

**Smart Auto Australia Limited**  
**ABN 57 644 257 465**  
**and Its Controlled Entities**  
**Statutory Annual Report**  
**For The Year Ended 31 March 2021**

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## Corporate Data

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<b>Directors</b>	Michael Pixley <i>(Non-executive Chairman)</i> Alyce Wong <i>(Executive director and Chief Executive Officer)</i> Mark Ng <i>(Executive director)</i> Greg Starr <i>(Non-executive director)</i> Francis Man <i>(Non-executive director)</i>
<b>Company secretary</b>	Greg Starr
<b>Registered office</b>	Level 24, Governor Phillip Tower 1 Farrer Place Sydney NSW 2000
<b>Principal place of business</b>	Unit No.1, 8/F Fu Hang Industrial Building No.1 Hok Yuen Street East Hung Hom, Kowloon Hong Kong
<b>Legal and NSX nominated adviser</b>	<b>Steinepreis Paganin</b> Level 4, The Read Buildings 16 Milligan Street Perth WA 6000
<b>Independent auditor</b>	<b>Moore Australia Audit (WA)</b> Level 15 Exchange Tower 2 The Esplanade Perth WA 6000
<b>Share registry</b>	<b>Advanced Share Registry</b> 110 Stirling Hwy Nedlands Perth WA 6009
<b>Securities exchange</b>	<b>National Securities Exchange (NSX)</b> 1 Bligh Street Sydney NSW 2000
<b>NSX code</b>	<b>SAL</b>

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## Chairman's Letter

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Dear fellow Shareholders,

On behalf of the Board of Smart Auto Australia Limited (SAL or the Company), I welcome you as a shareholder of SAL.

As part of the recent IPO we are now on our next phase of growth and development as a result of the \$3,000,000 raised.

As noted in the Prospectus the proceeds of the Public Offer will be used to enable the Company to:

- (a) advance its current bus leasing, management and trading business;
- (b) pursue its offshore business development strategy, including targeting countries such as Australia, Papua New Guinea, New Zealand, Indonesia and the South Pacific Islands ("Target Countries");
- (c) enter the electric commercial vehicle (e-CV) market in Australia, while leveraging its existing commercial offering and experience;
- (d) market and promote its existing and proposed activities;
- (e) set up multiple offices, branches and showrooms, initially in Australia and then in the other Target Countries in due course;
- (f) develop its software required to run the business, including hardware, accounting systems and contract management systems, in particular, internet of vehicles (include a mobile app) which the Group believes will be a key element in the automotive industry going forward; and

The Board believes that the business permits a unique "go-to-market" strategy that is highly scalable and also gives the Company a number of opportunities by which it can generate revenue in the future.

The outbreak of COVID-19 continues to have a significant impact on global and regional economies. Our bus rental and management activity was affected, with the related rental income decreasing from approximately A\$3.0m for FY20 to A\$1.0 for FY21. To diversify our portfolio we also focused on the development and promotion of bus trading activity and have recorded revenue of A\$5.7m for FY21 compared to A\$1.3m for FY20. Overall our profit has largely remained at a similar level to that of FY20 after adjusting for one off non-operating listing expenses of approximately A\$0.5m.

The Company believes it is well positioned to take advantage of its industry knowledge and experience, the support of its major suppliers and distributors and the future trends of the e-CV market. At the date of this report we have successfully secured 10 e-CV sales order from customers. The first vehicle is at the inspection stage and it is expected that these orders will be delivered within the next 12 months.

On behalf of my fellow Directors, I welcome you as a Shareholder of SAL, and look forward to a long and fruitful journey together in this new, exciting and everchanging e-V environment.



Sincerely

**Michael Pixley**  
Non-executive Chairman

## Directors' Report

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Directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Smart Auto Australia Limited (the "Company" or "SAL") and the entities it controlled at the end of, or during the year ended 31 March 2021 (FY21).

### Directors

The names and details of the Company's directors in office during FY21 and until the date of this report are as follows.

Where applicable, all current and former directorships held in listed public companies over the past three years have been detailed below.

Directors were in office for this entire period unless otherwise stated.

#### **Michael Pixley - *Non-executive chairman***

Appointed on 28 October 2020, Mr Pixley has 35 years merchant banking experience in Australia and Asian regions across a broad range of industries. Mr Pixley is a non-executive director of Refresh Group Ltd. (ASX: RGP), Credit Intelligence Limited (ASX: CI1) and is a founding director of Story-I Ltd (ASX: SRY). Mr Pixley has a Bachelor of Business Management, Curtin University, Perth, Western Australia.

#### **Nga Lai Wong (Alyce Wong) - *Executive director and Chief Executive Officer (CEO)***

Appointed on 28 October 2020, Ms. Wong is one of the founders of the Group's current operating entity, Grand Tour Bus Services Limited (GTB) in Hong Kong and has over 10 years of experience in the coach/bus rental, management, and trading industry.

Prior to founding the Group, Ms. Wong held management roles with Sunice International Limited and Fok-Hing Industrial Limited in Hong Kong. She has worked in highly regulated industries and has firsthand experience dealing with disruptive technologies.

As the current CEO of the Group, coupled with her deep industry knowledge and experience, Ms. Wong is responsible for formulating the corporate strategy, business development, financial management, cost management and compliance functions of the Group.

Ms. Wong graduated with a Diploma of Marketing from the Office Business Academy in Australia in 1996.

#### **Cheuk Lun Ng (Mark Ng) - *Executive director***

Appointed on 28 October 2020, Mr. Ng is a member of CPA (Australia) and Hong Kong Institute of Certified Public Accountants. He is currently a director of MN CPA Limited, a Hong Kong based accounting firm, and executive director of Credit Intelligence Limited (ASX: CI1) and Sanvo Fine Chemicals Group Limited, a company listed on the main board of the Hong Kong Stock Exchange (HKex: 301).

Mr. Ng has over 20 years of experience in the areas of corporate governance, financial reporting, auditing, investor relationship, fund raising, internal control and risk assessment, M&A, tax, and listing rules compliance. He has been involved in several IPOs and M&A activities on major stock exchanges.

Mr. Ng was trained in international CPA firms Grant Thornton and BDO and has been employed in various managerial positions in listed companies as executive director, independent non-executive director, company secretary, CFO, and corporate adviser.

## Directors' Report

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### Greg Starr – Non-executive director and Company Secretary

Appointed on 28 October 2020, Mr. Starr, is a CPA and an experienced public company non-executive and executive director and Company Secretary. He has been involved in many IPO's, mergers and acquisitions and debt and company restructures over the past 25 years.

In the past three years Mr. Starr has held executive and non-executive board positions on ASX listed companies, Diatreme Resources Limited (ASX: DRX), World.Net Services Limited (ASX: WNS), Ephraim Resources Limited (ASX: EPA) and BIR Financial Limited (ASX: BIR).

Mr. Starr brings significant corporate governance and investor relations experience in ASX, TSX, NSX and SSX listed companies to the Company's board.

### Man Chi Fat (Francis Man) – Non-executive director

Appointed on 12 November 2020, Mr. Man has extensive experience in managing commercial vehicle operations and has experience in the export and logistics sector of over 12 years. He is currently the general manager of Jolly Bus Company Limited, one of the leading bus operators in Hong Kong, which operates over 100 commercial vehicles for schools and organisations. He was also engaged in export and logistic business for vehicles and parts.

