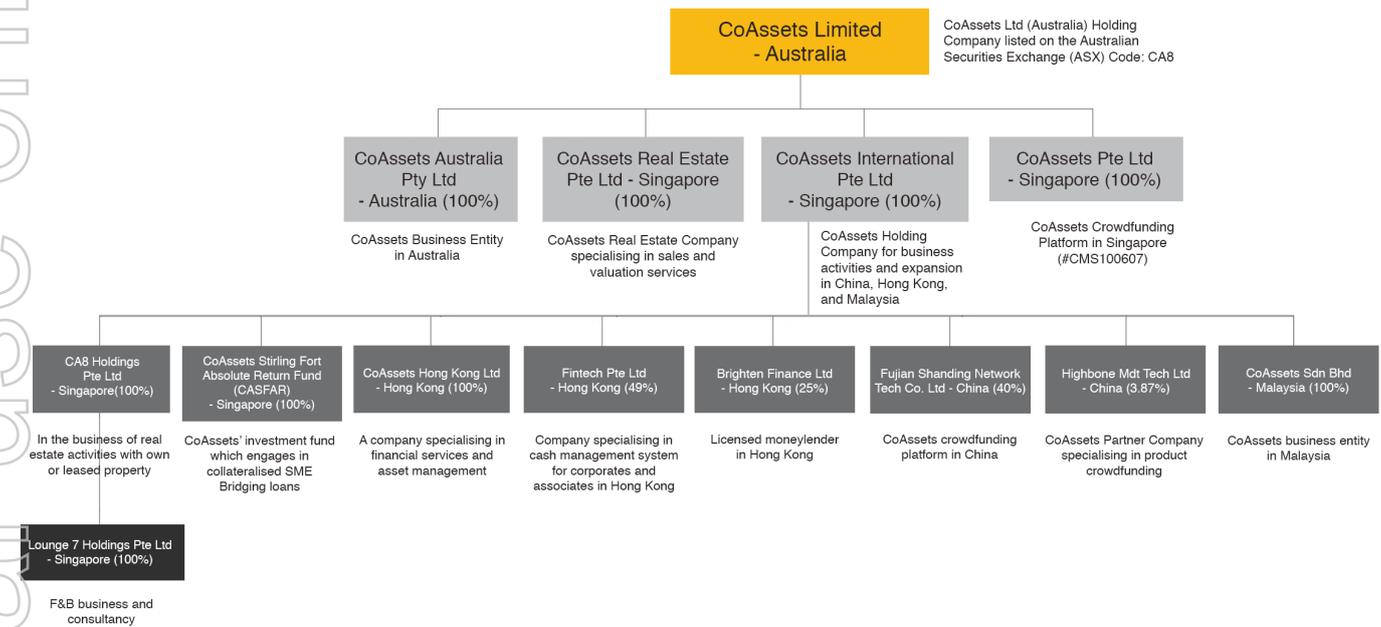


While getting the license to operate a P2P platform in China is not assured, it continues to make sense to base our technical team in China. This is because hiring programmers in China costs between 40% and 50% cheaper as compared to hiring in Singapore. Notwithstanding, as getting the ICP licensing is not assured, the CoAssets China team is already making contingency plans and has started looking at alternative business models.

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**CORPORATE STRUCTURE**

The corporate structure as at 30 June 2019 is shown below.



Note: Lounge 7 Holdings Pte Ltd operates a lounge and is an investor engagement initiative by the Group.

**DIVIDENDS**

No dividends were paid or are proposed to be paid to members during the financial year under review.

**FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES**

The Group aims to continue creating a more diversified credit landscape, looking to win business from traditional lenders by providing debt-funding opportunities that are not funded by the banks.

Apart from retail lenders, the Group announced on 26 Jul 2018 that it launched the CoAssets Stirling Fort Absolute Return (CASFAR) which is a Monetary Authority of Singapore (MAS) licensed fund to service accredited/sophisticated as well as institutional investors.

In terms of borrowers, apart from small and medium enterprise, the Company will continue exploring the possibility of working with partners like family offices, loan brokers and alternate financing companies/platforms as additional sources of deals. Apart from securing the Capital Market Services License (CMSL) issued by MAS, the Group aims to secure licenses in Hong Kong and China to better serve retail investors in those countries.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There have been no other significant changes in the state of affairs of the Group during the financial period.

**EVENTS SUBSEQUENT TO REPORTING DATE**

In the opinion of the directors, there has not arisen in the interval between the end of the financial year and the date of the report any matter or circumstance that has significantly affected, or may significantly affect the Consolidated Group's operations, results or the state of affairs in future financial years.

## LIKELY DEVELOPMENTS

The Group intends to continue its principal activities as described above in this report. Certain information about the likely developments in, and expected results of, the operations of the Group in future years, the strategies of the Group and its prospects for future financial years has been omitted from this Directors' Report because disclosure of the information is likely to result in unreasonable prejudice to the implementation and execution of the Group's business strategies.

## ENVIRONMENTAL REGULATION

The Group's operations are not regulated by any significant environmental regulation under a law of the Australian Commonwealth or of any jurisdiction where it intends to operate.

## UNISSUED SHARES UNDER OPTION

### Options

As at the date of this report, the Company does not have any options on issue.

No shares were issued during or since the end of the financial year under review as none of the options over unissued shares were exercised or vested. As at 30 June 2019, there are no options that have vested or are exercisable.

No options were granted during the year.

### Performance Rights

Following the completion of the IPO on 19 August 2016, the Company had on issue 6,032,500 performance rights to KMPs. On vesting, each performance right converts to one fully paid ordinary share for NIL consideration. Out of these, 982,500 performance rights vested during the financial year ended 30 June 2017 as a result of which the Company issued 982,500 fully paid ordinary shares during the financial year ended 30 June 2017.

As at 30 June 2018, the Company had on issue 2,300,000 performance rights issued to Directors and 2,000,000 to a KMP.

During the year under review, out of the 2,300,000 performance rights issued to Directors, 1,100,000 lapsed and the balance 1,200,000 vested and converted to ordinary shares

As at the end of the financial year under review and as at the date of this report, the Company does not have any performance rights issued to directors or to KMP.

On 28 July 2017, the Company issued 2,200,095 performance rights to employees. These performance rights vested in two tranches as follows, subject to the employee being employed by CoAssets as on the date of vesting:

1,100,043 on 31 July 2018; and

1,100,052 on 31 July 2019.

On vesting, each performance right converts to one fully paid ordinary share for NIL consideration.

Included within the 2,200,095 performance rights issued on 28 July 2017 were 2,000,000 performance rights which were issued to a member of the KMP, as set out in the Remuneration Report.

On 31 July 2018, out of the 1,100,043 performance rights, 28,662 performance rights had lapsed and the balance 1,071,381 performance rights vested and converted into fully paid ordinary shares of the Company.

On 31 July 2019, out of the 1,100,052 performance rights, 34,945 performance rights lapsed and the balance 1,065,087 performance rights vested and converted into fully paid ordinary shares of the Company.

## MEETINGS OF DIRECTORS

The number of meetings of the Company's Board and of each Committee held during the financial year under review, and the numbers of meetings attended by each director are:

Director	Board Meeting		Audit & Risk Committee		Remuneration & Nomination Committee	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Getty Goh	8	8	4	4	N/A	N/A
Huan Kiat Seh	8	8	N/A	N/A	3	3
Nicholas Ong	8	8	4	4	3	3
Jeffrey Chi	8	8	4	4	3	3
David Garry	8	8	4	4	N/A	N/A

## REMUNERATION REPORT - AUDITED

This Remuneration Report forms a part of the Directors' Report and has been prepared in accordance with Section 300A of the Corporations Act, Accounting Standard AASB 124 *Related Party Disclosures* and Principle 8 of the ASX Corporate Governance Principles and Recommendations. The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act.

This Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration;
2. Details of remuneration;
3. Share based remuneration;
4. Company performance, shareholder wealth and Key Management Personnel (KMP) remuneration;
5. Remuneration governance; and
6. Employment contracts of Directors and Senior Executives.

The information provided under headings 1 to 5 above includes remuneration disclosures that are required under Accounting Standard AASB 124, *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

### 1. Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) acceptability to shareholders;
- (iii) performance linkage / alignment of executive compensation;
- (iv) transparency; and
- (v) capital management.

The Board has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- (i) focuses on sustained growth in shareholder wealth; and
- (ii) attracts and retains high calibre executives.

Alignment to program participants' interests:

- (i) rewards capability and experience; and
- (ii) provides a clear structure for earning rewards.

#### *Executive and Non-executive Directors*

Fees and payments to directors, including the Chairman reflect the demands which are made on, and the responsibilities of, the directors. Directors' fees and payments are reviewed annually by the Board. The Board ensures that directors' fees and payments are appropriate and in line with the market. The Board also regularly reviews the remuneration policies and practices of CoAssets to ensure that it remunerates fairly and reasonably.

#### *Retirement allowances and benefits for directors*

There are no retirement allowances or other benefits paid to non-executive directors.

Statutory superannuation is provided for the executive directors.

#### *Use of Remuneration Consultants*

The Company did not engage any Remuneration Consultants during the period under review.

## 2. Details of Remuneration

The amount of remuneration of the KMP is set out below.

