

**All Asia Asset Capital Limited**

**(“All Asia Asset Capital”, “AAA” or the “Company”)**

**2017 Annual Report**

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## **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

This Annual Report 2017 contains forward-looking statements that state the Company's beliefs, expectations, intentions or predications for the future. The forward- looking statements reflect the current view of the Board with respect to future events and are, by their nature, subject to risks, uncertainties and assumptions.

In some cases, words such as "believe", "will", "would", "could", "may", "should", "expect", "intend", "consider", "anticipate", "estimate", "project", "plan", "potential" or similar expressions are used to identify forward-looking statements. The Board can give no assurances that those expectations and intentions will prove to have been correct, and you are cautioned not to place undue reliance on such statements. All forward-looking events or circumstances contained in this report might not occur in the manner the Board expects. Accordingly, you should not place undue reliance on such forward-looking statements. All forward-looking statements contained in this report are qualified by reference to these cautionary statements.

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Robert Berkeley  
(Executive Chairman and Finance Director)  
Paniti Junhasavasdikul (1)  
(Chief Executive Officer)  
Wai Tak Jonathan Chu  
(Executive Director)  
(Dominic) Seah Boon Chin  
(Independent Non-Executive Director)

### **REGISTERED OFFICE**

c/o Codan Trust Company (B.V.I.) Ltd.  
Commerce House  
Wickhams Cay 1  
P.O. Box 3140  
Road Town  
Tortola  
British Virgin Islands, VG1110

### **REGISTRARS**

Computershare Investor Service (BVI) Limited  
Woodbourne Hall  
PO Box 3162  
Road Town, Tortola  
British Virgin Islands

### **PRINCIPAL BANKER**

Nomura Singapore Limited  
10 Marina Boulevard  
Marina Bay Financial Center Tower 2  
#36-01 Singapore 018983

### **COMPANY WEBSITE**

[www.aaacap.com](http://www.aaacap.com)

Notes:

(1) Appointed on 9 September 2016 and resigned on 30 April 2017

### **COMPANY AUDITORS**

Elite Partners CPA Limited  
10/F, 8 Observatory Road,  
Tsim Sha Tsui, Kowloon,  
Hong Kong

### **NOMINATED ADVISER AND BROKER**

Allenby Capital Limited  
5 St Helen's Place  
London EC3A 6AB  
United Kingdom

### **SOLICITORS TO THE COMPANY AS TO ENGLISH LAW**

Ashurst LLP  
Broadwalk House, 5 Appold Street  
London EC2A 2HA  
United Kingdom

### **SOLICITORS TO THE COMPANY AS TO BVI LAW**

Conyers Dill & Pearman  
Commerce House  
Wickhams Cay 1  
P.O. Box 3140  
Road Town, Tortola  
British Virgin Islands, VG1110

## **CHAIRMAN'S STATEMENT**

I am pleased to report the results of All Asia Asset Capital Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2017.

### **Business Review**

During the year ended 31 December 2017 the Company continued its focus on Myanmar. The Company disposed of its minority investment in Andaman Power and Utility Company Limited ("APU"), which was intended to operate in the development of utility plants and the provision of electricity in Myanmar, whilst retaining to its investment position in Myanmar Allure Group Co., Ltd., ("MAG"), which owns and operates the Allure Resort, a combined hotel, resort and gaming facility located in Tachileik province, Myanmar, in the vicinity of the Thailand-Myanmar Mae Sai border.

As reported at length in the Company's previous year's Annual Report for the year ended 31 December 2016, the disposal of the Company's interest in APU has been fully completed with the consideration of Thai Baht 34,889,000 being received in May 2017. In maintaining its minority investment of 7 per cent. in MAG, the Board is positive regarding the long-term outlook towards Myanmar and the hotel, resort and gaming sector in particular.

Indeed, whilst MAG has continued its search for partnership opportunities and is seeking to leverage its prime position for foreign gaming partners to collaborate in the expansion of its Tachileik facilities, the Board has been strongly encouraged by the fact that MAG has paid back all loans from third party MAG shareholders, thus having paid off its entire debt during the year ending 31 December 2017.

Furthermore, the Board of AAA understand that MAG is currently working on plans to expand its facilities starting in 2019. The expected construction time is one year, with an increase in revenue streams and capacity expected to start during 2020. The preliminary capital outlay for the expansion of MAG's facilities will be approximately £6.09 million and this funding is anticipated to be raised via a loan from MAG's majority shareholder.

Notwithstanding these latest developments and pursuant to the Company's announcement on 2 November 2016, the Company shall consider its options and continues to actively seek realisation of its investment in MAG. However, at the present time, the Company has yet to engage in any advanced discussions with third parties in respect of realising AAA's interest in MAG.

The proceeds of the disposal of the Company's minority interests in APU provided the Company with necessary working capital and will continue to allow the Company to refocus its energies and pave the way towards delivering shareholder value by finding new investment opportunities.

### **Financial Results**

During the year ended 31 December 2017 the Company incurred a net profit of £1.07 million (year ended 31 December 2016: loss of £0.5 million), mainly attributable to gain on disposal of available-for-sale investments.

During the year, the main assets of the Group consisted of its two investments in APU and MAG. AAA's investments in MAG were valued by an independent third party valuer at a fair value of £1.21 million as at 31 December 2017. On 3 May 2017, the Group disposed of all interests in APU through a disposal of the entire issued capital of Energy Central Limited for a consideration of Thai Baht 34,889,000 settled in cash. As at 31 December 2017 the net assets of the Group were £1.56 million (31 December 2016: net assets of £2.13 million) and the Group had cash and cash equivalents of £0.36 million (31 December 2016: cash and cash equivalents of £0.04 million).

### **Board Changes**

On 21 April 2017, the Company announced that Mr. Paniti Junhasavasdikul would step down as an executive director and general counsel of the Company as of 30 April 2017. We extend our gratitude to him for his diligence, commitment and contribution to the Company during his tenure of office.

The Company believes that it is very important that it identifies the right candidate to replace Paniti Junhasavasdikul, who possesses the skills and experience that match the strategic direction of the business. The Company also intends to consider the composition of its Board as a whole, once it has further assessed the strategic direction of the Group following the sale of Energy Central/APU that took place in 2017.

It is worthy to reiterate that the Company announced on 2 November 2016 that it was considering a proposal to amend the existing investing policy of the Company and it was noted that this change in investing policy would be subject to approval of shareholders. The Company intends to re-assess this proposal once it has appointed a new Chief Executive Officer.

### **Economic Outlook**

With the Company's sole investment at the present time being situated in Myanmar, it is worth reviewing Myanmar's current economic environment. In the World Bank's May 2018 Myanmar Economic Monitor report, the overall assessment was an improved economic growth performance during fiscal year 2017/18, with a real GDP growth of 6.4 per cent. This signalled an about-turn from the more modest experience of fiscal year 2016/17 which saw 5.9 per cent real GDP growth amid a deteriorating outlook at the time. Furthermore, inflation pressure has moderated and the current account deficit has narrowed against the backdrop of strong export growth, whilst exchange rates were stable during that period.

Within the tourism and hospitality sector, according to statistical data published by Myanmar's Ministry of Hotels & Tourism, visitor arrivals increased by approximately 500,000, to a total 3.443 million arrivals, with the majority of these (over 400,000) arriving through border gateways. This may have helped offset shorter stays and marginally less daily tourism spend as, according to the World Bank report, Myanmar experienced flat tourism-related earnings in 2017/18, attributed to international concerns about the Rakhine humanitarian crisis. Despite some protracted risk factors arising within certain sectors, the economic outlook remains buoyant for Myanmar, with the World Bank's May 2018 Myanmar Economic Monitor projecting growth at 6.8 percent for the 2018/19 fiscal year.

## **Appreciation**

I would like to thank all the hard work my fellow Board members and staff, our advisers and of course our shareholders for their continuing support for AAA. I sincerely hope that the Company will continue to enjoy such support towards the development of the Group in the years to come.

**Robert Anthony Rowland Berkeley**

Chairman

London, 28 June 2018

## **DIRECTORS' REPORT**

The directors of the Company (the "Directors") present their report and the audited financial statements for the year ended 31 December 2017.

### **Principal activity and investing policy**

All Asia Asset Capital Limited ("AAA" or "Company") is an investing company that is incorporated in the British Virgin Islands on 14 September 2012. The Company has been established as a platform for investors looking to access growing markets in the Asia Pacific region. Its main country of operation is in Thailand.