Mr. Man was first trained in Australia, obtaining his undergraduate and post graduate degrees in Deakin University and Monash University. He has broad network in the commercial vehicle industry with major manufacturers and suppliers, operators, export and logistic companies. He is an Australia citizen.

### Interests in the shares of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares of the Company were:

	<u>Ordinary Shares</u>
Michael Pixley	-
Alyce Wong	116,000,000
Mark Ng	-
Greg Starr	-
Francis Man	-

### Principal Activities and Business Overview

The Group has been operational in the bus fleet rental and management sector since its main operating subsidiary GTB was incorporated in Hong Kong in June 2010. The Group is principally engaged in i) provision of bus rental and management services and ii) bus trading in Hong Kong via GTB. The Group is one of the leading bus leasing, management and trading service providers in Hong Kong.

As at the date of this Prospectus, there are around 70 vehicles currently under the Group's management.

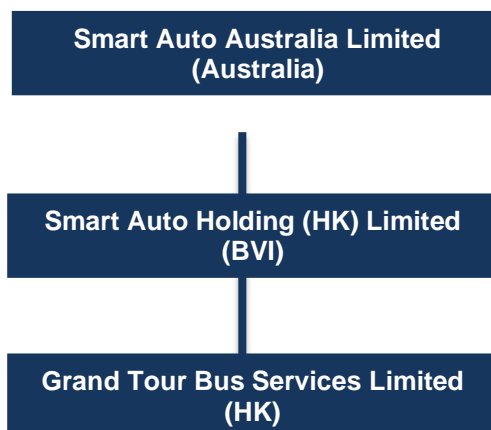
In addition to its core business offerings mentioned above, other Group revenues and profits are generated from the trading of associated bus and coach licenses; the distributorship of coaches, buses and e-CV products; vehicle inspections and maintenance (awarded as distributor in Hong Kong and Australia for one of the major suppliers in e-CV products industry).

# Directors' Report

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## Group Structure

As at the date of this report, the corporate structure of the Group is as follows:



## Dividends Paid or Recommended

There was no dividend paid or recommended.

## Review of Operations

The outbreak of COVID-19 continues to have a significant impact on global and regional economies. The Group's bus rental and management activity was affected, with the related rental income decreasing from approximately A\$3.0m for FY20 to A\$1.0 for FY21 (also refer to "Likely Developments and Expected Results of Operations" on page 6). To diversify the portfolio the Group also focused on the development and promotion of bus trading activity and has recorded revenue of A\$5.7m for FY21 compared to A\$1.3m for FY20. In addition, the Group has successfully secured 10 e-CV sales order from customers. The first vehicle is at the inspection stage and it is expected that these orders will be delivered within the next 12 months from the date of this report. Overall, the Group's profit has largely remained at a similar level to that of FY20 after adjusting for one off non-operating listing expenses of approximately A\$0.5m.

Other key activity during the year was the preparation for the successful May IPO.

## Risk Management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Group has established an Audit and Risk Committee which comprises only non-executive directors.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- (a) loss of key relationships, customers and contracts, including with key related party customers;
- (b) governmental, regulatory and legislative changes;
- (c) increased competition;
- (d) contractual disputes;
- (e) failure to obtain or renew licenses and regulatory approvals;
- (f) inability to access capital to finance expansion and replenishment of the bus fleet; and
- (g) COVID-19 and future force majeure events.

# Directors' Report

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## Significant Changes in the State of Affairs

Nil

## Significant Events after the Reporting Date

The Company completed its Initial Public Offer, raising equity of approximately A\$3 million by issuing approximately 30,000,000 additional ordinary shares at A\$0.1 each, and subsequently listing on NSX on 8 June 2021.

Other than the foregoing, no other matter or circumstance has arisen since 31 March 2021, which has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial year.

## Likely Developments and Expected Results of Operations

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Group remains uncertain. In particular tourism and education logistic services have traditionally been our major sources of the bus rental and management services sector (i.e. increasing tourist and student numbers drive demand for NFLB leasing services).

Prior to the outbreak of COVID-19, the rising numbers of tourists and student from mainland China has also seen a jump in the demand for NFLB leasing services to provide transportation services from the land border between Hong Kong and China. With the development of vaccines and vaccination programs now available, we hope that we can return to some form of normality in the foreseeable future.

Despite the above, the Group remains strong position for its bus trading business as there is an inherent demand in the market (i.e. to replace old vehicles by electronic or new vehicles).

The directors of the Company are monitoring the situation closely (including in Australia, Hong Kong and China) and have considered the impact of COVID-19 on the Group's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

The Group remains committed to expanding its operations in Australia as disclosed in the prospectus, which includes setting up local operations and potentially through the merger or acquisition of suitable business.

## Environmental Regulation and Performance

The Group's current business is not subject to any significant environmental regulation.

## Remuneration Report (Audited)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

## Principles Used to Determine the Nature and Amount of Remuneration

### *Remuneration Governance and Policy*

Taking into account the current size and operations of the Group, the Board has assumed the role of the Remuneration and Nomination Committee. The Corporate Governance Statement provides further information on the role of this committee. The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.



## Directors' Report

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

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and equity securities. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share arrangements, where applicable.

Where required, the executive directors and executives receive a superannuation guarantee contribution required by the government, which is 9.5% for Australia and 5% or maximum contribution of HKD1,500 per month (circa A\$250) for Hong Kong. Executive directors and executives do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Equity securities in the form of performance shares are valued using an appropriate binomial, trinomial or option pricing methodology depending on the terms of the equity securities granted, if any.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

### ***Performance based remuneration***

The Group does not have a formal short-term incentive scheme for executives, directors or other key management personnel. However, the Board believes that a portion of the remuneration package for the directors should be linked to some form of financial indicator, such as share price, from time to time, as determined by the Board. In this regard, performance rights provide a performance linked incentive component in the remuneration package, subject to shareholder approval.

There is no share option or performance shares issued to the Board or senior management.

### ***Company performance, shareholder wealth and directors' and executives' remuneration***

The Group aims to align director and executive remuneration to its strategic and business objectives and the creation of shareholder wealth. Key performance indicator includes revenue, net profit, share price and earnings per share as required by the *Corporations Act 2001*. The results below are not necessarily consistent with the measures used in determining the performance-based amounts of remuneration to be awarded to key management personnel (KMP). As a consequence, there may not always be a direct correlation between the statutory key performance measures and the performance-based remuneration awarded.

### ***Use of remuneration consultants***

The Group did not retain the services of any remuneration consultants during FY21.

## Directors' Report

### Details of Remuneration

Details of the remuneration of the directors of the Company are set out in the following table.

The Board considers KMP of the Group includes those directors of SAL appointed. All amounts included in the remuneration table below are included as expenses within the consolidated statements of profit or loss in the financial statements for FY21.

	Salary & Fees \$	Short-Term Cash Bonus \$	Non- Monetary \$	Long-Term Leave Entitlements \$	Post- Employment Super- annuation \$	Share-based Payments Performance Shares \$	Total \$	Percentage Performance Related %
<b>Directors</b>								
Alyce Wong								
2021	8,070	-	-	-	-	-	8,070	-
2020	45,315	-	-	-	-	-	45,315	-
Mark Ng								
2021	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
Michael Pixley								
2021	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
Greg Starr								
2021	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
Francis Man								
2021	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
<b>Total key management personnel compensation</b>								
2021	8,070	-	-	-	-	-	8,070	-
2020	45,315	-	-	-	-	-	45,315	-

Except Alyce Wong, all of the directors' remuneration is effective from the date of listing (8 June 2021). For each of the directors, the annual remuneration for the financial year following the Company being admitted to the official list is set out in the table below:

Note: Inclusive of statutory superannuation (as applicable) but exclusive of any short-term and long-term incentive plans.