2019	Short term employee benefits		Post-employment benefits	Share based payments		Proportion of Remuneration that is Performance related %
Name	Salary S\$	Consulting fees S\$	S\$	Shares S\$	Total S\$	
Getty Goh Te-Win	272,600		17,340	-	289,940	-
Seh Huan Kiat	273,497		17,340	-	290,837	-
Chen Chik (Nicholas) Ong (1)		37,340		-	37,340	-
Jeffrey Chi		37,340		-	37,340	-
David Garry		37,340		-	37,340	-
Lawrence Lim	195,590		18,001	-	213,591	-
<b>TOTAL</b>	<b>741,687</b>	<b>112,020</b>	<b>52,681</b>	<b>-</b>	<b>906,388</b>	

2018	Short term employee benefits		Post-employment benefits	Share based payments		Proportion of Remuneration that is Performance related %
Name	Salary S\$	Consulting fees S\$	S\$	Shares S\$	Total S\$	
Getty Goh Te-Win	105,000		14,790	-	119,790	-
Seh Huan Kiat	103,214		14,790	-	118,004	-
Chen Chik (Nicholas) Ong (1)		37,340		-	37,340	-
Jeffrey Chi		37,340		-	37,340	-
David Garry		37,340		-	37,340	-
Lawrence Lim	155,304		14,960	-	170,264	-
<b>TOTAL</b>	<b>363,518</b>	<b>112,020</b>	<b>44,540</b>	<b>-</b>	<b>520,078</b>	

<sup>1</sup> Mr Ong provided Director services through Minerva Corporate Pty Ltd, of which he is a shareholder.

**Shares and Options****Directors' Interests in Shares and Performance Rights**

Particulars of directors' interests in securities are as follows:

	Balance at the start of the period	Acquired during the period	Sold during the period	Balance at end of period
<b>Shares</b>				
<b>Executive Directors</b>				
Getty Goh	45,678,810	450,000	-	46,128,810
Huan Kiat Seh	35,683,030	450,000	-	36,133,030
<b>Non-Executive Directors</b>				
Nicholas Ong	229,251	150,000	-	379,251
Jeffrey Chi	1,092,200	150,000	-	1,242,200
David Garry	-	-	-	-
<b>Other KMP</b>				
Lawrence Lim	512,500	2,000,000	-	2,512,500
<b>Total</b>	<b>83,195,791</b>	<b>3,200,000</b>	<b>-</b>	<b>86,395,791</b>

	Balance at the start of the period	Granted during the period	Vested during the period	Lapsed during the period	Balance at end of period
<b>Performance Rights</b>					
<b>Executive Directors</b>					
Getty Goh	850,000	-	450,000	400,000	-
Huan Kiat Seh	850,000	-	450,000	400,000	-
<b>Non-Executive Directors</b>					
Nicholas Ong	300,000	-	150,000	150,000	-
Jeffrey Chi	300,000	-	150,000	150,000	-
David Garry	-	-	-	-	-
<b>Other KMP</b>					
Lawrence Lim	2,000,000	-	2,000,000	-	-
<b>Total</b>	<b>4,300,000</b>	<b>-</b>	<b>3,200,000</b>	<b>1,100,000</b>	<b>-</b>

Other than as stated above, there are no contracts to which a director is a party or under which a director is entitled to a benefit that confer a right for the director to call for shares in the Company.

500,000 shares were issued to Lawrence Lim on 28 July 2017 as part of securities issued to eligible employees by the Board. In accordance with AASB 2.14, this benefit is recognised on grant date.

**Performance Rights**

No new performance rights were issued to KMP during the year, except for the 2,000,000 noted above.

### 3. Share based remuneration

The CoAssets Limited Incentive Scheme ("the Scheme") is used to reward Directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. Approved by Shareholders on 25 May 2015, the Scheme is designed to provide medium to long-term incentives to deliver long-term shareholder returns. Participation in the Scheme is at the discretion of the Board and, other than the Director's Performance Rights plan approved by shareholders, no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Performance shares are issued to directors as part of their remuneration as part of the prospectus. These performance shares were approved by shareholders at the 2015 Annual General Meeting.

Details of the performance rights outstanding at 30 June 2019 are as follows:

Tranche Number	Grant Date	At start of period	Vested Number	Cancelled Number	At end of period	Probability*	Share Price
1	30/11/2015	-	-	-	-		
2	30/11/2015	-	-	-	-		
3	30/11/2015	-	-	-	-		
4	30/11/2015	1,200,000	1,200,000	-	-	100%	\$0.15
5	30/11/2015	1,100,000	-	1,100,000	-	0%	-

\*Director assessment of the probability of the milestones being achieved.

- (1) These rights were to vest upon the Company successfully listing on the ASX with a minimum A\$5m raising and up to A\$10m. The share based payment expense was recorded in the period ending 30 June 2016 and subsequent to year end, the shares were issued to Directors.
- (2) The shares associated with these rights were to be issued upon achievement of \$10,000,000 project funding in China or Australia (over a 12 month period). The expiry date for these rights was 31 December 2017 and they have lapsed.
- (3) The shares associated with these rights were to be issued upon the achievement of greater than \$6,500,000 revenue in any 12 month period. The expiry date for these rights was 31 December 2017 and they have lapsed.
- (4) The shares associated with these rights are to be issued upon the achievement of greater than \$1,000,000 EBITDA in any 12 month period. The granted number of rights is attributable to Directors as follows:

Getty Goh Te-Win	450,000
Seh-Huan Kiat	450,000
Chen Chik (Nicholas) Ong	150,000
Jeffrey Chi	150,000

Given the current year performance, the Board has assessed that it is highly likely that the shares associated with these performance rights will be issued. Hence, a share based payment expense of \$180,000 has been included in the current period. The performance rights issued to Daniel Smith were cancelled upon his cessation as a director.

- (5) The shares associated with these rights are to be issued upon the achievement of greater than \$10,000,000 revenue in any 12 month period. The performance rights issued to Daniel Smith were cancelled upon his cessation as a director. The remaining rights are attributable to Directors as follows:

Getty Goh Te-Win	400,000
Seh-Huan Kiat	400,000
Chen Chik (Nicholas) Ong	150,000
Jeffrey Chi	150,000

The expiry date for these rights was 31 December 2018 and they have lapsed.

#### 4. Company Performance, shareholder wealth and KMP remuneration

The following table shows gross revenue, profits/losses and loss per share of the Company at the end of the current and previous financial periods.

	2019 S\$	2018 Restated S\$
Revenue from continuing operations	12,407,119	2,960,294
Net profit/ (loss)	1,637,126	(1,054,140)
Profit / (loss) per share (cents per share)	0.9	(0.5)

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. This will be achieved via offering performance incentive bonuses to deliver long-term shareholder returns.

#### 5. Remuneration Governance

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is as follows:

The remuneration policy, setting the terms and conditions for KMP, was developed and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation (or equivalent), and fringe benefits.

The Remuneration and Nomination Committee reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

All remuneration paid to KMP is valued at the cost to the Group and expensed. Options (if applicable) given to KMP are valued using an appropriate option pricing methodology.

The Board policy is to remunerate non-executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The Remuneration & Nomination Committee determines payments to the non-executive Directors and will review their remuneration annually based on market practice, duties, and accountability. The maximum amount of fees payable to non-executive directors is A\$250,000 per annum. During the financial year under review A\$108,000 of the fee pool was used.

Independent external advice is sought when required. Fees for non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

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The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to run the Company. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the Board as part of the review of executive remuneration. The Board can exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria.

## 6 Employment contracts of Directors and Senior Executives

On appointment to the Board, all non-executive directors sign a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of engagement for the Chief Executive Officer, the Chief Technology Officer, the Chief Operating Officer, and the Chief Investment Officer are also formalised in service agreements which include provision for participation in the Employee Incentive Plan.

Name	Term of Agreement	Base salary including any superannuation
<b>Getty Goh</b> - CEO	Ongoing, commenced 18 March 2015. Notice period 3 months or termination payment in lieu of notice period.	S\$289,940
<b>Huan Kiat Seh</b> - CTO	Ongoing, commenced 18 March 2015. Notice period 3 months or termination payment in lieu of notice period.	S\$290,837
<b>Lawrence Lim</b> – COO	Commenced 1 May 2016. Resigned 2 May 2019	S\$213,591

### Transactions with directors, key management personnel and their related entities

Other than the above, there were no transactions during the period with related entities.

KMP are not permitted to enter into transactions with securities (or any derivative thereof) which limits the economic risk of any unvested entitlements awarded under an equity based remuneration scheme. As part of the Company's due diligence undertaken at the time of and full-year results, equity plan participants are required to confirm that they have not entered into any such prohibited transactions.

The Board will continually review all elements of its remuneration philosophy to ensure that they are appropriate from the perspectives of governance, disclosure, reward and market conditions.

***This is the end of audited Remuneration Report***

### INDEMNIFICATION AND INSURANCE OF OFFICERS

In accordance with the constitution of the Company, except as may be prohibited by the Corporations Act 2001 every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. During the period under review, the Company paid SGD59,026 in premiums for Directors and Officer Insurance.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

### AUDITOR

Effective from 19 January 2018, DFK Laurence Varnay Audit Pty Ltd have been appointed as the Group's auditor.

### NON-AUDIT SERVICES

The Company may decide to engage the auditor, DFK Laurence Varnay Audit Pty Ltd, on assignments in addition to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important.

The Board of Directors advises that non-audit services were provided by the Group's auditors during the period were only in relation to the half year review.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporation Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professionals Accountant.

## CORPORATE GOVERNANCE

The Board of Directors of CoAssets Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company and its controlled entities on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**). The Principles and Recommendations are not mandatory. The Statement discloses the extent to which the Company has followed the Principles and Recommendations and explains any departures from the Principles and Recommendations.

Information on Corporate Governance is available on the Company's website at <https://coassets.com/asx/> under *Corporate Governance*.