The investment objective of the Company is to invest in a portfolio of companies with at least the majority of their operations (or early stage companies that intend to have at least the majority of their operations) in the Asia Pacific region with an expected initial focus on: Malaysia, Thailand, Indonesia and Myanmar. The Directors intend to invest in companies that operate (or early stage companies that intend to operate) in industries with high growth potential including, but not limited to: agriculture, forestry and plantations, mining, natural resources, property and/or technology.

### **Review of business**

As at 31 December 2017, the Company held one investment in its portfolio.

#### **Myanmar Allure Group Company Limited**

All Asia Asset Capital currently holds a 7 per cent stake in Myanmar Allure Group Co., Ltd. ("MAG"). MAG is a privately held company based in Thailand and Myanmar, which operates in the hospitality and entertainment business.

MAG owns and operates the Allure Resort, a combined hotel, resort and gaming facility located in Tachileik province, Myanmar, in the vicinity of the Thailand-Myanmar Mae Sai border. The resort is situated in an 11-acre plot and is easily accessible from Chiang Rai, Thailand and located within a five minute walk from the border. It offers a variety of entertainment including gaming, shopping and cultural sightseeing.

The Board of AAA understand that MAG is currently working on plans to expand its facilities in 2019. The expected construction time is one year, with an increase in revenue streams and capacity expected to start during 2020. The preliminary capital outlay for the expansion of MAG's facilities will be approximately £6.09 million and this funding is anticipated to be raised via a loan from MAG's majority shareholder.

### **Capital Resources and Financing Structure**

During the year ended 31 December 2017, the Company continued to utilise the net proceeds from the disposal of Energy Central/APU and the funds raised through two subscriptions with certain of the Company's existing shareholders in April 2015 and May 2015, through which the Company raised approximately £490,000. No equity finance was raised in 2017 or 2016. In December 2016, the Company signed an agreement with Nature Cove Holdings Limited (a shareholder of the Company), through which



the Company was provided with a convertible loan of £100,000, in order to provide short-term financing for the Company. This loan was subsequently repaid in June 2017 and no conversion of the loan's principal amount or interest into new ordinary shares in the capital of the Company took place during the term of the loan.

Furthermore, through the disposal of Energy Central whose sole asset was the Company's 7 per cent stake in APU, having duly received the cash consideration Thai Baht 34,889,000 which is equivalent to approximately £0.8m at time of first reporting, the Company has been able to put the proceeds from the disposal towards the Company's operational expenses.

### International Financial Reporting Standards

The consolidated financial statements for the year ended 31 December 2017 together with comparative figures from the year ended 31 December 2016 have been prepared by using International Financial Reporting Standards (IFRSs).

### Results and dividends

The reported profit for the year was £1.07 million, which was mainly attributable to gain on disposal of available-for-sale investments. Further details are set out in the consolidated statement of profit or loss. No dividend has been paid or proposed for the period.

### Directors and their interests

The following Directors who served during the year ended 31 December 2017, together with their beneficial interests in the ordinary share capital of the Company at the date of admission of the Company to trading on AIM of London Stock Exchange are as follows:

Directors	Position	Shares held at 2 May 2013	Shares held at 31 December 2017	% at 31 December 2017
	Executive Chairman and			
Robert Anthony Rowland Berkeley	Finance Director	14,914,575	14,914,575	7.01%
Paniti Junhasavasdikul (1)	Executive Director	-	-	-
Wai Tak Jonathan Chu	Executive Director	-	-	-
(Dominic) Seah Boon Chin	Independent Non- Executive Director	-	-	-

Notes:

(1) Appointed on 9 September 2016 and resigned on 30 April 2017

## Substantial interests

As at 31 December 2017, save for the Directors listed above, the Directors were aware of the following interests amounting to 3% or more of the ordinary share capital of the Company.

Shareholder	Number of Shares	Percentage
		Shareholding
W B Nominees Limited	37,371,384	17.56%
Euroclear Nominees Limited	30,004,150	14.10%
Vidacos Nominees Limited	21,030,193	9.88%
Mr Robert John Sali	16,666,667	7.83%
Lynchwood Nominees Limited	16,325,000	7.01%
Mr Blake Gordon Olafson	15,000,000	7.05%
Oxbow Enterprise Limited	14,914,575	7.01%
Chakris Kajkumjohndej	11,000,000	5.17%
The Bank of New York (Nominees Limited)	7,881,001	3.70%
Chiefland Trading Limited	7,333,334	3.45%

## Directors' Responsibilities Statement

The Directors are responsible for the preparation of consolidated financial statements for each financial year. The consolidated financial statements must give a true and fair view of the state of affairs of the Company and its subsidiaries (the "Group"), and the Group's profit and loss for that period.

When preparing consolidated financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgments and estimates that are reasonable
- State whether they adhered to applicable accounting standards subject to any material departures disclosed and explained in the consolidated financial statements
- Prepare the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business

The Directors must keep proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Group and the Company. The Directors must ensure that the consolidated financial statements comply with applicable laws and follow International Financial Reporting Standards. The Directors must also safeguard the assets of the Group and the Company, and take reasonable steps to prevent and detect fraud or other irregularities.

## Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with AIM Rules. The maintenance and integrity of information presented in the Company's website is the

responsibility of the Directors, therefore the Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **Auditors**

Elite Partners CPA Limited was appointed auditors at the conclusion of the Company's annual general meeting held on 31 July 2017. A resolution to re-appoint Elite Partners CPA Limited as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on behalf of the Board.

Robert Anthony Rowland Berkeley

Chairman

London, 28 June 2018

## **CORPORATE GOVERNANCE STATEMENT**

### **Board of Directors**

During the year ended 31 December 2017, the following persons served as directors of the Company:

Executive Directors:

Robert Anthony Rowland Berkeley

Paniti Junhasavasdikul (resigned on 30 April 2017)

Wai Tak Jonathan Chu

Independent Non-Executive Director:

(Dominic) Seah Boon Chin

The Directors are not related to each other.

### **Responsibilities of the Board**

The Directors are responsible for the overall management and control of the Company as well as identifying investment opportunities, managing the investment/acquisition process and monitoring the investee companies' operating performance. The Directors will review the operations of the Company at regular board meetings and it is currently intended that the Board will meet at least four times a year and at other times as and when required.

The Directors recognise the importance of sound corporate governance commensurate with the size of the Company and the interests of Shareholders and intend that the Company will comply with the main provisions of the Corporate Governance Code published by the Quoted Companies Alliance to the extent that they believe it is appropriate in light of the size, stage of development and resources of the Company.

### **Board Committee**

As there is currently only one independent non-executive director of the Company, being Dominic Seah Boon Chin, the Board has not established remuneration, nomination and audit committees. Until the appointment of a further independent non-executive director, Dominic Seah Boon Chin will be responsible for the Company's remuneration policy and the Board as a whole will monitor the performance of the Board and plans for succession and the functions usually carried out by a nominations committee. Until an audit committee is appointed, the Board as a whole will be responsible for reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant, considering annual and interim accounts and audit reports, considering the appointment and remuneration of the Company's auditor and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications

## INVESTING POLICY

(Adopted at the Annual General Meeting of the Company on 10 December 2013)

The Company intends to invest in companies with at least the majority of their operations (or early stage companies that intend to have at least the majority of their operations) in the Asia Pacific region. The Company intends to invest in a portfolio of companies with an initial focus on companies that operate (or early stage companies that intend to operate) in industries with likely high growth potential including, but not limited to: agriculture, forestry and plantation, mining, natural resources, property and/or technology.

The Directors intend to source and identify potential investments in line with the Investing Policy through their own research and network of contacts and possibly strategic partnerships with other companies or persons who can assist the Company in sourcing and identifying potential investments. Investments are expected to be mainly in the form of equity although investments may be by way of debt, convertible securities or investments in specific projects. In the case of equity investments, the Directors intend typically to take minority positions (with suitable minority protection rights), primarily in unquoted companies. Investments will therefore typically be of a passive nature. However, whilst the Directors intend that typical investments will constitute minority positions in investee companies, should the Company make majority investments, the Company may seek participation in the management or board of directors of such an entity with a view to seeking to improve the performance and growth of the business.

There is no limit on the size of an investment in a project. The Directors expect that each investment will typically yield a targeted internal rate of return of at least 20 to 30 per cent. per annum. It is likely that a substantial portion of the Company's financial resources will be invested in a small number of companies, however the Company has not excluded the possibility of making just one investment. Depending on the size of investments, they may be deemed to be reverse takeovers for the purposes of the AIM Rules, which would require Shareholder approval and re-admission of the Company, as enlarged by the acquisition, to trading on AIM.