Director	Remuneration
Michael Pixley	A\$36,000
Alyce Wong	A\$120,000
Mark Ng	A\$60,000
Gregory Starr	A\$25,000
Francis Man	A\$15,000

## Directors' Report

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### Service Agreements

The details of service agreements of the KMP of the Group are as follows:

#### ***Alyce Wong - Executive director and CEO***

- Term of agreement – employment commencing from the date of admittance to the official list of NSX for 3 years or until employment is terminated.
- The agreement may be terminated by the Company/individual giving one/three months' notice in writing, or applicable shorter periods upon breach of contract by either party. There are no benefits payable on termination other than entitlements accrued to the date of termination.

#### ***Mark Ng, Executive director***

- Term of agreement – employment commencing from the date of admittance to the official list of NSX for 3 years or until employment is terminated.
- The agreement may be terminated by the Company/individual giving one/three months' notice in writing, or applicable shorter periods upon breach of contract by either party. There are no benefits payable on termination other than entitlements accrued to the date of termination.

The non-executive directors have entered into engagement letters containing terms and conditions which are considered standard for the appointments and are in line with common industry practice.

### Share-Based Compensation

#### ***Performance Shares/Rights***

Performance Shares/Rights are issued to directors and executives as part of their remuneration. The Group does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages KMP from obtaining mortgages in securities held in the Company.

The Company did not issue any performance shares/rights to directors and/or executives.

#### ***Ordinary Share Holdings***

The number of ordinary shares in the Company held during the financial year by each director of the Company is set out below. There were no ordinary shares granted during the reporting period as compensation.

2021	Balance at start of the year or date of appointment	Received during the year on the vesting of performance rights/exercise of options	Other changes during the year	Balance at end of the year <sup>(*)</sup>
<b><i>Directors</i></b>				
Alyce Wong	-	-	116,000,000	116,000,000
Mark Ng	-	-	-	-
Michael Pixley	-	-	-	-
Greg Starr	-	-	-	-
Francis Man	-	-	-	-

\*At year end there are no nominally held shares.

## Directors' Report

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### **Loans from KMP and their Related Parties**

The balance of loan from Alyce Wong (a director and KMP) as at 31 March 2021 was A\$484,237 (31 March 2020: Nil). The amount due is related to fund advance to the Group for listing and is unsecured, interest free and has been settled subsequent to the reporting date.

### **Other Transactions with KMP**

There were no other transactions with Key Management Personnel during FY21 and the previous corresponding period.

### **End of Audited Remuneration Report**

## Directors' Report

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### Directors' Meetings

During the year and up to the date of this report, the Company held three meetings of directors. The attendance of directors at meetings of the Board was:

	Committee Meetings			
	Directors Meetings		Audit and Risk	
	A	B	A	B
Alyce Wong	3	3	N/A	N/A
Mark Ng	3	3	N/A	N/A
Michael Pixley	3	3	1	1
Greg Starr	3	3	1	1
Francis Man	3	3	1	1

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year and up to the date of this report.

### Shares Under Option

There are no unissued ordinary shares of the Company under option at the date of this report.

### Indemnification of Officers

The Company is in the process of organising the insurance for directors under a Directors and Officers Insurance policy. At the date of this report nothing has been in place.

No indemnification has been obtained for the auditors of the Company or the Group.

### Proceedings on Behalf of the Company

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

## Directors' Report

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### Non-Audit Services

The following non-audit services were provided by the Group's auditor, Moore Australia Audit (WA) ("Moore Australia") or associated entities. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

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

Moore Australia or associated entities and component auditors have received, or are due to receive, the following amounts for the provision of non-audit services to the Group:

	2021 A\$	2020 A\$
- Taxation services		
Moore Australia	-	-
Moore Hong Kong	2,690	-
- Corporate advisory services		
Moore Australia	45,000	20,000
Moore Hong Kong	15,244	-
	<u>62,934</u>	<u>20,000</u>

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Signed in accordance with a resolution of the directors.



**Alyce Wong**  
Executive director and CEO

30 June 2021

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION  
307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS  
OF SMART AUTO AUSTRALIA LIMITED & CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2021, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

NEIL PACE  
PARTNER

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 30th day of June 2021.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2021

	Notes	2021 A\$	2020 A\$
<b>Revenue</b>	3	<b>6,737,809</b>	4,376,773
Cost of services rendered		<b>(5,181,095)</b>	(2,832,972)
<b>Gross profit</b>		<b>1,556,714</b>	1,543,801
Other income and gains	4	<b>219,030</b>	199,161
Administrative and operating expenses		<b>(460,270)</b>	(412,284)
Impairment loss allowance on trade receivables		<b>(111,972)</b>	(9,339)
Listing expenses		<b>(449,961)</b>	-
Finance costs	5	<b>(18,606)</b>	(52,073)
<b>Profit before income tax</b>	6	<b>734,935</b>	1,269,266
Income tax expense	7	<b>(191,907)</b>	(223,234)
<b>Profit for the year attributable to members of the parent entity</b>		<b>543,028</b>	1,046,032
<b>Other comprehensive income</b>			
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Exchange differences on translating foreign operations, net of tax		<b>(338,395)</b>	503
Total other comprehensive income for the year, net of tax		<b>(338,395)</b>	503
<b>Total comprehensive income for the year attributable to members of the parent entity</b>		<b>204,633</b>	1,046,535
<b>Earnings per share</b>			
Basic and diluted	22	<b>0.005</b>	0.009

*The accompanying notes form part of these consolidated financial statements.*



## Consolidated Statement of Financial Position

As at 31 March 2021

	Notes	2021 A\$	2020 A\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10	188,976	3,950
Trade receivables	11	1,534,542	3,226,827
Prepayments, deposits paid and other receivables	12	570,702	2,569,373
Inventories	13	3,247,229	-
<b>TOTAL CURRENT ASSETS</b>		<b>5,541,449</b>	<b>5,800,150</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	724,516	1,451,274
Right-of-use assets	9	268,213	629,560
Deposits paid	12	33,788	22,868
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,026,517</b>	<b>2,103,702</b>
<b>TOTAL ASSETS</b>		<b>6,567,966</b>	<b>7,903,852</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	14	1,166,425	2,100,907
Accruals and other payables	14	376,751	92,023
Rental deposits received		235,995	448,813
Amount due to a director	15	484,237	-
Lease liabilities	16	337,392	635,763
Tax payables		467,388	340,410
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,068,188</b>	<b>3,617,916</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	16	1,796,354	2,743,490
Deferred tax liabilities	17	15,737	59,392
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,812,091</b>	<b>2,802,882</b>
<b>TOTAL LIABILITIES</b>		<b>4,880,279</b>	<b>6,420,798</b>
<b>NET ASSETS</b>		<b>1,687,687</b>	<b>1,483,054</b>
<b>EQUITY</b>			
Issued capital	18	1,831,879	21
Reserves	19	(2,169,750)	503
Accumulated profits		2,025,558	1,482,530
<b>TOTAL EQUITY</b>		<b>1,687,687</b>	<b>1,483,054</b>