Signed in accordance with a resolution of the board of directors



Getty Goh  
Director  
Singapore

29 August 2019

AUDITOR'S  
INDEPENDENCE  
DECLARATION

**CoAssets Limited**  
**ACN: 604 341 826**

**Lead Auditor's Independence Declaration under  
Section 307C of the Corporations Act 2001 to the Directors  
of CoAssets Limited**

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

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CoAssets Limited and the entities it controlled during the year.

**DFK Laurence Varnay Audit Pty Ltd**



Faizal Ajmat  
Director  
Sydney

Date: 29 August 2019

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# FINANCIAL REPORT

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CoAssets Limited  
 Consolidated Statement of Profit or Loss and Other Comprehensive Income  
 For the year ended 30 June 2019

	Note	2019 S\$	2018 Restated S\$
Revenue	3	12,407,119	2,960,294
Interest Expense		(2,865,720)	(975,539)
<b>Net operating income</b>		<b>9,541,399</b>	<b>1,984,755</b>
Investment gains	10	1,252,395	2,482,967
Share of profit of associate	11	852,022	1,396
Operating expenses	5	(8,243,707)	(5,359,611)
(Allowance for) /release of impairment provision		(1,638,527)	10,200
Depreciation and amortisation expense		(126,456)	(173,847)
<b>Profit / (loss) before income tax</b>		<b>1,637,126</b>	<b>(1,054,140)</b>
Income tax expense	6	-	-
<b>Profit / (loss) after income tax</b>		<b>1,637,126</b>	<b>(1,054,140)</b>
<b>Profit / (loss) is attributable to:</b>			
Owners of CoAssets Limited		<b>1,889,936</b>	<b>(889,286)</b>
Non-controlling interests		<b>(252,810)</b>	<b>(164,854)</b>
		<b>1,637,126</b>	<b>(1,054,140)</b>
<b>Other comprehensive profit / (loss)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(191,860)	(5,608)
Other comprehensive loss for the period net of tax		(191,860)	(5,608)
<b>Total comprehensive profit/(loss) for the period</b>		<b>1,445,266</b>	<b>(1,059,748)</b>
Total comprehensive profit/(loss) for the year is attributable to:			
Owners of CoAssets Limited		1,711,834	(901,937)
Non-controlling interests		(266,568)	(157,811)
		<b>1,445,266</b>	<b>(1,059,748)</b>
<b>Earnings per share from continuing operations</b>			
Basic profit/(loss) per share attributable to owners of CoAssets Limited (cents per share)	16	<b>0.9</b>	<b>(0.5)</b>
Diluted profit/(loss) per share attributable to owners of CoAssets Limited (cents per share)	16	<b>0.9</b>	<b>(0.6)</b>

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

	Note	30 June 2019	30 June 2018
		S\$	Restated S\$
<b>Current assets</b>			
Cash and cash equivalents	7	3,998,175	7,769,604
Trade and other receivables	8	8,316,802	3,262,682
Loans and advances	9	23,627,457	8,618,540
<b>Total current assets</b>		<b>35,942,434</b>	<b>19,650,826</b>
<b>Non-current assets</b>			
Investment in associate	11	8,019,618	5,613,115
Trade and other receivables	8	-	1,200,000
Loans and advances	9	366,248	438,166
Property, plant & equipment	12	343,814	160,593
Intangible assets	13	181,012	134,137
Equity Investments	10	2,988,579	1,736,184
<b>Total non-current assets</b>		<b>11,899,271</b>	<b>9,282,195</b>
<b>Total assets</b>		<b>47,841,705</b>	<b>28,933,021</b>
<b>Current liabilities</b>			
Trade and other payables	14	1,687,622	949,045
Deferred revenue	1(d)	660,555	2,871,571
Borrowings	18	33,567,535	16,166,580
<b>Total current liabilities</b>		<b>35,915,712</b>	<b>19,987,196</b>
<b>Total liabilities</b>		<b>35,915,712</b>	<b>19,987,196</b>
<b>Net assets</b>		<b>11,925,993</b>	<b>8,945,825</b>
<b>Equity</b>			
Issued capital - ordinary	15	20,184,187	18,115,898
Reserves	17	(160,772)	550,717
Accumulated losses		(8,206,706)	(10,096,642)
Non-controlling interest		109,284	375,852
<b>Total equity</b>		<b>11,925,993</b>	<b>8,945,825</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

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CoAssets Limited  
 Consolidated Statement of Changes in Equity  
 For the year ended 30 June 2019

Year ended 30 June 2019	Issued Capital - Ordinary	Share Based Payments Reserve	Foreign Currency Translation Reserves	Accumulated Losses	Non- controlling interests	Total
	S\$	S\$	S\$	S\$	S\$	S\$
<b>Balance at 30 June 2018 as published</b>	18,115,898	590,358	(39,641)	(7,225,071)	375,852	11,817,396
Restatement from adopting AASB 15 (note 30)	-	-	-	(2,871,571)	-	(2,871,571)
<b>Balance at 1 July 2018 as restated</b>	18,115,898	590,358	(39,641)	(10,096,642)	375,852	8,945,825
Profit attributable to members of parent entity	-	-	-	1,889,936	-	1,889,936
Loss attributable to non-controlling interests	-	-	-	-	(252,810)	(252,810)
Exchange difference on foreign operations	-	-	(178,102)	-	(13,758)	(191,860)
Total comprehensive income for the period	-	-	(178,102)	1,889,936	(266,568)	1,445,266
<i>Transactions with owners in their capacity as owners</i>						
Share issues	2,068,289	(472,405)	-	-	-	1,595,884
Received shares provided to employees (note 15(i))	-	(217,261)	-	-	-	(217,261)
Performance rights	-	156,279	-	-	-	156,279
<b>Balance at 30 June 2019</b>	20,184,187	56,971	(217,743)	(8,206,706)	109,284	11,925,993
<b>Comparative Period</b>						
Year ended 30 June 2018	Issued Capital - Ordinary	Share Based Payments Reserve	Foreign Cur- rency Trans- lation Reserves	Accumulated Losses	Non- controlling interests	Total
	S\$	S\$	S\$	S\$	S\$	S\$
<b>Balance at 1 July 2017 as published</b>	13,508,990	-	(26,990)	(9,205,773)	533,663	4,809,890
Restatement from adopting AASB 15 (note 30)	-	-	-	(1,583)	-	(1,583)
<b>Balance at 1 July 2017 as restated</b>	13,508,990	-	(26,990)	(9,207,356)	533,663	4,808,307
Loss attributable to members of parent entity	-	-	-	(889,286)	-	(889,286)
Loss attributable to non-controlling interests	-	-	-	-	(164,854)	(164,854)
Exchange difference on foreign operations	-	-	(12,651)	-	7,043	(5,608)
Total comprehensive loss for the period	-	-	(12,651)	(889,286)	(157,811)	(1,059,748)
<i>Transactions with owners in their capacity as owners</i>						
Shares issues	4,606,908	-	-	-	-	4,606,908
Performance rights	-	590,358	-	-	-	590,358
<b>Balance at 30 June 2018 as restated</b>	18,115,898	590,358	(39,641)	(10,096,642)	375,852	8,945,825

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	2019 S\$	2018 S\$
<b>Operating activities</b>		
Receipts from customers	4,105,642	1,248,617
Payments to directors and staff	(4,193,667)	(2,378,541)
Payments to suppliers	(4,330,644)	(1,498,383)
Increase in investor deposits	(15,559)	(292,796)
Net cash used in operating activities (note 24)	<u>(4,434,228)</u>	<u>(2,921,103)</u>
<b>Investing activities</b>		
Purchase of plant, equipment and intangible assets	(355,913)	(149,664)
Interest received	1,975,212	842,585
Loans and advances made	(22,086,397)	(6,453,916)
Proceeds from redemption of loans and advances	5,991,305	3,445,781
Payments to acquire equity investments	-	(1,736,184)
Payments to acquire subsidiary	(38,800)	-
Net cash used in investing activities	<u>(14,514,593)</u>	<u>(4,051,398)</u>
<b>Financing activities</b>		
Funds received for issued shares	-	2,092,961
Receipts from borrowings	38,478,409	16,061,780
Repayment of borrowings	(21,077,454)	(4,598,656)
Interest paid	(2,041,259)	(676,163)
Net cash provided by financing activities	<u>15,359,696</u>	<u>12,879,922</u>
Net change in cash and cash equivalents	(3,589,125)	5,907,421
Cash and cash equivalents at beginning of financial period	7,769,604	1,942,997
Effects of foreign exchange	(182,304)	(80,814)
Cash and cash equivalents at end of financial period	<u><u>3,998,175</u></u>	<u><u>7,769,604</u></u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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## 1 Statement of Significant Accounting Policies

### (a) Basis of preparation

The financial statements of CoAssets Limited ("Company") for the period ended 30 June 2019 were authorised for issue in accordance with a resolution of directors on 29 August 2019.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

CoAssets Limited is a public company listed on the ASX, incorporated in Australia. CoAssets Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements, which are presented in Singapore Dollar (S\$), have been prepared on an historical cost basis except as disclosed in the accounting policies below.

### (b) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company ("Group"). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if there are changes to any of these elements.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of other holdings;
- potential voting rights held by the Group or rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, which occurs even if this results in the controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

### (c) Functional currency and foreign currency translation

Items included in the financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances (the "functional currency"). The functional currency of the Group is Singapore Dollars. The functional currencies of individual group entities are set out in note 20. These financial statements are presented in Singapore Dollars (S\$), since the majority of the Group's operations take place in Singapore.

**1 Statement of Significant Accounting Policies (continued)**

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. As at balance date, the assets and liabilities are translated into the presentation currency at the rate of exchange ruling at balance date and income and expense items are translated at the average exchange rate for the period.