In addition to paying the costs of the Company's ongoing expenses, the Company's cash resources will primarily be used to identify, evaluate and select suitable investment opportunities and to make investments, either in part or in full, as applicable. The Directors consider that as investments are made, or promising new investment opportunities arise, further funding of the Company will be required and they anticipate further equity fundraisings by the Company. Subject to prevailing authorities to issue new Ordinary Shares or, if required, with Shareholder approval, new Ordinary Shares may be used as consideration, in whole or in part, for investments. The Company will not be subject to any borrowing or leverage limits. In order to mitigate investment risk, the Directors intend to carry out a thorough due diligence process in evaluating each potential investment including: site visits, analysis of financial, legal and operational aspects of each investment opportunity, meetings with management, risk analysis, review of corporate governance and anti-corruption procedures and the seeking of third party expert opinions and valuation reports where the Directors see fit.

The Directors will apply investment criteria including: the potential for capital growth and/or the potential for profit generation with a view to receiving dividend income over time, high attractiveness to potential buyers of the company in question in order to facilitate exits and a strong and experienced management team.

Given the time frame to fully maximise the value of an investment, the Board expects that investments will be held for the medium to long term, although short-term disposals of assets cannot be ruled out in exceptional or opportunistic circumstances. The Directors intend to re-invest the proceeds of disposals in accordance with the Company's Investing Policy unless, at the relevant time, the Directors believe that there are no suitable investment opportunities in which case the Directors will consider returning the proceeds to Shareholders in a tax efficient manner.

Cash held by the Company pending investment, reinvestment or distribution will be managed by the Company and placed in bank deposits or in capital guaranteed schemes offered by major global financial institutions, in order to protect the capital value of the Company's cash assets. The Company may, where appropriate, also enter into agreements or contracts in order to hedge against interest rate or currency risks. Investments are expected to be held by the Company or a subsidiary to be incorporated for the purpose of holding an investment.

Any material change to the Company's Investing Policy will only be made following the approval by ordinary resolution of Shareholders in general meeting. In addition, if the Company has not substantially implemented its Investing Policy within 18 months of Admission, the Company will seek the approval of Shareholders at its next annual general meeting for its Investing Policy and on annual bases thereafter until such time that its Investing Policy has been substantially implemented. If it appears unlikely that the Company's Investing Policy can be implemented at any time, the Directors will consider returning remaining funds to Shareholders.

The Directors will review the Investing Policy on an annual basis and will implement any non-material changes or variations as they consider fit. Details of any such non-material changes or variations will be announced as appropriate. Any material change or variation of the Investing Policy will be subject to the prior approval of Shareholders

## **BOARD OF DIRECTORS**

### **Robert Berkeley (Executive Chairman and Finance Director)**

Robert qualified as a chartered accountant with Arthur Andersen and Co in 1990 and has had a successful career in senior management within the retail, construction, headhunting and financial services sectors. In 1999, he was appointed to Harvey Nash Plc's European Management Board, significantly developing the business across Europe, as well as placing senior executives within major international organisations. Since 2009, Robert has successfully established Vantage FX UK Trading Limited, an FSA regulated online forex broker based in London, a significant player in the FX market across Europe with strong growth year on year. Robert is currently the Managing Director of Vantage FX UK Trading Limited. Robert's position as Executive Chairman and Finance Director is on a part time basis.

### **Paniti Junhasavasdikul (Chief Executive Officer)**

Mr. Junhasavasdikul has 20 years of legal, interim management and private equity experience. He has worked as a lawyer in various transactions and investments ranging from start-ups, M&A, special situation investments, debt trades, turnarounds, disputes and corporate governance. He was a co-founder of FBLP Legal Co., Ltd where he was a partner from 2000 to 2007 before the practice was merged with DFDL International Law Offices where he was an equity partner between 2007 to 2010, based in the CLMV (Cambodia, Laos, Myanmar and Vietnam) countries. Paniti was a member of the International Advisory Council of International and Executive Legal Education (IELE), Berkeley Law, University of California between 2009 and 2014. He graduated with an LLB from Chulalongkorn University, Faculty of Law in 1992 and received an LLM from University of California, Berkeley in 1995. He is a member of the Thai Bar Association and the Law Society of Thailand.

Mr. Junhasavasdikul was appointed to the board of AAA on 9 September 2016 and subsequently resigned on 30 April 2017.

### **Wai Tak Jonathan Chu**

Jonathan has over twenty years of experience in property investment and asset management, investor relations and corporate finance mostly in Hong Kong. He was a Senior Property Manager at Hon Kwok Land Investments Co. Ltd., a property developer company listed on the main board of the Hong Kong Stock Exchange, from September 1988 to April 2004. He was a consultant with Ketchum Newscan Public Relations Limited in Hong Kong from December 2009 to February 2011. He was an Investor Relations Manager at Zhengye International Holdings Co. Ltd. from June 2012 to October 2013 and an Investor Relations Manager at Modern (HR) Limited from August 2011 to April 2012, both companies listed on the main board of the Hong Kong Stock Exchange. Jonathan received his BA (Hons) in Economics and Social Studies from the University of Manchester and a Master of Science in Financial Engineering from the City University of Hong Kong.

**Dominic Seah Boon Chin (Independent Non-Executive Director)**

Dominic began his career in 1995 as a senior officer at Chung Khiaw Bank (Malaysia) Bhd. (now known as United Overseas Bank (Malaysia) Berhad). From 1997 to January 2007, he worked in several established financial institutions in Malaysia and Singapore, including CIMB Investment Bank Berhad, Affin Investment Bank Berhad and Public Investment Bank Berhad, mainly focused in corporate finance. Subsequently he joined MobilityOne Limited (which is quoted on AIM) as its corporate finance director and has been a non-executive director there since November 2011. He is currently the head of corporate finance at TA Securities Holdings Berhad, a stockbroking firm in Malaysia. He obtained his Bachelor of Commerce (Honours) degree with distinction from McMaster University, Canada.



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ALL ASIA ASSET CAPITAL LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*

#### **Opinion**

We have audited the consolidated financial statements of All Asia Asset Capital Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 21 to 59, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, 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 consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Federation of Accountants ("IFAC"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' "Code of Ethics for Professional Accountants" (the "Code") and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ALL ASIA ASSET CAPITAL LIMITED

*(Incorporated in British Virgin Islands with limited liability)*

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<i>Valuation of the Group's available-for-sale financial assets measured at fair value categorised as level 3 of fair value hierarchy</i>	
<p>As at 31 December 2017, the Group's available-for-sale financial assets of approximately GBP1.21 million were investments in unlisted equity securities whose fair value measurements were categorised as level 3 in the fair value hierarchy defined in IFRS 13.</p> <p>The valuation of the available-for-sale financial assets involved high degree of estimation uncertainty, subjectivity and management judgement.</p> <p>We have identified the fair value measurement of the Group's available-for-sale financial assets as a key audit matter because the fair value of which were derived from valuation techniques that include inputs for assets that are not based on observable market data and high degree of management judgement was required in determining the assumptions to use in arriving at the unobservable inputs.</p>	<p>Our major audit procedures in relation to this matter included the following:</p> <ul style="list-style-type: none"><li>• We evaluated the competence, capabilities and independence of the Group's external valuer;</li><li>• We assessed the appropriateness for the selection of the discounted cash flow model as the valuation technique used by management based on the market practice and our knowledge of the nature of the financial assets;</li><li>• We evaluated the judgement made by management in determining the key assumptions, including credit spread rate and volatility, by comparing the supporting documentation to external market analysis.</li><li>• We also performed an independent sensitivity analysis to evaluate those assumptions applied to the valuation model for calculating the fair value of the financial assets; and</li><li>• We checked the mathematical accuracy of the discounted cash flow model prepared by management via reperformance.</li></ul>

#### **Information other than the Consolidated Financial Statements and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements 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.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ALL ASIA ASSET CAPITAL LIMITED**

*(Incorporated in British Virgin Islands with limited liability)*

#### **Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements**

The directors are responsible for the preparation and fair presentation of the consolidated financial statements that in accordance with IFRSs issued by the IFAC, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, 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.

The those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 consolidated financial statements 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.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ALL ASIA ASSET CAPITAL LIMITED

*(Incorporated in British Virgin Islands with limited liability)*

#### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)***

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. 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 audit committee 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 audit committee 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 audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

The engagement partner on the audit resulting in the independent auditor's report is Yip Kai Yin with Practising Certificate number P05131.