The accompanying notes form part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Issued Capital	Retained Earnings	Merger Reserve	Translation Reserve	Total Equity
	A\$	A\$	A\$	A\$	A\$
<b>Balance at 1.4.2019</b>	21	436,498	-	-	436,519
<b>Comprehensive income:</b>					
Profit for the year	-	1,046,032	-	-	1,046,032
Other comprehensive income for the year	-	-	-	503	503
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,046,032</b>	<b>-</b>	<b>503</b>	<b>1,046,535</b>
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Total transactions with owners and other transfers	-	-	-	-	-
<b>Balance at 31.3.2020</b>	<b>21</b>	<b>1,482,530</b>	<b>-</b>	<b>503</b>	<b>1,483,054</b>
<b>Balance at 1.4.2020</b>	<b>21</b>	<b>1,482,530</b>	<b>-</b>	<b>503</b>	<b>1,483,054</b>
<b>Comprehensive income:</b>					
Profit for the year	-	543,028	-	-	543,028
Other comprehensive income for the year	-	-	-	(338,395)	(338,395)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>543,028</b>	<b>-</b>	<b>(338,395)</b>	<b>204,633</b>
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Issuance of shares – acquisition of subsidiary	1,831,879	-	(1,831,879)	-	-
Transfer to merger reserve	(21)	-	21	-	-
<b>Total transactions with owners and other transfers</b>	<b>1,831,858</b>	<b>-</b>	<b>(1,831,858)</b>	<b>-</b>	<b>-</b>
<b>Balance at 31.3.2021</b>	<b>1,831,879</b>	<b>2,025,558</b>	<b>(1,831,858)</b>	<b>(337,892)</b>	<b>1,687,687</b>

The accompanying notes form part of these consolidated financial statements.

## Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	Notes	2021 A\$	2020 A\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in)/generated from operations		(397,096)	539,945
Income tax paid		(19,878)	(3,901)
<b>Net cash (used in)/generated from operating activities</b>	20	<b>(416,974)</b>	<b>536,044</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Disposal of property, plant and equipment		335,310	-
Amount due from a related company		(34,378)	151,521
<b>Net cash generated from investing activities</b>		<b>300,932</b>	<b>151,521</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount due to a director		484,237	-
Interest-bearing bank borrowings		-	(77,854)
Lease liabilities		(146,576)	(563,824)
Interest paid		(18,606)	(44,775)
<b>Net cash generated from/(used in) financing activities</b>		<b>319,055</b>	<b>(686,453)</b>
Net increase in cash and cash equivalents		203,013	1,112
Cash and cash equivalents at the beginning of the year		3,950	2,335
Effect of foreign currency translation		(17,987)	503
<b>Cash and cash equivalents at the end of the year</b>		<b>188,976</b>	<b>3,950</b>

*The accompanying notes form part of these consolidated financial statements.*

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies

These financial statements and notes represent those of Smart Auto Australia Limited (the “Company”) and its controlled entities (the “Group”).

The separate financial statements of the parent entity have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 30 June 2021 by the directors of the Company.

#### (a) Basis of preparation

##### *Reorganisation*

The Company was incorporated and domiciled in Australia, as the parent company and listing vehicle for the Group. On the date of incorporation, 28 October 2020, 100 nil-paid ordinary shares were issued to the controlling shareholder Alyce Wong, who is also a director of the Company. Pursuant to the reorganisation (the “Reorganisation”), the Company subsequently issued 115,999,900 shares to Alyce Wong, to acquire her entire equity interest in Smart Auto Holding (HK) Limited, a British Virgin Islands incorporated limited liability company (“SAH”), for consideration of A\$1,831,879, equating to the net asset value of SAH.

Immediately prior to and after the Reorganisation, the business of the Group was conducted mainly through the existing operating subsidiary based in Hong Kong. The Company became the holding company of the companies comprising the Group on 28 October 2020. The Reorganisation is merely a reorganisation of the structure of the Group with no change in management and the ultimate owner of the business remains the same. The Group is regarded as operating the same business, prior to and after the Reorganisation, with no requirement to account for the Reorganisation as a business acquisition pursuant to IFRS 3. Accordingly, the consolidated financial statements have been prepared using the principles of merger accounting (pooling of interest method) as if the Reorganisation had occurred as at the beginning of the earliest period presented and as though the current group structure had always been in existence. The consolidated statements of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years ended 31 March 2021 and 2020 include the results, changes in equity and cash flows of companies within the Group as if the current group structure had been in existence throughout the reporting periods, or since their date of establishment, incorporation or acquisition, where applicable. The consolidated statement of financial position of the Group as at 31 March 2021 and 2020 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates taking into account the respective date of establishment, incorporation or acquisition, where applicable.

The assets and liabilities of the companies comprising the Group are consolidated using their existing book values. No amount is recognised as consideration for goodwill or excess of acquirer’s interest in the fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of the Reorganisation. All intra-group transactions, balances and unrealised gains on transactions have been eliminated on consolidation. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred, if any.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### (a) Basis of preparation

##### *Reporting entity*

These general purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 31 March 2021 and the results of its controlled entities for the year then ended. The Company and its controlled entities together are referred to in these financial statements as the consolidated entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting except for those disclosed in note 1(a) pursuant to the Reorganisation. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### (b) Principles of consolidation

##### Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than the presentation currency of the Company are recognised in other comprehensive income and included in the translation reserve in the equity.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Both the consolidated entity for the year ended 31 March 2021 and comparative figures for the previous year to 31 March 2020 are the Company and its subsidiaries.

- The consolidated statement of profit or loss and comprehensive income and consolidated statement of cash flow:
  - for the period between 1 April 2020 to 31 March 2021 comprises 5 months of the Company, 11 months of SAH and 12 months of Grand Tour Bus Services Limited ("GTB"); and
  - for the comparative period between 1 April 2019 to 31 March 2020 comprises 12 months of GTB.
- The consolidated statement of financial position:
  - as at 31 March 2021 represents both the Company, SAH and GTB as at that date; and
  - as at 31 March 2020 represents GTB as at that date.
- The consolidated statement of changes in equity:
  - for the period between 1 April 2020 to 31 March 2021, i) GTB's balance at 1 April 2020, its profit for the period and transactions with equity holders for 12 months and ii) the Company and SAH's profit for the period and transactions with equity holders for 5 months and 11 months respectively (since their respective dates of incorporation). It also comprises the equity value of the Company, SAH and GTB at 31 March 2021. The number of shares on issue at period end represent those of the Company only; and
  - for the period between 1 April 2019 to 31 March 2020, GTB's balance at 1 April 2019, its profit for the period and transactions with equity holders for 12 months and its equity value at 31 March 2020. The number of shares on issue at period end represent those of GTB only.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### (c) Foreign currency translation

Functional and presentation currency

The functional currency of the Group is Hong Kong dollars (HK\$), which is the currency of the primary economic environment in which the Group operates, while presentation currency of the Group is Australian dollars (A\$).

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

#### (d) Revenue recognition

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same. Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

#### Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Further details of the Group's revenue and other income recognition policies are as follows:-

#### Commission income from trading of coaches

Commission income from trading of coaches is recognised as the relevant services have been rendered, which is generally the time when the control have been transferred to the buyer and the buyer accepted the current conditions of the coach, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the coach sold.

#### Commission income from servicing of coaches and other support services

Commission income from servicing of coaches and other support services are recognised when the relevant services have been provided.

#### Other service income

Other service income is recognised upon the provision of services.

#### Coach rental income

Coach rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease contract.

#### Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.



## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### (e) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less provisions for depreciation and impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to profit or loss in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of the item, the expenditure is capitalised as an additional cost of the item. When an item of property, plant and equipment is sold, its cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its estimated residual value over its estimated useful life.

The principal annual rates used for i) motor vehicles and ii) furniture, fixtures and office equipment are 15% per annum and 20% per annum respectively.

#### (f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible assets are not amortised.

The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

The Group's intangible assets represent the passenger service licences, which is stated at cost less any impairment losses. The Board of the Company considers that the passenger service licences are regarded to have indefinite useful lives as there is no foreseeable limit to the period over which these assets are expected to generate cash flows for the Group. The useful life of passenger service licences is subject to annual assessment to determine whether events and circumstances continue to support the indefinite useful lives.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### *Impairment of non-financial assets*

Where an indication of impairment exists, the recoverable amounts of property, plant and equipment and intangible assets are estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to statement of comprehensive income in the period in which it arises.

#### **(g) Leases**

##### **Definition of a lease**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

##### **The Group as a lessee**

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

##### **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to rental coaches that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the statement of financial position.

#### Refundable rental deposits paid

Based on the definition of lease payments under IFRS 16, refundable rental deposits paid are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits paid may be adjusted to amortised cost.

#### Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes expected payment under a guaranteed residual value in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate. The Group presents lease liabilities as a separate line item on the statement of financial position.

#### Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the standalone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### The Group as a lessor

##### Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

#### The Group as a lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments, including the cost of acquiring land held 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. Contingent rentals arising under operating leases are recognised as an expense in the period of which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis.

#### The Group as a lessor

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

#### (h) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way 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 market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers (that do not have separately identified financing components) which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or 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.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating and recognising interest income and interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or 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 asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but not considering the expected credit losses.

Interest income which are derived from the Group's ordinary course of business are presented as other income.

#### Financial assets

Classification and measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI on initial recognition/as at date of initial application of IFRS 9 if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition it is a 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 a financial guarantee contract of designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### Amortised cost and interest income

Financial assets are recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting periods following the determination that the asset is no longer credit impaired.

Accounting policy of impairment of financial assets measured at amortised cost is stated in note 1(j).

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 1 Summary of significant accounting policies (continued)

#### Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised costs. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, deposits received, accruals and other payables, amount due to a director, tax payables and lease liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in "Finance costs" in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### Derecognition of financial liabilities

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

#### Financial assets

##### Classification and measurement of financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The Group determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise trade receivables, deposits paid and other receivables and cash and cash equivalents in the statement of financial position.

Regular way purchases and sales of financial assets are recognised on the trade-date, that is, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.



## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the Group could be required to repay.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

#### Financial liabilities

The accounting policy of classification and measurement of financial liabilities has no change under the application of IAS 39 and IFRS 9. Please refer to above accounting policy in regarding to financial liabilities.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### (i) Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company for their decisions about resources allocation to the group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the chief operating decision makers ("CODM") are determined following the Group's major operations. The measurement policies the group uses for reporting segment results under IFRSs 8 Operating Segments are the same as those used in its financial statements prepared under IFRSs.

#### (j) Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade receivables, deposits paid and other receivables and cash bank balance). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

#### *(i) Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### ***(ii) Definition of default***

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### ***(iii) Credit-impaired financial assets***

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### *(iv) Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

#### *(v) Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped based on:

Nature of financial instruments (i.e. the Group's trade receivables, deposits paid and other receivables and cash and cash equivalents are each assessed as a separate group);

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to "impairment loss allowance on trade receivables" in statement of comprehensive income.

#### (k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### (I) Income tax

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:-

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (m) Provision and contingent liabilities

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the time value of money is material, provisions are stated at the present value at the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (n) Employee benefits

##### Pension obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

##### Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

#### Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (o) Share capital

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

#### (p) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared by the Board of the Company in case of interim dividends or approved by the Company's shareholders in case of final dividends.

#### (q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for the intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### (r) Related parties

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 key management personnel of the Group or the Group's parent;

or

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;
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) the entity and the Group are joint ventures of the same third party;



## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 1 Summary of significant accounting policies (continued)

(iv) one 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;

(vi) the entity is controlled or jointly controlled by a person identified in (i);

(vii) a person identified in (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); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 2 Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 1, the Board of directors of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### (a) Estimated provision of ECL for trade receivables

The Group has considered all the possible default events over the expected life of the trade receivables and assessed individually for debtors with significant balances and/or collectively using a provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is reasonable and supportable available without undue costs or effort.

In addition, trade receivables that are credit impaired are assessed for ECL individually. The loss allowance amount of the credit impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 2 Critical accounting estimates and judgements (continued)

The provision of ECL is sensitive to changes in estimates. The information about the Group's assessment of ECL and the details of the Group's trade receivables are disclosed in notes 1(j) and 11, respectively.

#### (b) Principal versus agent consideration

The Group engages in the business of trading of coaches and passenger service licences during the years ended 31 March 2020 and 2021.

For transactions with the performance obligation which is to arrange for the provision of trading of coaches by such as the Group is primarily responsible for lining up with the suppliers to transfer the coaches to customers to complete the transactions, the Group concluded that it acts as the agent for such transactions. The trading of coaches is initiated by the customers and the Group identifies the suitable suppliers to meet the requirements from the customers. The Group does not control the specified coaches before those coaches are transferred to customers.

On the other hand, the Group purchases the coaches and passenger service licences from the suppliers with the intension to sales. For the transactions of selling these coaches and passenger service licences of which the Group has the control, the Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the coaches and passenger service licences. The Group has inventory risk. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31 March 2021, the Group acts as both principal and agent (2020: agent) in various transactions of trading of coaches and passenger service licences.

#### (c) Depreciation and impairment assessment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets with finite useful lives are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value, if any. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

Property, plant and equipment and right-of-use assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of the assets have been determined based on the higher of fair value less costs of disposal and value-in-use calculations. Such estimation was based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. Property, plant and equipment and right-of-use assets are not required to make impairment for the year ended 31 March 2021 (2020: Nil). Further details of property, plant and equipment and right-of-use assets are included in notes 8 and 9 to the consolidated financial statements.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 2 Critical accounting estimates and judgements (continued)

(d) Significant judgement in determining the lease term of contracts with renewal options

The Group has certain lease contracts in relation to rental coaches that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	2021 A\$	2020 A\$
<b>3 Revenue</b>		
Gross rental income (note (i))	964,758	3,018,037
Trading income (note (ii))	5,206,163	-
Commission income (note (ii))	525,458	1,268,070
Other commission services income (note (ii))	41,430	90,666
	<b>6,737,809</b>	<b>4,376,773</b>

Notes:

- (i) Gross rental income is recognised over time
- (ii) All other trading related incomes are recognised at a point in time

The Group applied the practical expedient in paragraph 121 of IFRS 15 to its commission services contracts regarding the performance obligations that have an original expected duration of one year or less, the Group does not make disclosure in accordance with paragraph 120 of IFRS 15 in relation to the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at end of the reporting periods and an explanation of when the Group expects to be recognised as revenue.

### 4 Other income and gains

Bank interest income	1	1
Gain on disposal of motor vehicles	91,960	194,532
Government grant	123,492	-
Others	3,577	4,628
	<b>219,030</b>	<b>199,161</b>

Government grant of A\$28,892 (2020: Nil) received during FY21 related to staff costs subsidy according to the Employment Support Scheme ("ESS") launched by the Government of the Hong Kong Special Administrative Region ("HKSAR"), which aims to provide time-limited financial support to the Group to retain employees who may otherwise redundant. The Group has fulfilled conditions and other contingencies attached to the receipts.