The exchange differences arising on translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

**(d) Revenue**

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of business. Revenue is recognised when control of goods or services is transferred within a performance obligation to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is presented, net of rebates, discounts and sales related taxes.

Revenue is classified as Interest income, Online fee income, Financial technology advisory income and other income

*Interest income*

Interest income arising on the Loans and advances category of financial asset is recognised using the effective interest method

*Online fee income*

Crowdfunding and finance line arrangement fees which are recognised over the period of the loans provided rather than at the point of time when legal arrangements are finalised, unless the Company is acting purely as an agent in the transaction with no lasting transactional relationship with either party.

When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Company. Commission income is recognised upon the completion of a transaction in which the commission relates to.

*Financial technology advisory income and other income*

Revenue from events and administrative fees is recognised when the services have been performed and accepted by the customers in accordance with the relevant terms and conditions of the contract. Revenue from microsite development is recognised upon passage of title to the customers which generally coincides with their delivery and acceptance.

**(e) Interest expense**

Interest expense arising on the Borrowings category of financial liability is recognised using the effective interest method

**(f) Goods and Services Tax (GST)**

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 Tax Office/Inland Revenue Authority of Singapore. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown exclusive of GST.

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

**(g) Share-based Payment Transactions**

Under AASB 2 Share-based Payment, the Group must recognise the fair value of options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

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## 1 Statement of Significant Accounting Policies (continued)

The Group can provide benefits to employees (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. The fair value is determined using the Black Scholes option pricing model.

### (h) Impairment

The carrying values of assets are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

#### *Loans and advances and Trade and other receivables*

The Company recognises an allowance for expected credit losses based on an amount equal to 12-month expected credit losses unless the risk on a financial instrument has increased significantly since initial recognition, when the allowance for expected credit losses is based on lifetime expected credit losses.

#### *Investment in Associates*

At each reporting date, the Company obtains an independent valuation of the carrying value of the associate. Any excess of the carrying value of the investment (including the Group's share of profits) over the independent valuation is expenses to profit and loss.

#### *Property Plant and Equipment and Intangible Assets*

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Any excess of the asset's carrying value over its recoverable amount is expensed to profit and loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### (j) Earnings/loss per share

#### *Basic earnings/loss per share*

Basic earnings per share is calculated by dividing the profit/loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for the bonus elements in ordinary shares issued during the period.

#### *Diluted earnings/loss per share*

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

**1 Statement of Significant Accounting Policies (continued)****(k) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

**(m) Income Tax**

The charge for current income tax expense is based on the result for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or any substantially enacted at the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Current income tax liabilities for current and prior periods are recognised at the amounts expected to be paid to the tax authorities, using the tax rates that have been enacted or substantially enacted by the balance date.

Deferred income tax assets / liabilities are recognised for all deductible taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are measured at:

- (a) the tax rates that are expected to be applied when the related deferred income tax asset is realised or the deferred income tax liability is settled based on tax rates that have been enacted or substantially enacted by the balance date; and
- (b) the tax consequence that would follow from the manner in which the Company expects, at the balance date, to recover or settle the carrying amounts of its assets and liabilities.

**(n) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid instruments with original maturities of three months or less.

**(p) Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

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## 1 Statement of Significant Accounting Policies (continued)

### (q) Issued Capital

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

### (r) Financial assets

The Company classifies its financial assets as Loans and advances, Trade and other receivables or Equity investments, dependent on their contractual cash flow characteristics and the business model for managing the assets. The Company has made no designations to overrule this classification method with a 'fair value through profit and loss' or 'fair value through other comprehensive income' measurement classification.

#### *Recognition and derecognition*

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the net consideration is recognised in profit or loss.

Loans and advances and Trade and other receivables

#### *Classification characteristics*

These categories give rise to cash flows of principle and interest on specified days and the Company's business model is to hold these assets in order to collect these contractual cash flows.

#### *Initial and subsequent measurement*

These categories of financial asset are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, these categories are carried at amortised cost using the effective interest method, less impairment loss, if any.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Equity Investments

#### *Classification characteristics*

This category of financial asset does not give rise to cash flows of principle and interest on specified days. The Company's business model is to hold these assets for strategic investment reasons.

#### *Initial and subsequent measurement*

This category of financial asset is initially recognised at fair value, with all subsequent changes in fair value through profit and loss.

**1 Statement of Significant Accounting Policies (continued)****(s) Financial liabilities**

The Company classifies its financial liabilities as Trade and other payables or Borrowings. Both are measured initially at fair value and subsequently at amortised cost using the effective interest rate method. The Company has made no designations to overrule this classification method with a 'fair value through profit and loss' measurement classification.

**(t) Plant and Equipment**

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use.

Expenditure for additions, improvements and renewals, including any obligation for dismantlement, removal or restoration costs, are capitalised and expenditure for maintenance and repairs are charged to the statement of profit or loss and other comprehensive income. The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of profit or loss and other comprehensive income as incurred.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of profit or loss or other comprehensive income in the period the asset is derecognised.

Depreciation of plant and equipment is calculated on the straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

Computer and software	3 years
Furniture and fittings	5 years

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use. Depreciation methods, useful lives and residual values are reviewed, and adjusted prospectively as appropriate, at each financial period end.

**(u) Intangible assets**

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Research and development costs of crowdfunding platform

Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

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## 1 Statement of Significant Accounting Policies (continued)

### Trademarks and licences

Trademarks and licences acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight line method over 15 to 20 years, which is the shorter of their estimated useful lives and periods of contractual rights.

### (v) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in profit or loss.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

### (w) Parent entity financial information

The financial information for the parent entity, CoAssets Limited, has been prepared on the same basis as the consolidated financial statements.

### (x) Adoption of new and revised accounting standards

#### *Standards and Interpretations applicable to 30 June 2019*

In the period ended 30 June 2019, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period.

#### *Standards and Interpretations in issue not yet adopted*

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 30 June 2019.

**1 Statement of Significant Accounting Policies (continued)**

AASB 16 Leases. This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2019. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The consolidated entity will adopt this standard and the amendments from 1 July 2019. No material impact is expected.

**(y) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report 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 by the Company. The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

***Impairment***

The Group assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The Group follows the guidance of AASB 136 *Impairment of assets* and AASB 9 *Financial instruments* in determining whether financial assets are impaired. This determination requires significant judgement. The Company evaluates, among other factors, the duration and extent to which the fair value of the financial assets are less than their cost and the financial health of and near-term business outlook for the financial assets, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

The management establishes allowance for impairment loss on loans and trade receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing this allowance, the management considers its historical experience and changes to its customers' financial position. If the financial conditions of the customers were to deteriorate, resulting in impairment of their ability to make the required payments, additional allowance may be required.

***Consolidation of Chinese JV***

CoAssets owns 40% of the joint venture entity Fujian Shanding Network Technology Co. Ltd, with the partner Fujian Yaosheng Zichan owning 60%. CoAssets is considered to have the ability to exercise control over the joint venture entity through majority Board representation, control of relevant activities and the use of CoAssets' own platform and therefore has consolidated the financial statements of the joint venture entity in the group financial statements.

***Fair value***

The Group assesses the fair value of Equity investments and Investment in associates at each reporting date by obtaining an independent valuation of its shares in those entities. Given these investments are shares in unquoted companies, the group recognises that such valuations can change significantly in short periods of time depending on market conditions for the particular financial technology solutions these entities operate.

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## 2 Segment Information

The Group operates in one industry, providing funds through crowdfunding or on-balance sheet borrowing and lending. The Group primarily operates in two geographical segments, being Singapore and China (including Hong Kong). The chief operating decision maker, which is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors. Intersegment pricing is on an “arms-length” basis.

2019	Singapore	China	Other	Total
	2019	2019	2019	2019
	S\$	S\$	S\$	S\$
<b>Total segment revenue</b>	12,084,011	274,757	48,351	12,407,119
Interest expense	(2,865,720)	-	-	(2,865,720)
Investment gains and associate profits	-	2,104,417	-	2,104,417
Operating expenses	(6,805,820)	(700,873)	(737,014)	(8,243,707)
Allowance for impairment	(1,597,123)	(41,404)	-	(1,638,527)
Depreciation and amortisation	(114,078)	(12,378)	-	(126,456)
<b>Segment result</b>	701,270	1,624,519	(688,663)	1,637,126
Income tax expense	-	-	-	-
<b>Net profit /(loss)</b>	701,270	1,624,519	(688,663)	1,637,126
<b>Balance Sheet</b>				
<b>Segment assets</b>	35,096,175	12,573,949	171,581	47,841,705
<b>Segment liabilities</b>	35,688,577	24,758	202,377	35,915,712
<b>2018 Restated</b>				
	Singapore	China	Other	Total
	2018	2018	2018	2018
	S\$	S\$	S\$	S\$
<b>Total segment revenue</b>	2,771,965	181,468	6,861	2,960,294
Interest expense	(975,539)	-	-	(975,539)
Investment gains	-	2,484,363	-	2,484,363
Operating expenses	(4,363,353)	(429,129)	(567,129)	(5,359,611)
Release of provision for impairment	10,200	-	-	10,200
Depreciation and amortisation	(143,996)	(27,095)	(2,756)	(173,847)
<b>Segment result</b>	(2,700,723)	2,209,607	(563,024)	(1,054,140)
Income tax expense	-	-	-	-
<b>Net profit /(loss)</b>	(2,700,723)	2,209,607	(563,024)	(1,054,140)
<b>Balance Sheet</b>				
<b>Segment assets</b>	20,651,342	8,042,906	238,773	28,933,021
<b>Segment liabilities</b>	19,848,822	67,187	71,187	19,987,196