Elite Partners CPA Limited  
Certified Public Accountants

10/F., 8 Observatory Road,  
Tsim Sha Tsui, Kowloon,  
Hong Kong  
28 June 2018

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	<u>2017</u> <b>GBP</b>	<u>2016</u> GBP
Net realised gain on disposal of available-for-sale investments		<b>1,213,028</b>	-
Other income	5	<b>236</b>	377
Impairment of available-for-sale financial assets		-	(3,881,471)
Change in fair value of convertible loan designated at fair value through profit or loss		<b>220,243</b>	(220,243)
Administrative expenses		<u><b>(363,490)</b></u>	<u>(250,096)</u>
Profit / (Loss) before tax	6	<b>1,070,017</b>	(4,351,433)
Income tax	8	<u>-</u>	<u>-</u>
Profit / (Loss) for the year		<u><b>1,070,017</b></u>	<u>(4,351,433)</u>
Earnings / Loss per ordinary share (in pence)			
- Basic	9(a)	<u><b>0.50</b></u>	<u>(2.04)</u>
- Diluted	9(b)	<u><b>0.50</b></u>	<u>(2.04)</u>

The notes on pages 26 to 59 form part of these financial statements

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

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Notes	<b>2017</b>	2016
	<b>GBP</b>	GBP
Profit / (Loss) for the year	<b>1,070,017</b>	(4,351,433)
Other comprehensive income:		
<i>Items that may reclassified subsequently to profit or loss</i>		
Fair value loss on available-for-sale financial assets	<b>(243,838)</b>	(3,941,228)
Reclassification adjustment relating to impairment of available-for-sale financial assets during the year	-	3,881,471
Exchange difference on translating financial statements of foreign subsidiaries	<b>(1,387,344)</b>	858,489
	<b>(1,631,182)</b>	798,732
Other comprehensive (expense) / income, net of tax		
Total comprehensive expense for the year	<b>(561,165)</b>	(3,552,701)

The notes on pages 26 to 59 form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	Notes	As at <u>31 Dec 2017</u> GBP	As at <u>31 Dec 2016</u> GBP
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	11	6,411	10,276
Available-for-sale financial assets	13	<u>1,208,815</u>	<u>2,416,336</u>
		<u>1,215,226</u>	<u>2,426,612</u>
<i>Current assets</i>			
Prepayments and deposits		10,547	8,932
Cash and bank balances	14	<u>355,418</u>	<u>44,648</u>
Total current assets		<u>365,965</u>	<u>53,580</u>
<b>Total assets</b>		<u><u>1,581,191</u></u>	<u><u>2,480,192</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital	15	6,284,194	6,284,194
Reserves	17	<u>(4,719,341)</u>	<u>(4,158,176)</u>
<b>Total equity</b>		<u><u>1,564,853</u></u>	<u><u>2,126,018</u></u>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Other payables and accruals	18	<u>16,338</u>	<u>33,931</u>
<i>Non-current liabilities</i>			
Convertible loan	20	-	<u>320,243</u>
<b>Total liabilities</b>		<u><u>16,338</u></u>	<u><u>354,174</u></u>
<b>Total equity and liabilities</b>		<u><u>1,581,191</u></u>	<u><u>2,480,192</u></u>
<b>Net current assets</b>		<u><u>349,627</u></u>	<u><u>19,649</u></u>
<b>Total assets less current liabilities</b>		<u><u>1,564,853</u></u>	<u><u>2,446,261</u></u>
<b>Net assets</b>		<u><u>1,564,853</u></u>	<u><u>2,126,018</u></u>

Approved by the board of directors on 28 June 2018

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Wai Tak Jonathan Chu  
Director

\_\_\_\_\_  
Robert Anthony Rowland Berkeley  
Director

The notes on pages 26 to 59 form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share capital	Fair value reserve	Share option reserve	Exchange reserve	Accumulated loss	Total
	GBP	GBP	GBP	GBP	GBP	GBP
As at 1 Jan 2016	6,284,194	180,779	44,125	601,104	(1,431,483)	5,678,719
Loss for the year	-	-	-	-	(4,351,433)	(4,351,433)
Other comprehensive income:						
Loss on fair value change on available- for-sale financial assets	-	(4,169,030)	-	-	-	(4,169,030)
Reclassification adjustment relating to impairments of available-for-sale investment during the year	-	3,881,471	-	-	-	3,881,471
Exchange difference on translating of financial statement of overseas subsidiaries	-	-	-	1,086,291	-	1,086,291
Total comprehensive income for the year	-	(287,559)	-	1,086,291	(4,351,433)	798,732
<b>As at 31 December 2016 and 1 January 2017</b>	<b>6,284,194</b>	<b>(106,780)</b>	<b>44,125</b>	<b>1,687,395</b>	<b>(5,782,916)</b>	<b>2,126,018</b>
Profit for the year	-	-	-	-	1,070,017	1,070,017
Other comprehensive income:						
Loss on fair value change on available- for-sale financial assets	-	(243,838)	-	-	-	(243,838)
Exchange difference on translating of financial statement of overseas subsidiaries	-	-	-	(1,387,344)	-	(1,387,344)
Total comprehensive income for the year	-	(243,838)	-	(1,387,344)	-	(561,165)
Lapse of share option			(44,125)		44,125	-
<b>As at 31 December 2017</b>	<b>6,284,194</b>	<b>(350,618)</b>	<b>-</b>	<b>300,051</b>	<b>(4,757,024)</b>	<b>1,564,853</b>

The notes on pages 26 to 59 form part of these financial statements



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<u>2017</u>	<u>2016</u>
	<u>GBP</u>	<u>GBP</u>
<b>Operating activities</b>		
Profit / (Loss) before taxation	1,070,017	(4,351,433)
Adjustments for:		
Bank interest income	-	(3)
Depreciation of property, plant and equipment	2,620	2,979
Impairment loss on available-for-sale financial assets	-	3,881,471
Change in fair value of convertible loans designated at fair value through profit or loss	(220,243)	220,243
Net realised gain on disposal of available-for-sale investments	(1,213,028)	-
	<u>(360,634)</u>	<u>(276,743)</u>
Operating loss before working capital changes	(360,634)	(276,743)
Increase in prepayments and deposits	(1,615)	(4,102)
(Decrease) / Increase in other payables and accruals	(17,593)	17,681
	<u>(379,842)</u>	<u>(233,164)</u>
Cash used in operations	(379,842)	(233,164)
Interest received	-	3
	<u>(379,842)</u>	<u>(233,161)</u>
Net cash used in operating activities	(379,842)	(233,161)
<b>Investing activities</b>		
Proceeds from disposal of available-for-sale investments	795,069	-
	<u>795,069</u>	<u>-</u>
Net cash generated from investing activities	795,069	-
<b>Financing activities</b>		
Repayment of convertible loans	(100,000)	-
Proceeds from issue of convertible loans	-	100,000
	<u>(100,000)</u>	<u>100,000</u>
Net cash (used in) / generated from financing activities	(100,000)	100,000
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>315,227</b>	<b>(133,161)</b>
Effect of foreign exchange rate changes, net	(4,457)	(8,974)
Cash and cash equivalents at the beginning of the year	44,648	186,783
	<u>355,418</u>	<u>44,648</u>
<b>Cash and cash equivalents at the end of the year</b>	<b>355,418</b>	<b>44,648</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	355,418	44,648

The notes on pages 26 to 59 form part of these financial statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 1. GENERAL INFORMATION

The Company was incorporated in the British Virgin Islands on 14 September 2012 with limited liability and its ordinary shares were admitted to trading on the AIM market of the London Stock Exchange on 2 May 2013. The registered office of the Company is located at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands and the operating office is located at Mail Boxes Silom Complex 4 Fl., MBE No. 81, 191 Silom Complex, Silom Road, Bangrak, Bangkok 10500 Thailand.

The principal activity of the Company and its subsidiaries (collectively referred as to the “Group”) is to invest in growing markets of Asia Pacific.

The consolidated financial statements are presented in Great British Pounds (“GBP”), which is the same as the functional currency of the Company, and all value is round to the nearest GBP. It is prepared on historical cost basis except for available-for-sale financial assets and the share-based payment that are stated at fair value.

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

### 2.1 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) that are mandatorily effective for an accounting period that begins on or after 1 January 2017. These amendments have been applied by the Group for the first time in the current year unless otherwise specified. The impact of these amendments are described below.

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRS 12	As part of the Annual Improvements to IFRSs 2014–2016 Cycle

The amendments to IAS 7 require an entity to make disclosures that aim to enable users of financial statements to evaluate changes in liabilities arising from financing activities. Reconciliations of various types of the Group’s financing liabilities is disclosed in Note 24 to the consolidated financial statements. Other than such additional disclosures, the application of the amendments has not had any material effect on the consolidated financial statements.