Government grants A\$94,600 (2020: Nil) received during FY21 related to an one-off non-accountable subsidy to the registered owners of non-franchised public buses, school private light buses, hire cars and good vehicles, which aims to help the transport trades cope with the operating pressure in the prevailing economic environment launched by HKSAR.

### 5 Finance costs

Interest on lease liabilities	18,606	51,355
Interest on interest-bearing bank borrowings	-	718
	<b>18,606</b>	<b>52,073</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	2021 A\$	2020 A\$
<b>6 Profit before income tax</b>		
Auditor's remuneration	43,938	32,837
Cost of inventories recognised as an expense	4,415,285	-
Depreciation of property, plant and equipment	224,773	371,214
Depreciation of right-of-use assets	123,048	259,947
Expenses relating to short-term leases	459,742	2,209,734
Employment benefits expense		
- Salaries and allowances	126,481	174,759
- Retirement benefit scheme contributions	5,493	5,846

Depreciation of property, plant and equipment and right-of-use assets have been included in the line items of cost of services rendered and administrative and operating expenses.

Employment benefits expense (included directors' remuneration) has been included in the line item of administrative and operating expenses.

## 7 Income tax

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the British Virgin Islands (BVI), the Group is not subject to any income tax under the jurisdiction. Hong Kong Profits Tax is calculated at 8.25% of the first HK\$ 2 million (Circa A\$358,000) estimated assessable profits and 16.5% above HK\$ 2 million estimated assessable profits derived from Hong Kong.

Current tax – charge for the year	226,203	220,894
Deferred tax (note 17)	(34,296)	2,340
Income tax expense	<u>191,907</u>	<u>223,234</u>

The prima facie tax expense on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Tax at 30%	220,480	380,780
Differential in corporate tax rate	(99,216)	(171,351)
Tax effect on non-taxable income	(15,174)	(55,702)
Tax effect on non-deductible expenses	115,407	100,467
Tax concession	(29,590)	(30,960)
	<u>191,907</u>	<u>223,234</u>

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 8 Property, plant and equipment

	Furniture, fixtures and office equipment A\$	Motor vehicles A\$	Total A\$
<b>Cost</b>			
At 1 April 2019	16,313	2,343,268	2,359,581
Additions	-	336,177	336,177
Disposals	-	(1,098,878)	(1,098,878)
At 31 March 2020 and 1 April 2020	16,313	1,580,567	1,596,880
Disposals	-	(334,505)	(334,505)
At 31 March 2021	16,313	1,246,062	1,262,375
<b>Accumulated depreciation</b>			
At 1 April 2019	7,180	284,371	291,551
Charge for the year (note 6)	3,410	367,804	371,214
Elimination on disposals	-	(218,209)	(218,209)
Exchange alignments	-	(298,950)	(298,950)
At 31 March 2020 and 1 April 2020	10,590	135,016	145,606
Charge for the year (note 6)	3,259	221,514	224,773
Elimination on disposals	-	(102,720)	(102,720)
Exchange alignments	-	270,200	270,200
At 31 March 2021	13,849	524,010	537,859
<b>Net carrying amount</b>			
<b>At 31 March 2021</b>	<b>2,464</b>	<b>722,052</b>	<b>724,516</b>
At 31 March 2020	5,723	1,445,551	1,451,274

The Group does not hold the vehicle licenses for certain motor vehicles with an aggregate net carrying amount of approximately A\$660,000 (HK\$3,905,907) as at 31 March 2021 (2020: A\$1,356,000 (HK\$6,455,314)). The respective vehicles licenses are held in trust by independent third parties. Based on a legal opinion obtained, the Board of the Company is of the opinion that the Group is entitled to occupy and deal with the abovementioned motor vehicles lawfully and validly with proper ownership according to the trust agreement.

All of the motor vehicles carried at 31 March 2020 were leased out for the ordinary rental business. The respective lease contracts had been terminated/expired during the year ended 31 March 2021.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 9 Right-of use- assets

	Leased property A\$	Rental coaches A\$	Total A\$
<b>Cost</b>			
At 1 April 2019	54,327	959,712	1,014,039
Additions	-	132,184	132,184
Derecognised upon termination of lease	-	(189,099)	(189,099)
	<u>54,327</u>	<u>902,797</u>	<u>957,124</u>
At 31 March 2020 and 1 April 2020	54,327	902,797	957,124
Additions	107,587	-	107,587
Derecognised upon termination of lease	(63,580)	(339,060)	(402,640)
	<u>98,334</u>	<u>563,737</u>	<u>662,071</u>
At 31 March 2021	<u>98,334</u>	<u>563,737</u>	<u>662,071</u>
<b>Accumulated depreciation</b>			
At 1 April 2019	-	84,324	84,324
Charge for the year (note 6)	33,076	226,871	259,947
Derecognised upon termination of lease	-	(56,769)	(56,769)
Exchange alignment	4,609	35,453	40,062
	<u>37,685</u>	<u>289,879</u>	<u>327,564</u>
At 31 March 2020 and 1 April 2020	37,685	289,879	327,564
Charge for the year (note 6)	40,133	82,915	123,048
Derecognised upon termination of lease	(43,204)	(125,444)	(168,648)
Exchange alignment	13,736	98,158	111,894
	<u>48,350</u>	<u>345,508</u>	<u>393,858</u>
At 31 March 2021	<u>48,350</u>	<u>345,508</u>	<u>393,858</u>
<b>Net carrying amount</b>			
<b>At 31 March 2021</b>	<b><u>49,984</u></b>	<b><u>218,229</u></b>	<b><u>268,213</u></b>
At 31 March 2020	<u>16,642</u>	<u>612,918</u>	<u>629,560</u>

During the years ended 31 March 2021 and 2020, the Group leases various offices and coaches for its operations. Lease contracts are entered into for fixed term ranged from 2 years to 4.5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Other than the finance lease assets, leased assets may not be used as security for borrowing purposes.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	31 March 2021 A\$	31 March 2020 A\$
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### 10 Cash and cash equivalents

Cash and cash equivalents represent cash at banks and on hand. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with authorised banks with no recent history of default.

### 11 Trade receivables

Trade receivables	1,634,249	3,260,848
Less: allowance for credit losses	(99,707)	(34,021)
	<u>1,534,542</u>	<u>3,226,827</u>

The Group granted 0 to 270 days (2020: 0 to 270 days) credit period to customers for the year. The ageing analysis of these receivables, net of ECL allowance, based on past due date, is as follows:

Not past due	1,379,050	2,733,918
1 – 90 days past due	102,335	300,940
91 – 180 days past due	26,881	111,883
181 – 365 days past due	24,131	27,986
More than 365 days past due	2,145	52,100
	<u>1,534,542</u>	<u>3,226,827</u>

The Group applies the simplified approach for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group assessed the allowance for ECLs on trade receivables on a collective based on internal credit rating and ageing, past due status and repayment history of these balances which, in the opinion of the directors of the Company, have no significant increase in credit risk during the years ended 31 March 2021 and 2020.

Details of impairment assessment of trade receivables are set out in note 1(j) to the consolidated financial statements.