	30/06/19	30/06/18
	S\$	Restated S\$
<b>3 Revenue from continuing operations</b>		
Interest income	2,496,525	1,092,605
Online fee income	2,696,873	448,020
Financial technology advisory income	6,770,115	1,200,000
Other income	443,606	219,669
	<u>12,407,119</u>	<u>2,960,294</u>
<b>4 Allowance for impairment (profit and loss)</b>		
	30/06/19	30/06/18
	S\$	S\$
Impairment of carrying value of Trade receivables (note 8)	(1,071,673)	(21,598)
Impairment of carrying value of Loans and advances (note 9)	(525,450)	31,798
Impairment of carrying value of Associate (note 11)	(41,404)	-
(Allowance for) /release of impairment provision	<u>(1,638,527)</u>	<u>10,200</u>
<b>5 Operating Expenses</b>		
	30/06/19	30/06/18
	S\$	S\$
Advertising and marketing	165,441	78,550
Audit, license and compliance fees	184,793	170,443
Consulting fees	307,390	151,530
Directors' fees and remuneration	537,190	552,018
Employee benefits expense	3,830,452	2,744,894
Events expenses	113,104	-
Legal and professional fees	660,225	580,295
Rental of premises	443,942	169,746
Telephone, Internet, website and software maintenance	497,728	254,385
Travelling and transport	228,105	167,833
Other operating costs	1,275,337	489,917
	<u>8,243,707</u>	<u>5,359,611</u>

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## 6 Income Tax

The tax expense / (benefit) on profit / (loss) before income tax differs from the amount that would arise using the Australian standard rate of income tax as follows:

	30/06/19	30/06/18
	S\$	Restated S\$
Profit/ (loss) before income tax	1,637,126	(1,054,140)
Tax calculated at a tax rate of 30% (2018: 30%)	491,138	(316,242)
Effects of:		
- Income not taxable for tax purposes	(375,719)	(744,890)
- Deferred tax benefit not recognised	-	1,061,132
- Reduction in deferred tax benefits not recognised	(115,419)	-
Total income tax expense	-	-

## 7 Cash and cash equivalents

	30/06/19	30/06/18
	S\$	S\$
Cash and cash equivalents	3,998,175	7,769,604

The Group's exposure to interest rate risk is discussed in note 19. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash at bank and on hand.

## 8 Trade and Other Receivables

	30/06/19	30/06/18
	S\$	S\$
Trade receivables	8,216,550	4,194,312
Allowance for Impairment loss	(1,368,123)	(296,450)
	6,848,427	3,897,862
Other receivables repayable within 1 year	(i) 1,468,375	564,820
	8,316,802	4,462,682
Repayable within 1 year	8,316,802	3,262,682
Repayable after 1 year	-	1,200,000
Total net of impairment provisions	8,316,802	4,462,682
Impairment provision movement		
Balance at beginning of financial year/period	(296,450)	(586,850)
Bad debts written off against provisions	-	311,998
Profit and loss charge (note 4)	(1,071,673)	(21,598)
Balance at end of financial year/period	(1,368,123)	(296,450)

(i) Other Receivables	30/06/19 S\$	30/06/18 S\$
Interest receivables	881,473	360,160
Advance payments to suppliers	355,155	12,188
Deposits and other	231,747	192,472
	<u>1,468,375</u>	<u>564,820</u>

Trade receivables are unsecured, non-interest bearing and generally on 7 to 360 (2018: 7 to 360) days' credit terms, other than those indicated as repayable after 1 year.

## 9 Loans and advances

	30/06/19 S\$	30/06/18 S\$
Balance at beginning of financial year/period	9,136,706	6,271,921
Loans and advances made (i)	22,086,397	6,453,916
Redemption of loans and advances	(5,991,305)	(3,445,781)
Non-cash redemption of loans and advances (ii)	(217,261)	-
Bad debts written off against provisions	-	(143,350)
Other movements	(415,382)	-
Balance at end of financial year/period, before provisions	<u>24,599,155</u>	<u>9,136,706</u>
Impairment provision held against loans and advances	<u>(605,450)</u>	<u>(80,000)</u>
	<u>23,993,705</u>	<u>9,056,706</u>
Repayable within 1 year	23,627,457	8,618,540
Repayable after 1 year	366,248	438,166
Total net of impairment provisions	<u>23,993,705</u>	<u>9,056,706</u>
Impairment provision movement		
Balance at beginning of financial year/period	(80,000)	(255,148)
Bad debts written off against provisions	-	143,350
Profit and loss (charge) /credit (note 4)	(525,450)	31,798
Balance at end of financial year/period	<u>(605,450)</u>	<u>(80,000)</u>

- (i) The loans and advances made are secured by various means, mostly by the project assets to which the loan relates. As at 30 June 2019, they had effective interest rates ranging from 11% to 33% and maturity periods ranging from 3 to 12 months.
- (ii) Non-cash redemption of loans by CoAssets Ordinary Shares, used to provide share-based payments to employees, per note 17(i) and Note 15(c).

As at 30 June 2019, there were no loans and advances without impairment provisions (2018: S\$2,000,000) which exceeded the agreed maturity period.

## 10 Equity Investments

	30/06/19 S\$	30/06/18 S\$
Investment in Unquoted equity securities – At fair value		
Investment in Da Xian Bing (i)	-	82,640
Investment in Brighten Finance Ltd (ii)	2,988,579	1,653,544
	<u>2,988,579</u>	<u>1,736,184</u>
Opening fair value of equity investments	1,736,184	1,139,447
Acquisition	-	1,653,544
Disposal	-	(120,860)
Deemed disposal	-	(3,418,914)
Fair value gains and losses on revaluation (profit and loss statement)	1,252,395	2,482,967
Closing fair value of equity investments	<u>2,988,579</u>	<u>1,736,184</u>

(i) The directors consider that there is unlikely to be any material value of the holding of shares in Da Xian Bing and consequently have written off the investment.

(ii) CoAssets holds 25% of the share capital in Brighten Finance Limited. CoAssets has no ability to appoint Board directors and has no ability to assert significant influence. The valuation was provided by IHS Markit, an independent third party as at 30 June 2019.

## 11 Investment in Associates

	30/06/19 S\$	30/06/18 S\$
<i>Investment in Fintech Pte Ltd</i>		
Deemed cost of investment in associate at beginning of period /acquisition	5,611,719	4,871,167
Additional investment during the period -note 15(a) (i)	1,595,885	740,552
Deemed cost of investment in associate at end of period	7,207,604	5,611,719
Cumulative share of profits to beginning of financial period	1,396	
Share of profits of associate in the period (profit and loss statement)	852,022	1,396
Allowance for impairment - note 4 (ii)	(41,404)	-
Carrying value of investment in associate	<u>8,019,618</u>	<u>5,613,115</u>

(i) On 23 October 2018, CoAssets issued 12,222,222 ordinary shares in exchange for a further 22% of the share capital of Fintech Pte Ltd, giving a total holding of 49%. CoAssets does not have operational control nor has a majority of seats on the Board of Fintech, hence continues to have only significant influence over the operations of Fintech rather than control. The fair value of the CoAssets shares, based on the ASX quoted 30 day prior volume weighted average price of 13.39c AUD and exchange rate on that day of 0.9752, was \$1,595,885.

(ii) The directors carry out 6 monthly impairment testing of Fintech Pte Ltd, to ensure the carrying value does not exceed the fair value of the investment. The directors obtained an independent valuation, from IHS Markit, an independent third party as at 30 June 2019. Fintech started a new business segment i.e. a non-retail segment, in Q4 2018. If the profitability of this new segment were to be excluded from the forecast used in the valuation, and no other improvements in profitability are delivered, the valuation would decrease by 23.6%, and as a result the impairment recorded of \$41,404 would increase to S\$1,934,034. However, the directors are confident that the current forecast will be met.

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12	Plant and Equipment	Computer	Furniture and fittings	Renovation and improve- ment	Total
		S\$	S\$	S\$	S\$
	<b>Cost</b>				
	Balance at 30 June 2017	127,420	18,911	113,700	260,031
	Additions	13,718	4,337	125,100	143,155
	Other movements	112	-	(115,800)	(115,688)
	Balance at 30 June 2018	141,250	23,248	123,000	287,498
	Additions	89,709	-	172,646	262,355
	Currency impact	2,479	-	-	2,479
	Balance at 30 June 2019	233,438	23,248	295,646	552,332
	<b>Accumulated depreciation</b>				
	Balance at 30 June 2017	72,274	5,554	26,540	104,368
	Depreciation charge	38,950	4,064	95,410	138,424
	Other movements	(87)	-	(115,800)	(115,887)
	Balance at 30 June 2018	111,137	9,618	6,150	126,905
	Depreciation charge	33,385	3,609	46,174	83,168
	Currency impact	(1,555)	-	-	(1,555)
	Balance at 30 June 2019	142,967	13,227	52,324	208,518
	<b>Net carrying amount</b>				
	As at 30 June 2019	90,471	10,021	243,322	343,814
	As at 30 June 2018	30,113	13,630	116,850	160,593
	<b>13 Intangible Assets</b>	<b>Crowdfunding platform</b>	<b>Computer software</b>	<b>Licenses</b>	<b>Total</b>
		S\$	S\$	S\$	S\$
	<b>Cost</b>				
	Balance at 30 June 2017	165,876	87,415	-	253,291
	Additions	-	6,509	-	6,509
	Other movements	(3,017)	(16,999)	-	(20,016)
	Balance at 30 June 2018	162,859	76,925	-	239,784
	Additions	-	89,800	3,758	93,558
	Currency impact	(3,395)	-	-	(3,395)
	Balance at 30 June 2019	159,464	166,725	3,758	329,947
	<b>Accumulated amortisation</b>				
	Balance at 30 June 2017	52,323	22,796	-	75,119
	Amortisation charge	20,989	14,434	-	35,423
	Other movements	-	(4,895)	-	(4,895)
	Balance at 30 June 2018	73,312	32,335	-	105,647
	Amortisation charge	20,989	21,579	720	43,288
	Balance at 30 June 2019	94,301	53,914	720	148,935
	<b>Net carrying amount</b>				
	As at 30 June 2019	65,163	112,811	3,038	181,012
	As at 30 June 2018	89,547	44,590	-	134,137

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#### 14 Trade and Other Payables

	30/06/19	30/06/18
	S\$	S\$
Accrued interest	1,269,581	445,120
Trade payables	249,636	262,666
Crowdfunders' deposits	32,717	48,276
Accruals	135,688	192,983
	<u>1,687,622</u>	<u>949,045</u>

Refer to note 19 for the Group's risk management policy. All amounts are expected to be settled within 12 months.