The amendments to IAS 12 clarify when unrealised losses on a debt instrument measured at fair value would give rise to a deductible temporary difference and how to evaluate whether sufficient future taxable profits are available to utilise a deductible temporary difference. The application of the amendments has not had any material effect on the consolidated financial statements.

Annual improvements to IFRSs (2014–2016 cycle) include an amendment to IFRS 12 that clarifies that, when an entity’s interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with IFRS 5 Non-current Assets held for Sale and Discontinued operations, it is not required to disclose summarised financial information for that subsidiary, joint venture or associate, as required by IFRS 12 Disclosure of Interests in Other Entities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS  
(CONTINUED)**

**2.2 New and revised IFRSs that are not mandatorily effective for the current year**

The Group has not applied any of the following new and revised IFRSs that have been issued but are not yet mandatorily effective:

IFRS 9	Financial Instruments <sup>1</sup>
IFRS 15	Revenue from Contracts with Customers <sup>1</sup>
IFRS 16	Leases <sup>2</sup>
IFRS 17	Insurance Contracts <sup>3</sup>
IFRIC 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
IFRIC 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts <sup>1</sup>
Amendments to IFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers <sup>1</sup>
Amendments to IAS 40	Transfers of Investment Property <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRSs 2014-2016 Cycle <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle <sup>2</sup>

1 Effective for annual periods beginning on or after 1 January 2018

2 Effective for annual periods beginning on or after 1 January 2019

3 Effective for annual periods beginning on or after 1 January 2021

4 No mandatory effective date yet determined but available for adoption

**IFRS 9 Financial Instruments**

IFRS 9 has introduced new requirements for a) classification and measurement of financial assets, b) impairment of financial assets and c) general hedge accounting.

Specifically, with regard to the classification and measurement of financial assets, IFRS 9 requires all recognised financial assets that are within the scope of IFRS 9 to be subsequently measured at amortised cost or fair value. Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of each of the subsequent accounting periods. Debt investments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. Further, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and that cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

#### 2.2 *New and revised IFRSs that are not mandatorily effective for the current year*

##### **IFRS 9 Financial Instruments (continued)**

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

With regard to impairment of financial assets, IFRS 9 has adopted an expected credit loss model, as opposed to an incurred credit loss model required under IAS 39. In general, the expected credit loss model requires an entity to assess the change in credit risk of the financial asset since initial recognition at each reporting date and to recognise the expected credit loss depending on the degree of the change in credit risk.

With regard to the general hedge accounting requirements, IFRS 9 retains the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group is still in the process of assessing the impact of IFRS 9. The directors of the Company believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

Other than above additional disclosures, application of other amendments has not had any material effect on the consolidated financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on a going concern basis. The preparation of these financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the directors of the Company to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in Note 4.

#### **(a) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) Basis of consolidation**

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control 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. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the members of the Group.

All intra-group transactions, balance, income and expenses are eliminated in full on consolidation.

The Group does not have any non-controlling interest during the year.

**(b) Segment reporting**

For the purpose of IFRS 8 "Operating Segments" the Company currently has one segment being "Investment sector". No further operating segment financial information is therefore disclosed.

**(c) Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Furniture and fixture	20%
Office equipment	30%

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the consolidated statement of financial position.

**(e) Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

*Financial assets*

Financial assets are classified into the following specified categories: “available-for-sale” (AFS) financial assets and “loans and receivables”. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Purchases or sales of financial assets are recognised and derecognised on a trade date basis. Purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount of initial recognition.

Income is recognised on an effective interest basis for debt.

*Available-for-sale financial assets (“AFS financial assets”)*

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL (as defined below).

AFS financial assets are measured at fair value at the end of each reporting period. Changes in fair value are recognised in other comprehensive income and accumulated under the heading of available-for-sale investments revaluation reserve. Where the financial asset is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the available-for-sale investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Financial instruments (Continued)**

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including deposits and other receivables, cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

*Impairment of financial assets*

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its costs is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Financial instruments (Continued)**

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of available-for-sale investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

*Financial liabilities and equity instruments*

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

*Financial liabilities at fair value through profit or loss ("FVTPL")*

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Financial instruments (Continued)**

*Financial liabilities at fair value through profit or loss ("FVTPL") (continued)*

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the "other gain and losses" line item in the consolidated income statement.

*Other financial liabilities*

Other financial liabilities (including other payables and others) are subsequently measured at amortised cost using the effective interest method.

*Convertible loan designated at fair value through profit or loss*

The convertible loan issued in December 2016 (as described in note 20 below) includes a liability component and a conversion option. The conversion option that will not be settled by the exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments is treated as a derivative. Derivatives embedded in a financial instrument are treated as separate derivatives when their economic risks and characteristics are not closely related to those of the host contract (the liability component) and the host contract is not carried at fair value through profit or loss.

The convertible loan (including the liability component and the conversion option) as a whole is designated as a financial liability at fair value through profit or loss on initial recognition. In subsequent periods, the entire convertible loan is measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

Transaction costs that are directly attributable to the issue of the convertible bond designated as financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Financial instruments (Continued)**

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis except for those financial liabilities designated at FVTPL.

*Derecognition*

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On de-recognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**(f) Current assets and current liabilities**

Current assets are expected to be realised within twelve months of the date of the reporting period or in the normal course of the Group's operating cycle. Current liabilities are expected to be settled within twelve months of the date of the reporting period or in the normal course of the Group's operating cycle.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Foreign currency translation**

*(i) Functional and presentation currency*

Items included in the financial statements of each of the group entities are measured using the currency in accordance to the location where shares of the Company are traded (the functional currency). These consolidated financial statements are presented in Great British Pound (“GBP”), which is the Company's functional and the Group's presentation currency.

*(ii) Transactions and balances*

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

**(h) Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably. Gain on disposal of available-for-sale financial assets is measured at fair value of the consideration received or receivable, whereas interest income is recognised on a time-proportion basis using the effective interest method.

**(i) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and reliable estimate can be made of the amount of the obligation. Provisions are measured at the Group's best estimate of the expenditure required to settle the present obligation at the end of the reporting period, and are discounted to present value where the effect of the time value of money is material.

**(j) Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental payable under operating leases are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Share-based payment transactions**

The fair value of services received determined by reference to the fair value of share warrants and options granted under the share warrants and share award scheme of the Company on the grant date is expensed on the year of grant.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss such that cumulative expenses reflects the revised estimate, with a corresponding adjustment to equity. At the time when the share options are exercised, forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised will continue to be held in equity.

**(l) Retirement benefit cost**

Payments to retirement benefits plans and government-managed retirement benefits schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

**(m) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income and retained earnings because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases using in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(m) Taxation (continued)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. However, the measurement of deferred tax liabilities associated with an investment property measured at fair value does not exceed the amount of tax that would be payable on its sale to an unrelated market participant at fair value at the reporting date. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

**(n) Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment assets are grouped at the lower levels for which there are separately identifiable cash flow (cash-generating units).

**(o) Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the Group. A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(p) Related parties**

For the purpose of these financial statements, a related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
  
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of a third entity.
  - (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
  - (vi) the entity is controlled or jointly controlled by a person identified in (a).
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) Close members of the family of a person are those family members who may be expected to influence or be influenced management personnel of the entity (or of a parent of the entity).
  
- (c) A related party as defined in the AIM Rules for Companies.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Valuation of financial instruments**

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 13 provides information the estimation of the fair value of financial instruments.