The movements in the allowance for ECLs on trade receivables are as follows:

At the beginning of the year	34,021	33,819
Allowance for ECLs recognised	105,485	10,395
Written off	(39,799)	(10,193)
At the end of the year	<u>99,707</u>	<u>34,021</u>



## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	31 March 2021 A\$	31 March 2020 A\$
<b>12 Prepayments, deposits paid and other receivables</b>		
<b>Current</b>		
Prepayment for listing expenses	201,481	-
Prepayments	102,771	4,108
Deposits paid	266,364	290,474
Other receivables (note (i))	86	2,274,791
	<b>570,702</b>	<b>2,569,373</b>
<b>Non-current</b>		
Deposits paid (note (ii))	33,788	22,868
	<b>604,490</b>	<b>2,592,241</b>

Notes:

- (i) The carrying amount as at 31 March 2020 included A\$2,233,380 amount due from a former related company (note 25). The amount due was unsecured, interest free and had been settled during FY21.
- (ii) These deposits are refundable at the end of the lease terms from coach lessors.

### 13 Inventories

Coaches	1,081,433	-
Passenger vehicle licences	2,165,796	-
Total	<b>3,247,229</b>	-

Inventories are held for sale in the ordinary course of business and are stated at the lower of cost and net realisable value.

The Group does not hold the vehicle licenses for coaches and corresponding passenger service licenses. The respective coaches and passenger service licences are held in trust by independent third parties. Based on a legal opinion obtained, the Board of the Company is of the opinion that the Group is entitled to occupy and deal with the abovementioned motor vehicles lawfully and validly with proper ownership according to the trust agreement.

### 14 Trade payables, accruals and other payables

Credit periods granted by the suppliers to the Group are generally 0 to 240 days (2020: 0 to 240 days). However, one major creditor comprising approximately 50% of trade payables has entered into a deferred settlement arrangement whereby the Company can repay the amount owing over a period of up to 5 years subsequent to 1 December 2020. The Company has accelerated its repayments and intends to repay the balance as soon as cashflow permits and, for this reason, has classified the full amount owing to the creditor as a current liability.

Accruals comprise accrued listing expenses, administrative and operating expenses during the years.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 15 Amount due to a director

The amount due is related to fund advance to the Group for listing and is unsecured, interest free and has been settled subsequent to the reporting date.

### 16 Lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	31 March 2021 A\$	31 March 2020 A\$	31 March 2021 A\$	31 March 2020 A\$
Within one year	416,600	759,028	337,392	635,763
In the second and fifth years, inclusive	1,884,483	3,038,786	1,796,354	2,743,490
Total minimum lease payments	<b>2,301,083</b>	3,797,814	<b>2,133,746</b>	3,379,253
Less: Future interest expenses	<b>(167,337)</b>	(418,561)		
Present value of lease liabilities	<b>2,133,746</b>	3,379,253		
Less: Portion classified as current liabilities	<b>(337,392)</b>	(635,763)		
Non-current portion	<b>1,796,354</b>	2,743,490		

### 17 Deferred tax

	ECL on trade receivables A\$	Depreciation allowances in excess of the related depreciation A\$	Total A\$
At 1 April 2019	(5,606)	62,658	57,052
Charged to profit or loss for the year (note 7)	-	2,340	2,340
At 31 March 2020 and 1 April 2021	(5,606)	64,998	59,392
Credited to profit or loss for the year (note 7)	(12,672)	(21,624)	(34,296)
Exchange differences	6,816	(16,175)	(9,359)
<b>At 31 March 2021</b>	<b>(11,462)</b>	<b>27,199</b>	<b>15,737</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 18 Issued capital

The Company was incorporated on 28 October 2020 with 100 nil-paid ordinary shares. Pursuant to the Reorganisation, the Company subsequently issued 115,999,900 shares to Alyce Wong to acquire her entire equity interest in SAH, at the consideration of A\$1,831,879 (net assets value of SAH (note 1(a))).

The issued capital of A\$21 presented in the consolidated statement of financial position as at 31 March 2020 and elsewhere in these consolidated financial statements represented the nominal value of shares on issue of GTB prior to the incorporation of the Company.

The current period reflects the movements in the Company, as the legal parent's capital structure.

<b>Ordinary - issued and paid up share capital</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>	<b>A\$</b>	<b>A\$</b>
At the beginning of the reporting year	-	-	-	-
Allotment of shares upon incorporation	<b>100</b>	-	-	-
Shares issued – acquisition of SAH	<b>115,999,900</b>	-	<b>1,831,879</b>	-
Total ordinary share capital at the end of the reporting period	<b>116,000,000</b>	-	<b>1,831,879</b>	-

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

At the date of this report, there were no options and/or convertibles on issue by the Company.

### 19 Reserves

Details of the movements on the Group's reserves are set out in the consolidated statements of changes in equity.

Merger reserve represents i) the nominal value of share capital of SAH and GTB and ii) deemed costs of consideration for the shares issued by the Company to acquire SAH.

Translation reserve represents exchange differences arising on translation of the foreign controlled subsidiaries with functional currency reported other than A\$.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	2021 A\$	2020 A\$
<b>20 Cash flow information</b>		
Reconciliation of cash flow from operations with operating profit from ordinary activities after income tax:		
Profit from ordinary activities after income tax	<b>543,028</b>	1,046,032
Non-cash flows in profit from ordinary activities:		
Allowance for ECL	<b>111,972</b>	9,339
Depreciation of property, plant and equipment	<b>224,773</b>	371,214
Depreciation on right-of-use assets	<b>123,048</b>	259,947
Termination of right-of-use assets	<b>(3,578)</b>	-
Gain on disposal of property, plant and equipment	<b>(91,960)</b>	(194,532)
Effect of foreign currency translation	<b>(371,665)</b>	275,045
Movements in working capital		
Trade receivables	<b>1,608,880</b>	(2,460,800)
Deposits paid, prepayment and other receivables	<b>(286,555)</b>	58,843
Trade payables	<b>(934,482)</b>	1,207,871
Deposits received, accruals and other payables	<b>(56,994)</b>	(33,015)
Inventories	<b>(1,455,470)</b>	-
Tax payables	<b>172,029</b>	(3,900)
Cash flow from operations	<b>(416,974)</b>	536,044

### Major non-cash transactions

During the year ended 31 March 2021, the Company repaid obligations under finance leases by a related company of approximately A\$333,000 (2020: A\$947,000).

The Group has disposed of property, plant and equipment to a former related company of approximately A\$190,000 during the year ended 31 March 2021 (2020: A\$857,000) by offset against the amount due from a former related company.

The Group has acquired inventories of coaches and passenger services licenses from a former related company of AUD3,816,000 during the year ended 31 March 2021 (2020: Nil) by offset against the amount due from a related company.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	2021 A\$	2020 A\$
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### 21 Interests in other entities

The legal corporate structure of the Group is set out below.

Name of Entity	Country of Incorporation	Principal Place of Business	Ownership Interest 2021 %	Ownership Interest 2020 %
Smart Auto Holding (HK) Limited	British Virgin Islands	Hong Kong	100	*100
Grand Tour Bus Services Limited	Hong Kong	Hong Kong	100	*100

*Percentage of voting power is in proportion to ownership*

\*The business of the Group is conducted mainly through the existing operating subsidiary (GTB). The Company has become the holding company of the companies now comprising the Group on 28 October 2020. The Reorganisation is merely a reorganisation of the business of the Group with no change in management and the ultimate owner of the business remain the same (note 1(a)).

### 22 Earnings per share

Basic and Diluted Earnings per share	0.005	0.009
Weighted average number of shares	<u>116,000,000</u>	<u>116,000,000</u>

The 116,000,000 shares represent the number of shares of the Company immediately prior to the listing as if the shares had been in issue throughout FY20 and FY21. No dilutive potential ordinary shares in existence during FY20 and FY21.