#### 15 Issued Capital

	30/06/19	30/06/18
	S\$	S\$
<b>Share capital</b>		
Fully paid ordinary shares (a), (b)	20,184,187	18,115,898

##### (a) Movement in shares – current period

*Fully paid ordinary shares*

	Date	2019	2019
		Number	S\$
Opening balance	1/7/18	192,484,478	18,115,898
Shares issued for investment in associate (note 11 (i))	23/10/18	12,222,222	1,595,885
Conversion of performance rights	8/11/18	771,381	207,323
Conversion of performance rights	28/6/19	1,000,000	265,081
Closing balance	30/6/2019	<u>206,478,081</u>	<u>20,184,187</u>

##### (b) Movement in shares - period ended 30 June 2018

*Fully paid ordinary shares*

	Date	2018	2018
		Number	S\$
Opening balance	1/7/17	173,493,544	13,508,990
Issuance of shares to employees	28/7/17	1,100,043	321,142
Private placement shares issued	2/10/17	4,201,680	1,064,571
Shares issued for investment	15/5/17	6,016,671	1,452,253
Private placement shares issued	28/2/18	4,705,882	1,028,390
Shares issued for investment	30/4/18	<u>2,966,658</u>	<u>740,552</u>
Closing balance	30/6/2018	<u>192,484,478</u>	<u>18,115,898</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**(c) Movement in performance rights - period ended 30****June 2019**

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Opening balance	4,444,535	5,050,000
Granted to employees 28/7/17	-	2,200,095
Vested – shares issued 8/11/18 – Note 15(a)	(771,381)	-
Vested – shares provided from non-cash redemption of loans and advances, 8/11/18 – Note 9 (ii)	(1,500,000)	-
Vested – shares issued 28/6/19 – Note 15(a)	(1,000,000)	-
Lapsed	(1,108,067)	(2,805,560)
Closing balance	<u>65,087</u>	<u>4,444,535</u>

**16 Earnings per Share**

The weighted average number of shares used as the denominator for the basic earnings per share calculation was 201,355,872 based on the details shown in note 15 (Year ended 30 June 2018; 183,867,986).

The diluted Earnings per share calculation assumes that potential shares include all unvested performance rights that have not lapsed (including those vesting during the year) from the beginning of the year, being 1,836,468 shares for various proportions of the year. The employment criteria for these to vest is assumed to be have been waived. The weighted average number of shares would increase by 1,336,459 to 202,692,331. The accelerated AASB2 charge under that scenario is \$15,930, thus the diluted profit is \$2,274,006.

**17 Reserves**

	<b>30/6/19</b>	<b>30/6/18</b>
	<b>S\$</b>	<b>S\$</b>
Share Based Payment Reserve (i)	56,971	590,358
Foreign currency translation reserve (ii)	(217,743)	(39,641)
	<u>(160,772)</u>	<u>550,717</u>

**(i) Share Based Payment Reserve**

	<b>30/6/19</b>	<b>30/6/18</b>
	<b>S\$</b>	<b>S\$</b>
Balance at beginning of the period	590,358	-
Performance share expense recognised during the period	163,146	590,358
Shares received in lieu of redemption of loans and advances (note 9 (i)) utilised to provide shares to employees	(217,261)	-
Transfer to share capital on issuance of Performance shares	(472,404)	-
Foreign exchange translation difference	(6,868)	-
Balance at end of the period	<u>56,971</u>	<u>590,358</u>

The share based payment reserve is used to recognise:

- The fair value of options issued to employees and consultants but not exercised
- The fair value of performance shares issued to employees as the charge arises in the statement of profit and loss.
- The fair value of performance shares issued to directors based on an estimate of the probability of those shares vesting.
- The difference between the fair value of the performance share expense and fair value of shares received (rather than shares issued) and used to provide to the employees. This amounted to S\$41,041 at 30 June 2019.

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	2019	2018
	S\$	S\$
<b>(ii) Foreign Currency Translation Reserve</b>		
Balance at beginning of the period	(39,641)	(26,990)
Reserve arising on translation of foreign subsidiaries	(191,860)	(5,608)
Non-controlling interest share of translation	13,758	(7,043)
Balance at end of the period	<u>(217,743)</u>	<u>(39,641)</u>

#### *Foreign currency translation*

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

<b>18 Borrowings</b>	2019	2018
	S\$	S\$
Issued promissory notes (i)	28,723,479	16,166,580
Redeemable preference shares in CASFAR Fund (ii)	4,844,056	-
	<u>33,567,535</u>	<u>16,166,580</u>

- (i) Issued promissory notes have terms of 3 to 12 months with applicable interest rates of 7 to 11%
- (ii) Redeemable preference shares in the CoAssets Stirling Fort Absolute Return Fund (CASFAR Fund) have the nature of debt instruments with a minimum term of 1 year and minimum interest rates of 8%.

#### **19 Financial Risk Management Policy**

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, market risk (including currency risk, interest rate risk and price risk) and liquidity risk. The directors carried out their financial risks management in accordance with established policies and procedures.

The following sections provide the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

##### **(a) Market risk**

###### *Currency risk*

The Group's exposure to foreign currency risk arises on financial assets and liabilities recognised at the end of the reporting period whereby a future change in foreign exchange rates will affect future cash flows or the fair value of financial instruments. The financial instruments that expose the Group to foreign currency risk are limited to cash and cash equivalents held in currencies other than Singapore Dollars.

###### *Foreign exchange risk*

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the consolidated entity's functional currency. The Group did not have any formal policies in place regarding currency risk during the year as it was not considered significant. This will be monitored as appropriate going forward and introduced as necessary.

###### *Interest rate risk*

The Group is not exposed to material interest rate risk as all material interest-bearing assets and liabilities have fixed rates and have maturities of a similar short-term nature.

**(b) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, and in some cases also requiring collateral, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition.

As at 30 June 2019, the Company had a significant credit exposure to Brighten Management Limited exceeding S\$18m, arising from loans and advances. CoAssets has a close partnership with Brighten Management Limited who deploy funds into various projects those providing a strong interest rate return for both parties. .

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses, represent the Company's maximum exposure to credit risk.

The Company's major classes of financial assets are cash and cash equivalents, trade and other receivables and loans and advances.

Cash and cash equivalents are deposited with reputable banks with minimum risk of default.

Trade receivables that are neither past due nor impaired are substantially creditworthy debtors with collection track records with the Company.

All impaired trade receivables \$1,368,123 (2018: \$296,450) and loans and advances \$605,450 (2018: \$80,000) are 100% provided for and are past due over 3 months.

The credit quality of financial assets that are neither past due nor impaired has been assessed by reference to external credit ratings (if available), by reference to the Group's internal assessment process – 'CoAssets Risk assessment model' (CRAM) scoring, or directly by the Group's Executive Committee with respect to counterparty default history.

	<b>2019</b>	<b>2018</b>
	<b>S\$</b>	<b>S\$</b>
The counterparties with external credit rating were:		
Cash and cash equivalents – 'AA' S&P Rating	3,998,175	7,769,604
Counterparties without external credit rating:		
Directly Assessed by Executive Committee	23,993,705	8,509,204
High Risk (CRAM <45)	-	367,553
Medium Risk (CRAM 45 – 54)	-	143,449
Low Risk (CRAM >55)	-	36,500
	<u>23,993,705</u>	<u>9,056,706</u>

**Liquidity risk**

Liquidity risk is a risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of loan repayment and borrowing repayment timing. The Group's objective is to maintain a balance between funding and financing by managing the maturity profiles and carrying sufficient cash balances.

The Group's liquidity risk management policy is to maintain sufficient liquid financial assets to pay for liabilities that are due in the next six months. A significant proportion of the group borrowings are rolled over to new promissory note funding at maturity which also assists liquidity management. \$1.7m of the Groups financial liabilities have a maturity profile with contractual payments due after the next 12 months. (2018: nil)

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20	Remuneration of Auditor	2019	2018
		S\$	S\$
	<b>Audit Services</b>		
	DFKLV	24,400	20,000
	Other entities related to DFKLV	32,400	15,000
	<b>Non- Audit Services</b>		
	DFKLV Half year review	9,750	10,000
	Other	2,550	-
	<b>Total</b>	<b>69,100</b>	<b>45,000</b>

## 21 Fair Values of Financial Instruments

The carrying values of all financial assets and liabilities of the Group approximate their fair values, due to the relatively short term maturity of the financial instruments measured at amortised cost; or for investments, as the carrying amounts are equal to fair value which has been determined by using the fair value hierarchy below.