The directors of the Company believe that the chosen valuation techniques used are appropriate in determining the fair value of financial instruments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**5. OTHER INCOME**

Other income represents the bank interest income and foreign exchange gain incurred during the year, as presented below:

	<u>2017</u>	<u>2016</u>
	<b>GBP</b>	GBP
Bank interest income	-	3
Foreign exchange gain	-	374
Sundry income	<b>236</b>	
	<hr/>	<hr/>
	<b>236</b>	377
	<hr/> <hr/>	<hr/> <hr/>

**6. PROFIT / (LOSS) BEFORE TAX**

Profit / (loss) before tax arrived at after charging/ (crediting):

	<u>2017</u>	<u>2016</u>
	<b>GBP</b>	GBP
Auditors' remuneration	<b>21,893</b>	20,491
Depreciation of property, plant and equipment	<b>2,620</b>	2,979
Foreign exchange loss	<b>40,793</b>	1,196
Operating lease payment in respect of office premises	-	7,984
Staff costs (including directors' remuneration)		
- Fees	<b>21,750</b>	20,625
- Salaries and other benefits	<b>53,694</b>	73,410
- Retirement scheme contribution	-	2,901
Total staff costs	<hr/> <b>75,444</b> <hr/>	<hr/> 96,936 <hr/>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**7. DIRECTORS' REMUNERATION**

During the year, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

**For the year ended 31 December 2017:**

	<u>Fees</u> GBP	<u>Salaries and other benefits</u> GBP	<u>Retirement scheme contribution</u> GBP	<u>Total</u> GBP
<b>Executive directors</b>				
Mr. Robert Anthony Rowland Berkeley	-	23,600	-	23,600
Mr. Wai Tak Jonathan Chu	-	-	-	-
Mr. Paniti Junhasavasdikul <sup>(i)</sup>	-	25,200	-	25,200
	<u>-</u>	<u>48,800</u>	<u>-</u>	<u>48,800</u>
<b>Independent non-executive director</b>				
Mr. Seah Boon Chin	21,750	-	-	21,750
	<u>21,750</u>	<u>48,800</u>	<u>-</u>	<u>70,550</u>

**For the year ended 31 December 2016:**

	<u>Fee</u> GBP	<u>Salaries and other benefits</u> GBP	<u>Retirement scheme contribution</u> GBP	<u>Total</u> GBP
<b>Executive directors</b>				
Mr. Robert Anthony Rowland Berkeley	-	11,430	-	11,430
Mr. Wai Tak Jonathan Chu	-	6,843	342	7,185
Mr. Paniti Junhasavasdikul <sup>(i)</sup>	-	26,133	-	26,133
	<u>-</u>	<u>44,406</u>	<u>342</u>	<u>44,748</u>
<b>Independent non-executive director</b>				
Mr. Seah Boon Chin	20,625	-	-	20,625
	<u>20,625</u>	<u>44,406</u>	<u>342</u>	<u>65,373</u>

During the years ended 31 December 2017 and 31 December 2016, no non-cash benefits were received by the directors and no director received any grants of share options or awards under any other long-term incentive plans.

Details of share appreciation awards and warrants granted to directors are set out in note 16 below.

Notes:

- (i) Mr. Paniti Junhasavasdikul was appointed on 9 September 2016 and resigned on 30 April 2017.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. INCOME TAX**

	<u>2017</u>	<u>2016</u>
	GBP	GBP
Current income tax	<u>-</u>	<u>-</u>

- i) Pursuant to the rules and regulations of the BVI, the Company is not subject to any income tax in the BVI.
- ii) No provision for Hong Kong profits tax has been made for subsidiary incorporated in Hong Kong as the subsidiary did not have any assessable profits subject to Hong Kong profits tax during the years ended 31 December 2017 and 2016.

Tax charge for the year is reconciled to loss before taxation as follows:

	<u>2017</u>	<u>2016</u>
	GBP	GBP
Profit/(Loss) before taxation	<u>1,070,017</u>	<u>(4,351,433)</u>
Tax at the application income tax rate	<u>(176,553)</u>	<u>(717,986)</u>
Tax effect of expenses not deductible	<u>176,553</u>	<u>717,986</u>
Tax charge and effective tax rate for the year	<u>-</u>	<u>-</u>

**9. EARNINGS / (LOSS) PER SHARE**

The calculation of basic earnings / (loss) per share is based on the profit / (loss) attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

(a) Basic earnings / (loss) per share

During the year ended 31 December 2017, the calculation of basic earnings / (loss) per share amount is based on the net profit for the year of GBP1,070,017 (2016: loss of GBP4,351,433) attributable to the equity holders of the Company, and weighted average of 212,826,072 (2016: 212,826,072) ordinary shares in issued during the year.

(b) Diluted earnings / (loss) per share

No adjustment has been made to the basic earnings/ (loss) per share presented for the year ended 31 December 2017 and 2016 in respect of a dilution as the impact of the share options outstanding (2016: share options outstanding) had an anti-dilutive effect on the basic earnings / (loss) per share presented, because the exercise price of those share options was higher than the average market price of the shares and were considered to have anti-dilutive effects.

**10. DIVIDEND**

No dividend has been paid or declared by the Company during the year ended 31 December 2017 (2016: nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**11. PROPERTY, PLANT AND EQUIPMENT**

	<b>Furniture and fixture GBP</b>	<b>Office equipment GBP</b>	<b>Total GBP</b>
<b>At cost:</b>			
At 1 January 2016	696	17,596	18,292
Exchange realignment	139	551	690
At 31 December 2016 and 1 January 2017	<b>835</b>	<b>18,147</b>	<b>18,982</b>
Written off	<b>(835)</b>	<b>(3,311)</b>	<b>(4,146)</b>
<b>At 31 December 2017</b>	<b>-</b>	<b>14,836</b>	<b>14,836</b>
<b>Accumulated depreciation:</b>			
At 1 January 2016	206	5,167	5,373
Charge for the year	152	2,827	2,979
Exchange realignment	57	297	354
At 31 December 2016 and 1 January 2017	415	8,291	8,706
Charge for the year	-	2,225	2,225
Written back	(415)	(2,091)	(2,506)
At 31 December 2017	-	8,425	8,425
<b>Net carrying value:</b>			
<b>At 31 December 2017</b>	<b>-</b>	<b>6,411</b>	<b>6,411</b>
At 31 December 2016	420	9,856	10,276

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**12. SUBSIDIARIES**

Particulars of the subsidiaries of the Company are as follows:

Name of subsidiaries	Place of incorporation	Issued/Paid-up share/registered capital	Effective interest held by the Company		Principal activities
			Direct	Indirect	
All Asia Asset Energy Limited	British Virgin Islands	Ordinary Share US\$1	100%	-	Investment holding
All Asia Assets (Hong Kong) Limited	Hong Kong	Ordinary Shares HK\$100	100%	-	Administrative supporting services
Fortune House Group Limited	British Virgin Islands	Ordinary Share US\$1	-	100%	Investment holding

**13. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

Available-for-sale financial assets comprise of:

	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>GBP</b>	<b>GBP</b>
Unlisted equity securities, at cost	<b>1,239,926</b>	4,702,021
Fair value adjustment	<b>(361,938)</b>	(3,988,251)
Exchange realignment	<b>(330,827)</b>	1,702,566
	<b><u>1,208,815</u></b>	<u>2,416,336</u>

The unlisted equity securities are measured at fair value and are classified as Level 3 fair value measurement. Fair value is estimated using Discounted Cash Flow (“DCF”) method. Details of the parameters adopted in the DCF model are shown in the corresponding note to each category of available-for-sale financial assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**13. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)**

The details of movement in available-for-sale financial assets have been set out as follow:

As at 31 December 2017

	Place of Incorporation	At cost GBP	Fair value adjustment GBP	Exchange difference GBP	At fair value GBP
Myanmar Allure Group Company Limited (b)	Myanmar	<b>1,239,926</b>	<b>(361,938)</b>	<b>330,827</b>	<b>1,208,815</b>

As at 31 December 2016

	Place of Incorporation	At cost GBP	Fair value adjustment GBP	Exchange difference GBP	At fair value GBP
Andaman Power and Utility Co., Limited (a)	Thailand	3,462,095	(3,881,471)	1,249,230	828,134
Myanmar Allure Group Company Limited (b)	Myanmar	1,239,926	(105,060)	453,336	1,588,202
		4,702,021	(3,988,251)	1,702,566	2,416,336

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**13. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)**

**Notes:**

- (a) On 3 May 2017, the Group disposed of all interests in APU through a disposal of the entire issued capital of Energy Central Limited for a consideration of Thai Baht 34,889,000 settled in cash.

As at 31 December 2016, the Group owned a 7% interest of Andaman Power and Utility Co., Limited ("APU"). APU has obtained the rights to develop and operate a 500MW combined-cycle power plant construction project in Shan Province of Myanmar. In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of APU. Accordingly, APU has been accounted for as an available-for-sale financial asset. As at 31 December 2016, the fair value of approximately US\$1,022,000 (equivalent to GBP828,134) was derived by an independent professional valuer using a DCF method. In determining the fair value, a risk-adjusted discount rate of 31.74% was being used.

- (b) As at 31 December 2017, the Group owns 7% equity interest of Myanmar Allure Group Company Limited ("MAG"). MAG, a private company with limited liability, owns and operates a resort hotel in Tachileik, Shan Province of Myanmar. In the opinion of the directors, the Group has not been in a position to exercise any significant influence over the financial and operating policies of MAG. Accordingly, MAG has been accounted for as an available-for-sale financial asset.

As at 31 December 2017, a fair value of approximately US\$1,631,000 (equivalent to GBP1,208,815) (2016: US\$1,960,000 (equivalent to GBP1,588,202) was derived by an independent professional valuer using a DCF method. In determining the fair value, a risk-adjusted discount rate of 13.90% was being used.