### *Fair value hierarchy*

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The following table analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Fair value of financial instruments that are not traded in an active market (for example investments in unlisted subsidiaries) are determined using valuation techniques.

The carrying amounts are estimated to approximate fair values of financial assets and financial liabilities as follows:

	30/06/19	30/06/18
	S\$	S\$
<b>Financial Assets</b>		
Cash and cash equivalents	3,998,175	7,769,604
Trade and other receivables	8,316,801	4,462,682
Loans and advances	23,993,705	9,056,706
Investments	2,988,579	1,736,184
Total Financial Assets	<b>39,297,260</b>	<b>23,025,176</b>
<b>Financial Liabilities</b>		
Borrowings	33,567,535	16,168,580
Trade and other financial liabilities	1,687,622	949,045
Total financial liabilities	<b>35,255,157</b>	<b>17,117,625</b>

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

**Cash/financial liabilities and loans**

The carrying amount is fair value due to the short term or liquid nature of these assets.

**Receivables/payables**

Due to their short-term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

**Investments**

The method of determining the fair value of investments is set out in note 10

## 22 Related Parties

**Key management personnel compensation**

The key management personnel compensation is as follows:

	2019 S\$	2018 S\$
Short-term benefits	853,707	475,536
Post-employment benefits	44,540	44,540
Share-based payments	163,146	325,968
	1,061,393	846,044

**Transactions with directors, key management personnel and their related entities**

Loans and advances (payable within one year) contain an amount of S\$1,370,511(2018: Trade receivables, \$392,231) due from a Director of Fujian Shanding Network Technology Co. Ltd who is not a Director of the Group. Trade Payables contains nil (2018: S\$41,237) due to a Director of Fujian Shanding Network Technology Co. Ltd who is not a Director of the Group.

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## 23 Subsidiaries and non-controlling interests

### (a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following significant subsidiaries:

Name of entity	Country of Incorporation	Class of shares	Equity holding 2019	Equity holding 2018	Functional Currency
CoAssets Pte Ltd	Singapore	Ordinary	100%	100%	Singapore \$
CoAssets International Pte Ltd	Singapore	Ordinary	100%	100%	Singapore \$
CoAssets Real Estate Pte Ltd	Singapore	Ordinary	100%	100%	Singapore \$
CoAssets Sdn Bhd	Malaysia	Ordinary	100%	100%	Malaysian Ringgit
Fujian Shanding Network Technology Co. Ltd	China	Ordinary	40%	40%	Chinese Yuan Renminbi
CoAssets Australia Pty Ltd	Australia	Ordinary	100%	100%	Australian \$

### (b) Non-controlling interests

The group has only one subsidiary which has non-controlling interests; summarised financial information is set out below before intercompany eliminations.

Fujian Shanding Network Technology Co. Ltd	30/06/19	30/06/18
	S\$	S\$
<b>Summarised statement of financial position</b>		
Cash and cash equivalents	30,422	650,006
Trade and other receivables	140,324	29,157
Loans and advances	1,370,511	-
Property, Plant and Equipment	24,495	14,444
Total Assets	1,565,752	693,607
Current Liabilities	1,383,613	67,187
Total Liabilities	1,383,613	67,187
Net Assets	182,139	626,420
Accumulated NCI	109,284	375,852

**Summarised statement of profit or loss and other comprehensive income**

	2019	2018
	S\$	S\$
Revenue	274,757	181,468
Loss for the period	(421,350)	(274,756)
Other comprehensive income	(22,930)	11,738
Total comprehensive loss	(444,280)	(263,018)
Total Comprehensive loss allocated to NCI	(266,568)	(157,810)
Dividend paid to NCI	-	-

**Summarised cash flows**

Cash flows from operating activities	(627,755)	606,780
Cash flows from investing activities	(1,348,812)	(28,341)
Cash flows from financing activities	1,377,981	-
Effects of foreign exchange	(20,998)	932
Net (decrease) /increase in cash and cash equivalents	(619,584)	579,371

**24 Reconciliation of Profit/loss to Operating cash flow**

	2019	2018
	S\$	S\$
Profit/(Loss) before income tax	1,637,126	(1,054,140)
Adjustments for:		
Unrealised investment and fair value gains	(1,252,395)	(2,482,967)
Share of profit of associate	(852,022)	(1,396)
Impairment loss provisioning	1,638,527	(10,200)
Depreciation and amortisation	126,456	173,847
Interest expense	2,865,720	975,539
Interest income	(2,496,525)	(1,092,604)
AASB 15 deferred revenue	(2,651,016)	2,869,988
Share based payments and other non cash expenses	191,078	911,553
Operating cash flows before working capital changes	(793,051)	289,620
Working capital changes:		
Trade and other receivables	(4,005,123)	(3,440,660)
Non-trade payables	(76,054)	153,042
Other working capital changes	440,000	76,895
Net cash used in operating activities	(4,434,228)	(2,921,103)

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## 25 Parent entity disclosure

The statement of financial position of the parent company CoAssets Limited as at 30 June 2019, and the loss for the period then ended, is set out below.

<b>Financial Position</b>	<b>30/6/19</b>	<b>30/6/18</b>
	<b>S\$</b>	<b>S\$</b>
Cash and Cash Equivalents	54,592	154,738
Trade and other receivables	13,374	12,576
<b>Total current assets</b>	<b>67,966</b>	<b>167,314</b>
Intercompany loans	7,658,373	6,952,980
Investments in subsidiaries	4,324,654	4,685,972
Other non-current assets	54,518	57,914
<b>Total non-current Assets</b>	<b>12,037,545</b>	<b>11,696,866</b>
<b>TOTAL ASSETS</b>	<b>12,105,511</b>	<b>11,864,180</b>
Trade and other payables	179,518	46,784
<b>Total current liabilities</b>	<b>179,518</b>	<b>46,784</b>
<b>NET ASSETS</b>	<b>11,925,993</b>	<b>11,817,396</b>
Issued capital	20,184,187	18,115,898
Reserves	(1,225,002)	178,057
Accumulated losses	(7,033,192)	(6,476,559)
<b>TOTAL EQUITY</b>	<b>11,925,993</b>	<b>11,817,396</b>
<b>Financial Performance</b>	<b>30/6/19</b>	<b>30/6/18</b>
	<b>S\$</b>	<b>S\$</b>
Loss/(profit) for the period	(556,633)	2,577,709
Other comprehensive (loss)/income	(869,672)	(767,469)
<b>Total comprehensive (loss)/profit</b>	<b>(1,426,305)</b>	<b>1,810,240</b>

The parent entity has no commitments or contingent liabilities at period end (2018: none).

**26 Share Based Payments**

The Group provides benefits to directors and employees in the form of share-based payment transactions, where performance rights are issued as an incentive to improve director, employee and shareholder goal congruence. Performance rights carry no dividend or voting rights. When each performance condition is satisfied, each performance right is converted in to one ordinary share of the Company with full dividend and voting rights.

(a) 2017 Employee Performance Rights Performance Rights Employees	Balance at the start of the period	Vested during the period	Lapsed during the period	Balance at end of period
Vesting 31 July 2018	1,072,264	1,071,381	883	-
Vesting 31 July 2019	1,072,271	1,000,000	7,184	65,087
Total	2,144,535	2,071,381	8,067	65,087

These performance rights vest in 2 tranches as above, subject to employees being employed by CoAssets on the date of vesting. 1,000,000 rights were vested early. A share based payment expense is included with employee costs, accounting for the value of the potential shares on grant date spread over the qualifying employment period.

**(b) 2015 Directors Performance Rights**

Performance Rights Directors	Balance at the start of the period	Vested during the period (T4)	Lapsed during the period (T5)	Balance at end of period
Getty Goh	850,000	450,000	400,000	-
Huan Kiat Seh	850,000	450,000	400,000	-
Nicholas Ong (i)	300,000	150,000	150,000	-
Jeffrey Chi	300,000	150,000	150,000	-
Total	2,300,000	1,200,000	1,100,000	-

Tranche Number	Grant Date	At start of period	Vested	Lapsed Number	At end of period
(T4)	30/11/2015	1,200,000	1,200,000	-	-
(T5)	30/11/2015	1,100,000	-	1,100,000	-

(T4) The shares associated with these rights were to be issued upon the achievement of greater than \$1,000,000 EBITDA in any 12 month period, which occurred for the year ended 30 June 2018, with shares provided on 30 November 2018. The share based payment expense was included in the year ended 30 June 2018.

(T5) The shares associated with these rights were to be issued upon the achievement of greater than \$10,000,000 revenue in any 12 month period. These rights lapsed during the year.

## 27 Contingent Liabilities

There are no contingent liabilities at 30 June 2019 and 30 June 2018.

## 28 Commitments for Expenditure

Operating lease commitments are \$425,189 (within 1 year) and \$317,802 (2 to 5 years) (2018: \$269,089 and \$349,891 respectively.) There are no capital or expenditure commitments at 30 June 2019 and 30 June 2018.

## 29 Events subsequent to Reporting Date

There has not arisen in the interval between the end of the financial year and the date of the report any matter or circumstance that has significantly affected, or may significantly affect the Consolidated Group's operations, results or the state of affairs in future financial years.

## 30 Restatement of comparative figures

Prior year figures are restated as a result of the adoption of AASB 15 *Revenue from Contracts with Customers*. This standard is applicable to annual reporting periods beginning on or after 1 January 2018, hence has been adopted for the current reporting period with comparable figures restated. The nature of the change is that revenue is recognised when control of goods or services is transferred within a performance obligation, rather than on transfer of risks and rewards as was the case under IAS 18 Revenue. This change impacts crowdfunding and finance line arrangement fees which are now recognised over the period of the loans provided rather than at the point of time when legal arrangements are finalised.

<b>(a) Year ended 30/6/18 comparative Profit and Loss</b>	<b>Previous S\$</b>	<b>Movement S\$</b>	<b>Restated S\$</b>
Revenue	5,830,282	(2,869,988)	2,960,294
Profit before income tax	1,815,848	(2,869,988)	(1,054,140)
Profit attributable to Owners of CoAssets Limited	1,980,702	(2,869,988)	(889,286)
Total comprehensive profit /(loss) for the period	1,810,240	(2,869,988)	(1,059,748)
<b>(b) 30/6/18 comparative Statement of Financial Position</b>	<b>Previous S\$</b>	<b>Movement S\$</b>	<b>Restated S\$</b>
Deferred revenue	-	2,871,571	2,871,571
Total liabilities	17,115,625	2,871,571	19,987,196
Net assets	11,817,396	(2,871,571)	8,945,825
Accumulated losses	(7,225,071)	(2,871,571)	(10,096,642)
Total equity	11,817,396	(2,871,571)	8,945,825
<b>(c) Period ending 30/6/17 comparative statement of changes in equity</b>	<b>Previous S\$</b>	<b>Movement S\$</b>	<b>Restated S\$</b>
Accumulated losses (opening) as at 1/7/17	(9,205,773)	(1,583)	(9,207,356)

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# DIRECTORS' DECLARATION

CoAssets Limited  
Directors' Declaration  
For the period ended 30 June 2019

### Directors' Declaration

In the opinion of the Directors of CoAssets Limited (the "Company"):

1. The attached consolidated financial statements, notes thereto and the additional disclosures included in the Directors' Report designated as audited are in accordance with the Corporations Act 2001, including:

- (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- (c) the financial statements also comply with International Financial Reporting Standards as disclosed in note 2(a) to the financial statements.

2. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.



Getty Goh  
Director  
Singapore  
29 August 2019

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INDEPENDENT  
AUDITOR'S REPORT  
TO THE MEMBERS

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CoAssets Limited  
ACN 604 341 826

## Independent Auditor's Report to the shareholders of CoAssets Limited

### Report on the Audit of the Financial Report

#### Opinion

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

In our opinion:

- a) The accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of their financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the year ended 30 June 2019.

These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Apart from above the key audit matters are:

Key audit matters	How our audit addressed the key audit matters
<p>Recoverability of Loan and Advances and Trade and Other Receivables <b>Refer to Note 8 and 9</b></p>	
<p>Loans and advances and Trade and Other Receivables as disclosed in notes 8 and 9 respectively represent significant assets to the Group as at 30 June 2019.</p> <p>These areas are considered key audit matters due to the significant increase in value and significant management judgement in the application of assumptions surrounding the collectability of amounts including any security.</p>	<p>Our procedures included review of component auditor workpapers and amongst others:</p> <ul style="list-style-type: none"> <li>• Selecting a sample of balances and obtaining external confirmation of Trade and Other Receivables and promissory notes to support the existence of those balances;</li> <li>• Evaluating the ability of Trade Receivables and borrowers to repay, including reviewing historic payment history and credit quality of Accounts Receivables, loans and advances;</li> <li>• Checking, on a sample basis, that payment terms of Accounts Receivable, loans and advances recognised at 30 June 2019 were being met subsequent to reporting date;</li> <li>• Challenging management's assumptions regarding the level of provisioning against the ageing loans and advances and Accounts Receivable; and</li> <li>• Assessing the adequacy of relevant disclosures in the financial report.</li> </ul>
<p>Investment in Associate</p>	
<p>Investment in Associate as disclosed in <b>Note 11</b> also represent significant asset to the Group as at 30 June 2019.</p> <p>This area is considered a key audit matter due to the significant increase in value and</p>	<p>Our procedures included review of component auditor workpapers and amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining external confirmation of shares held at reporting date;</li> </ul>

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Key audit matters	How our audit addressed the key audit matters
significant management judgement in the application of assumptions surrounding the impairment testing of Fintech Pte Ltd.	<ul style="list-style-type: none"> <li>• Review of independent valuation</li> <li>• report as at reporting dated undertaken by HIS Markit on 2 August 2019 including Valuer independence and qualifications;</li> <li>• Challenging Valuer and management's assumptions, forecasts, calculations etc pertaining to the valuation; and</li> <li>• Assessing the adequacy of relevant disclosures in the financial report. Also refer to below Emphasis of Matter.</li> </ul>

#### Emphasis of Matter – Investment in Associate

As stated in Note 11(ii), the Board obtained an independent valuation as at 30 June 2019 as part of impairment testing of Fintech Pte Ltd (Fintech). Fintech started a new business segment i.e. a non-retail segment, in Q4 2018. If the profitability of this new segment was to be excluded from the forecast used in the valuation, and no other improvements in profitability are delivered, the valuation would decrease by 23.6%, and as a result the impairment recorded of \$41,404 would increase to S\$1,934,034. However, as stated in Note 11 (ii) the directors are confident that the current forecast will be met.

#### Other Information

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of 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,



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### Responsibilities of Directors for the Financial Report (Cont'd)

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.

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**Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide the directors with a statement that we 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 our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

***Opinion on the Remuneration Report***

We have audited the Remuneration Report included on pages 16-22 of the directors' report for the year ended 30 June 2019.

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

***Responsibilities***

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

**DFK Laurence Varnay Audit Pty Ltd**



Faizal Ajmat  
Director  
Sydney

Date: 29 August 2019

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## ASX ADDITIONAL INFORMATION

CoAssets Limited  
ASX Additional Information  
For the financial year ended 30 June 2019

## SHAREHOLDER INFORMATION AS AT 19 AUGUST 2019

Shareholder Information required by the Australian Securities Exchange Limited (ASX) Listing Rules and not disclosed elsewhere in the Report is set out below.

### 1. A statement disclosing the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period; identify recommendations that have not been followed and reasons for not following them.

In accordance with the 3rd edition ASX Corporate Governance Council's Principles and Recommendations, the FY2019 Corporate Governance Statement, as approved by the Board, is available on the Company's website at <https://coassets.com/asx/> under Corporate Governance. The Corporate Governance Statement sets out the extent to which the Company has followed the ASX Corporate Governance Council's Recommendations during the financial year ended 30 June 2019.

### 2. Substantial shareholders

The number of securities held by substantial shareholders and their associates as per the substantial shareholding notices lodged with the ASX are set out below:

#### Fully paid Ordinary Shares

Name	Number of shares	Percentage	Notice Date
Mr Getty Goh	43,128,810	20.89	3 July 2019
Dr Huan Kiat Seh	34,633,030	16.77	3 July 2019
Brighten Management Limited	9,990,389	5.27	5 June 2018
Expara	15,869,970	9.54	7 September 2016

### 3. Number of security holders and securities on issue

As at 19 August 2019, CoAssets has issued 206,543,168 fully paid ordinary shares held by 375 shareholders

### 4. Voting rights

#### Ordinary shares

The voting rights attached to ordinary shares are that on a show of hands, every member present, in person or proxy, has one vote and upon a poll, each share shall have one vote.

### 5. Distribution of security holders

#### (a) Fully paid Ordinary Shares

Category	Fully paid Ordinary shares		
	Holders	Shares	%
1 - 1,000	13	3,621	0
1,001- 5,000	31	102,810	0.05
5,001 - 10,000	92	627,947	0.30
10,001 - 100,000	144	5,312,882	2.58
100,001 and over	95	200,495,908	97.07
<b>Total</b>	<b>375</b>	<b>206,543,168</b>	<b>100</b>

**6. Unmarketable parcel of shares**

The number of shareholders holding less than a marketable parcel of fully paid ordinary shares is 36 based on the Company's closing share price of \$0.10 on 19 August 2019.

**7. Twenty largest shareholders of quoted equity securities****Fully paid ordinary shares**

Details of the 20 largest shareholders by registered shareholding:

	<b>Name</b>	<b>No. of shares</b>	<b>%</b>
1	Goh Te Win Getty	43,128,810	20.88
2	Seh Huan Kiat	34,633,030	16.77
3	Citicorp Nom PL	33,256,951	16.10
4	Leong Teep Yhee	7,228,000	3.50
5	Wee Denka Zhenke	6,961,475	3.37
6	Woo Peter Ping	6,907,247	3.34
7	China Express Inv Ltd	6,907,247	3.34
8	Chen Xiaori	6,018,084	2.91
9	Wu Jianyu	5,009,018	2.43
10	BNP Paribas Noms PL	3,286,582	1.59
11	BM Nine Ltd	2,527,042	1.22
12	Lim Lawrence Teng Chye	2,512,500	1.22
13	Leong Teep Yhee	2,500,000	1.21
14	Wu Jianyu	2,499,968	1.21
15	Ong Beng Eng	2,277,000	1.10
16	Chia Boon Hwi	1,980,000	0.96
17	Tan Jing Thong	1,579,851	0.76
18	Tan Jing Thong	1,549,469	0.75
19	Leong Teep Yhee	1,454,545	0.70
20	Expara IDM Ventures II P	1,446,965	0.70
	<b>Total</b>	<b>173,663,784</b>	<b>84.06</b>

**8. The number and class of restricted securities or securities subject to voluntary escrow that are on issue and the date that the escrow period ends:**

There are no unrestricted securities or securities subject to voluntary escrow.

**9. Unquoted securities**

As at 19 August 2019, there are no unquoted equity securities on issue.

**10. On market buy-back**

There is no current on market buy-back.

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