**14. CASH AND BANK BALANCE**

	<u>2017</u>	<u>2016</u>
	<b>GBP</b>	<b>GBP</b>
Cash and bank balance	<u><b>355,418</b></u>	<u>44,648</u>

At 31 December 2017, bank balances carry interest at market rate of 0.05% (2016: 0.05%) per annum. The bank balances are deposited with creditworthy banks of high credit rating.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**15. SHARE CAPITAL**

	Number of ordinary shares of £0.10each	GBP
<b>Authorised</b>		
At 31 December 2016 and 2017	1,000,000,000	N/A
<b>Issued</b>		
As at 1 January 2016, 31 December 2016 and 31 December 2017	212,826,072	6,284,194

All issued ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

**16. WARRANTS AND SHARE APPRECIATION AWARDS**

The Group has issued or generated one-off warrants and share appreciation awards (the “Awards”) to the executive directors of the Company during the Reporting Period.

*Warrants*

On 25 April 2013, the Company has issued one-off warrants to the executive directors of the Company which given the right to subscribe for new Ordinary Shares of the Company at 3 pence per ordinary share and are exercisable two years after the date of grant and will lapse if not exercised within five years from the date of grant. There are no performance conditions that are required to be satisfied in order for the Warrants to become exercisable.

	2017		2016	
	No. of share	Weighted average exercise price per share (pence)	No. of share	Weighted average exercise price per share (pence)
Outstanding at 1 January	4,176,082	3	4,176,082	3
Lapsed during the year	-	-	-	-
Outstanding at 31 December	4,176,082	3	4,176,082	3
Exercisable at 31 December	4,176,082	-	4,176,082	-

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**16. WARRANTS AND SHARE APPRECIATION AWARDS (CONTINUED)**

The exercisable period of warrants of the Company are as follows:

	2017		2016	
	No. of	Weighted average exercise price per share (pence)	No. of	Weighted average exercise price per share (pence)
24 April 2015 – 24 April 2018	4,176,082	3	4,176,082	3

The fair value of the warrants as initially recognised on the grant date was GBP133,839. The fair value was estimated by the directors with reference to a valuation report issued by an independent valuer the Black-Scholes option pricing model by Bloomberg and taking into account the terms and conditions upon which the warrants granted.

The number, exercise price and earliest and latest dates of exercise of the warrants to subscribe for new Ordinary Shares of the Company held by directors as at 31 December 2017 were as follows:

Name	Number of warrants	Exercise price (pence)	Earliest exercise date	Latest exercise date
Mr. Robert Anthony Rowland Berkeley	4,176,082	3 p	24 April 2015	24 April 2018
Mr. Wai Tak Jonathan Chu	-	3 p	24 April 2015	24 April 2018
Mr. Seah Boon Chin	-	3 p	24 April 2015	24 April 2018

*Share Appreciation Awards*

On 25 April 2013, the Company issued one-off share appreciation awards (“the Awards”) to the executive directors which are split into five tranches with different exercise timeframe. The beneficiaries of the Awards are given the rights to receive the new Ordinary Shares of the Company based on the performance of the Company which are measured by the share price of the Company of each tranche. The Awards will become exercisable in respect of that number of Ordinary Shares subject to the relevant tranche and the Awards are exercisable for two years from the date upon which the relevant performance condition is satisfied and are not exercisable during the close period. Where a Performance Condition is not satisfied within the relevant measurement period, the relevant tranche shall lapse and not carry over. The Company does not intend to grant further share appreciation awards.

	2017	2016
<b>Outstanding at 1 January</b>	1,789,749	1,789,749
<b>Lapsed during the year</b>	<u>(1,789,749)</u>	<u>-</u>
<b>Outstanding as at 31 December</b>	<u>-</u>	<u>1,789,749</u>
<b>Exercisable as at 31 December</b>	<u>-</u>	<u>-</u>

The performance condition and exercise period of share awards are as follow:

<b>Share price</b>	<b>Measurement period</b>
22.8 pence	Any 12-month period before 31 December 2017



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**16. WARRANTS AND SHARE APPRECIATION AWARDS (CONTINUED)**

The fair value of the Awards is initially recognised on the grant date was GBP66,218. The fair value was estimated by the directors with reference to a valuation report issued by an independent valuer using Black-Scholes option pricing model and taking into account the terms and conditions upon which the warrants granted.

The number, exercise price (note that there is no exercise price per se, i.e. it is nil) and earliest and latest dates of exercise of Awards held by directors as at 31 December 2017 were as follows:

Name	Number of Awards	Exercise price (pence)	Earliest exercise date	Latest exercise date
Mr. Robert Anthony Rowland Berkeley	1,789,749	<i>(nil)</i>	<i>(lapsed)</i>	<i>(lapsed)</i>
Mr. Wai Tak Jonathan Chu	-	<i>(nil)</i>	-	-
Mr. Seah Boon Chin	-	<i>(nil)</i>	-	-

## 17. RESERVES

	<u>Fair value reserve</u> GBP	<u>Share option reserve</u> GBP	<u>Exchange reserve</u> GBP	<u>Accumulated loss</u> GBP	<u>Total</u> GBP
As at 1 January 2016	180,779	44,125	601,104	(1,431,483)	(605,475)
Loss for the year	-	-	-	(4,351,433)	(4,351,433)
Other comprehensive income:					
Fair value change on available-for-sale financial assets	(4,169,030)	-	-	-	(4,169,030)
Exchange difference on translating financial statements of overseas subsidiaries	-	-	1,086,291	-	1,086,291
Reclassification adjustment relating to impairment of available-for-sale financial assets during the year	3,881,471	-	-	-	3,881,471
Total comprehensive income for the year	(287,559)	-	1,086,291	(4,351,433)	(3,552,701)
Lapse of share options	-	-	-	-	-
As at 31 December 2016 and 1 January 2017	(106,780)	44,125	1,687,395	(5,782,916)	(4,158,176)
Loss for the period	-	-	-	1,070,017	1,070,017
Other comprehensive income:					
Fair value change on available for-sale financial assets	(243,838)	-	-	-	(243,838)
Exchange difference on translating financial statements of overseas subsidiaries	-	-	(1,387,344)	-	(1,387,344)
Total comprehensive income for the year	(243,838)	-	(1,387,344)	-	(1,631,182)
Lapse of share option		(44,125)		44,125	-
As at 31 December 2017	<u>(350,618)</u>	<u>-</u>	<u>300,051</u>	<u>(4,757,024)</u>	<u>(4,719,341)</u>

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**17. RESERVES (CONTINUED)**

**Nature and purpose of the reserves**

**(i) Fair Value reserve**

The fair value reserve comprises the change in fair value of available-for-sale financial assets as at the end of each reporting period. These amounts will be reclassified to profit or loss as gains realised on the disposal of available-for-sale financial assets when the available-for-sale financial assets have been disposed of.

**(ii) Share options reserve**

Share options reserve comprises the fair value of warrants and any the Awards granted which are yet to be exercised, the amount of which will be transferred to the share capital account when the related warrants and Awards are exercised or to retained profits should the related warrants and Awards expire or be forfeited.

**(iii) Exchange reserve**

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company's overseas subsidiaries.

**18. ACCRUALS AND OTHER PAYABLES**

	<u>2017</u>	<u>2016</u>
	GBP	GBP
Accruals expenses	<u>16,338</u>	<u>33,931</u>

**19. OPERATING LEASES ARRANGEMENT**

The Group leases certain of its office property under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years.

As at the year ended of 31 December 2017, the Group had the following total future minimum lease payments payable under non-cancellable operating leases:

	<u>2017</u>	<u>2016</u>
	GBP	GBP
Not later than one year	-	9,548
Later than one year	-	-
	<u>-</u>	<u>9,548</u>

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**20. CONVERTIBLE LOAN**

The Company issued a two-year convertible loan with a principal amount of GBP100,000, bearing interest rate at 15% per annum, to Nature Cove Holdings Limited ("Nature Cove") on 1 December 2016. The convertible loan entitled Nature Cove to convert the loan into ordinary shares of the Company at any time between the date of issue of the convertible loan and the date of maturity on 1 December 2018 at the lower of conversion price of GBP 0.03 per ordinary share or the market price. If the convertible loan has not been converted, they will be redeemed on 1 December 2018 at the principal amount outstanding plus accrued interest. On 24 May 2017, the Group had repaid the convertible loan of GBP100,000 and the loan facility had been cancelled. No shares had been converted during the term of the loan.

The convertible loan contains a liability component and a conversion option derivative. The convertible loan was designated at fair value through profit or loss entirely and measured at fair value with changes in fair value recognised in profit or loss. The convertible loan has been fully repaid during the period.

The movements of the convertible loan note is set out below:

	<b>2017</b>	2016
	<b>GBP</b>	GBP
At the beginning year	<b>320,243</b>	-
Issue during the year	-	100,000
Repayment during the year	<b>(100,000)</b>	-
Change in fair value	<b>(220,243)</b>	220,243
At the end of the year	<b>-</b>	320,243

The following assumptions were used to calculate the fair values of the embedded derivatives:

	:
	31 Dec 2016
Spot price	GBP0.095
Conversion price	GBP0.030
Time to maturity	1.9 year
Risk-free rate	0.0844%
Volatility	81%

The monte carlo simulation model has been used to estimate the fair value of the embedded derivatives. The variables and assumptions used in computing the fair value of the embedded derivatives are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the embedded derivatives.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**21. RELATED PARTY TRANSACTIONS**

Compensation of key management personnel of the Group

	<u>2017</u>	<u>2016</u>
	<b>GBP</b>	<b>GBP</b>
Short term employee benefits	<b>70,550</b>	65,031
Post-employment benefit	-	342
	<u><b>70,550</b></u>	<u>65,373</u>

**22. CAPITAL RISK MANGEMENT**

The Group manages its capital so that entities in the Group will be able to continue a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to shareholders of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure by considering the cost of capital and the risks associated with capital. In view of this, the Group will balance its overall capital structure through new shares issues as well as issue of new debt (as appropriate).

**23. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Group's major financial instruments include equity investments, other payables and bank and cash balances. Details of such financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

**Foreign currency risk**

At the end of the reporting period, the carrying amounts of the Group's foreign currency denominated monetary assets which consists of bank balances and cash and prepayments that are denominated in United States dollars ("USD") amounted to GBP 357,185 (2016: nil) (see note 14) respectively. If exchange rates of the GBP against the USD had been 5% weaker and all other variables were held constant, the effect on loss after taxation is as follows:

	<u>2017</u>	<u>2016</u>
	<b>GBP</b>	<b>GBP</b>
Increase in loss after taxation	<u><b>17,855</b></u>	<u>-</u>

There would be an equal and opposite impact on the loss after taxation where the GBP strengthens against the USD.

In the directors' opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

**Interest rate risk**

The Group's cash flow interest rate risk is mainly concentrated on the bank balances carried at floating interest rates. The Group currently does not have a hedging policy against interest rate exposure. However, the management monitors interest rate exposure and will consider the hedging of significant interest rate exposure as needed.

The directors consider that the Group's exposure to interest rate risk of bank balances, which are short term in nature, is insignificant, and accordingly no sensitivity analysis is presented.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**23. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

***Credit risk***

The Group's maximum exposure to credit risk is represented by total financial assets held by the Group. The Group did not hold any collateral during the reporting period.

Cash and bank deposits are placed with financial institutions with sound credit ratings and the directors of the Company do not expect that any counterparty will fail to meet its obligation.

The Group does not provide any financial guarantees which would expose the Group to credit risk.

***Liquidity risk***

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The Group manages liquidity risk by maintaining adequate reserves, as well as continuously monitoring cash flow forecast and actual cash flows.

In managing the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents that is adequate in discretion of the directors of the Company. In formulating their strategy, the directors of the Company would consider the financing of the Group's operations and the effects of fluctuation in operating and investing cash flows. As at 31 December 2017, the liquidity of the Group is primarily dependent on its ability to maintain adequate cash flows from operations and to raise funds through issue of convertible loans to meet its obligations and investment project opportunities as they fall due or arise.

The maturity profile of the Group's financial liabilities as at the end of the year is as follows:

	<b>Weighted average effective interest rate</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>- undiscounted cash flows</b>	<b>Total carrying amount</b>
	<b>%</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
At 31 December 2017					
Accruals and other payables	N/A	<u>16,338</u>	-	<u>16,338</u>	<u>20,039</u>
At 31 December 2016					
Accruals and other payables	N/A	33,931	-	33,931	33,931
Convertible loan	15%	15,000	100,000	115,000	320,243
		<u>48,931</u>	<u>100,000</u>	<u>148,931</u>	<u>354,174</u>

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**23. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Fair values on financial instruments**

(i) *Financial instruments carried at fair value on a recurring basis*

The following table presents the carrying amount of financial instruments measured at fair value at 31 December 2017 across the three levels of the fair value hierarchy defined in IFRS 13 Fair Value Measurements, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to the fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair value measurements are those derived from quoted price (unadjusted) in active markets for identical asset or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 (lowest level): fair value measures are those derived from valuation techniques that include inputs for assets or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2017, the Group had following financial instrument carried at fair value all of which are based on the Level 3 fair value measurement basis.

	<u>2017</u>	<u>2016</u>
	<b>GBP</b>	<b>GBP</b>
<b>Financial assets:</b>		
Available-for-sale financial assets	<u><b>1,208,815</b></u>	<u>2,416,336</u>
<b>Financial liabilities</b>		
Convertible loan	<u>-</u>	<u>320,243</u>

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**23. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Fair values on financial instruments (Continued)**

(i) *Financial instruments carried at fair value on a recurring basis (continued)*

Level 3 movement tables

For the year ended 31 December 2017

	Available- for-sale financial asset	Convertible loan	Total
	GBP	GBP	GBP
At the beginning of the year	2,416,336	(320,243)	2,096,093
Total gains or losses			
in profit or loss	-	220,243	220,243
in other comprehensive income	(243,838)	-	(243,838)
Disposal	(828,134)	-	(828,134)
Repayment	-	100,000	100,000
Exchange realignment	(135,549)	-	(135,549)
<b>At the end of the year</b>	<b>1,208,815</b>	<b>-</b>	<b>1,208,815</b>

For the year ended 31 December 2016

	Available- for-sale financial asset	Convertible loan	Total
	GBP	GBP	GBP
At the beginning of the year	5,490,437	-	5,490,437
Total gains or losses			
in profit or loss	-	(220,243)	(220,243)
in other comprehensive income	(4,169,030)	-	(4,169,030)
Issue	-	(100,000)	(100,000)
Exchange realignment	1,094,929	-	1,094,929
<b>At the end of the year</b>	<b>2,416,336</b>	<b>(320,243)</b>	<b>2,096,093</b>



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FOR THE YEAR ENDED 31 DECEMBER 2017**

**23. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Fair values on financial instruments (Continued)**

(i) *Financial instruments carried at fair value on a recurring basis (continued)*

The following table gives information about how the fair values of the Group's available-for-sale financial assets are determined (in particular, the valuation technique(s) and inputs used).

	2017	2016	Valuation technique(s)	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
	GBP	GBP				
<b>Financial assets</b>						
Available-for-sale financial assets	1,208,815	2,416,336	Discounted cash flow	Free cash flow	N/A	The higher the free cash flow, the higher the fair value
				Discount rate	13.9%	The higher the discount rate, the lower the fair value
				Discount for lack of marketability	15.03%	The higher the discount for lack of marketability, the lower fair value
<b>Financial liabilities</b>						
Convertible loan	-	320,243	Monte Carlo simulation pricing model	Volatility	81%	The higher the volatility, the higher the fair value

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**23. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Fair values on financial instruments (Continued)**

*(ii) Fair Value of Financial instruments carried at other than fair value*

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 31 December 2017 and 2016 due to their short-term maturities.

**2017**

	Carrying amount	Fair value
	GBP	GBP
Bank and cash balances	355,418	355,418
Deposits	10,547	10,547
Accruals and other payable	(16,338)	(16,338)

**2016**

	Carrying amount	Fair value
	GBP	GBP
Bank and cash balances	44,648	44,648
Deposits	8,932	8,932
Accruals and other payable	(33,931)	(33,931)

**Estimation of fair value**

Fair value for unquoted equity investments are estimated using the discount cash flow valuation techniques.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**23. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Classification and fair value of financial assets and liabilities**

The carrying amounts of each of the categories of financial instruments are as at the end of the reporting period are as follows:

	<u>2017</u>	<u>2016</u>
	<b>GBP</b>	<b>GBP</b>
<b>Financial assets</b>		
Available-for-sales financial assets	<b>1,208,815</b>	2,416,336
Loan and receivables	-	2,683
	<u><b>1,208,815</b></u>	<u>2,419,019</u>
<b>Financial liabilities</b>		
Amortised cost	<b>16,338</b>	33,931
Designated at FVTPL	-	223,708
	<u><b>16,338</b></u>	<u>257,639</u>

**24. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 June 2018.

----- Ends -----