### 23 Commitments and contingent liabilities

*Lease commitment – as a lessor*

During the year ended 31 March 2021, the Group leases its rental coaches and passage services licenses under lease arrangements, with leases negotiated for original terms at one year (2020: ranging from one to two years) without option to renew the lease term at expiry date. None of the lease includes contingent rentals. At the end of the report period, the Group had total future minimum payments expected to be received under non-cancellable leases with its customers falling due as follows:

Year 1	162,417	1,548,070
Year 2	-	41,618
Total	<u>162,417</u>	<u>1,589,688</u>

*Other commitment*

The Group has contractual arrangements with a major supplier to acquire 8 e-CV for trading purpose amounted to approximately A\$2,042,000 (2020: Nil).

*Contingent liabilities*

There is no contingent liability at the end of the reporting period (2020: Nil).

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	2021 A\$	2020 A\$
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### 24 Segment information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Group's CODM for their decisions about resources allocation to the Group's business components and for their review of these components' performance. The Group only operates in a single operating segment, which is the coach rental and trading. All the revenue is received from external customers.

For the year ended 31 March 2021, revenue from four customers (2020: one) which had contributed more than 10% each to the Group's revenue amounted to approximately A\$4.25m (2020: A\$0.57m).

For the year ended 31 March 2021 and 2020, the Group's external customers, operations and the management team are domiciled and located in the Hong Kong. Segment revenue by geographical region is based on the location of the customers. For the year ended 31 March 2021 and 2020, the assets and liabilities of the Group are in Hong Kong which are used to support its external customers in Hong Kong.

Consequently, no separate analysis of reportable segment revenue, assets and liabilities by operation/geographical region is presented.

### 25 Related party transactions

The Group has the following transactions with its related parties in the normal course of its business, entered into on an arms-length basis, and mutually agreed between both parties:-

a) Recurring transactions - rental expenses to a related party	<u>12,149</u>	<u>33,775</u>
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Rental expenses paid to a family member of a director of the Company. The relevant rental agreement was terminated/expired during the year ended 31 March 2021.

#### b) Non-recurring transactions - Golden Champion Travel Company Limited (GTC)

Coaches rental expense	28,352	273,008
Coaches rental income	34,435	185,861
Commission income from trading activities	31,922	-
Acquisition of motor vehicles and passenger service licence	287,119	-
Gain on disposal of motor vehicles	23,140	194,532
Acquisition of property, plant and equipment	-	300,224
Disposal of property, plant and equipment	100,429	786,484
Disposal of right-of-use assets	-	118,178
Disposal of passenger service licence	-	572,302
	<u>505,397</u>	<u>2,403,589</u>

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	2021	2020
	A\$	A\$

### 25 Related party transactions (continued)

#### b) Non-recurring transactions - Golden Champion Travel Company Limited (GTC) (continued)

Alyce Wong disposed all her equity interest in a former related company, Golden Champion Travel Company Limited (GTC), to an independent third party on 9 June 2020. The spouse of Alyce Wong resigned as the director of GTC on 12 June 2020, after the said disposal. GTC ceased to be a related company of the Group. As set out in note 12(i) there was an amount due from GTC during the current and prior years until it was "repaid" in September 2020 by way of a transfer of specified assets to the Company. The Group acquired inventories of coaches and passenger services licenses from GTC valued at AUD\$3,816,000 during the year ended 31 March 2021 in full settlement of the debt owing (2020: Nil).

#### Key management personnel remuneration

Director's remuneration – Alyce Wong	<u>8,070</u>	<u>45,315</u>
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### 26 Parent information

The following information relates to the legal parent, Smart Auto Australia Limited (the Company) only. It has been extracted from the books and records of the legal parent entity set out below and has been prepared in accordance with Australian Accounting Standards.

#### Statement of Financial Position

##### ASSETS

Non-current assets	1,831,879	-
<b>TOTAL ASSETS</b>	<u>1,831,879</u>	-

##### LIABILITIES

Current liabilities	449,961	-
<b>TOTAL LIABILITIES</b>	<u>449,961</u>	-

##### EQUITY

Issued capital	1,831,879	-
Reserve	-	-
(Accumulated losses)	(449,961)	-
<b>TOTAL EQUITY</b>	<u>1,381,918</u>	-

#### Statement of Profit or Loss and Other Comprehensive Income

Total profit (loss)	(449,961)	-
Total comprehensive income (loss)	<u>(449,961)</u>	-

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	2021 A\$	2020 A\$
<b>27 Auditor's remuneration</b>		
The following information relates to the remuneration of the auditor for both the Company and the legal subsidiaries of the Company.		
<b>Auditors of the Group - Moore and its network firm</b>		
Audit of financial statements		
Group	20,000	-
Controlled entities	43,938	28,146
Total audit services	<u>63,938</u>	<u>28,146</u>
Non-audit services		
Taxation services	2,690	-
Corporate advisory services	60,244	20,000
Total non-audit services	<u>62,934</u>	<u>20,000</u>
<b>Total services provided by Moore and its network firm</b>	<u>126,872</u>	<u>48,146</u>

## 28 Financial risk management

### (a) Financial instruments by categories

#### Financial assets

Receivables measured at amortised cost:

- Trade receivables	1,534,542	3,226,827
- Deposits and other receivables	266,450	2,565,265
- Cash and cash equivalents	188,976	3,950

	<u>1,989,968</u>	<u>5,796,042</u>
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#### Financial liabilities

Financial liabilities measured at amortised cost:

- Trade payables	1,166,425	2,100,907
- Accruals and other payables	376,751	92,023
- Rental deposits received	235,995	448,813
- Amount due to a director	484,237	-
- Lease liabilities	2,133,746	3,379,253
- Tax payables	467,388	340,410

	<u>4,864,542</u>	<u>6,361,406</u>
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## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 28 Financial risk management (continued)

#### (b) Financial risk management and policies

The Group has exposure to the credit risk and liquidity risk arising from financial instruments. The policies on how to mitigate these risks are set out below. The management monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to trade receivables, deposits and other receivables. To minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on regular and ongoing basis. Credit evaluations of its debtors' financial position and condition are performed on each major debtor on a timely manner. These evaluations focus on the debtor's past history of making payments when due and current ability to pay and take into account information specific to the debtor as well as pertaining to the economic environment in which the debtor operates. Debtors with overdue balances, which will be reviewed on a case-by-case basis, are normally requested to settle all outstanding balances before any further credit is granted.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. The default risk of the industry in which debtors operate also has an influence on credit risk.

The credit risk on balances of cash and cash equivalents is low as these balances are placed with authorised financial institutions with no recent default history.

The Group's policy is to regularly monitor current and expected liquidity requirements. The Group relies on its liquid funds provided by the controlling shareholder as well as funds received from its external customers.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 28 Financial risk management (continued)

(b) Financial risk management and policies (continued)

Credit risk (continued)

The following table reflects an undiscounted contractual maturity analysis for financial assets and financial liabilities.

	Within 1 Year		1 to 5 Year		Over 5 Year		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$
<b>Financial liabilities due for payment</b>								
Trade payables, accruals and other payables (note)	1,543,176	2,192,930	-	-	-	-	1,543,176	2,192,930
Rental deposits received	235,995	448,813	-	-	-	-	235,995	448,813
Amount due to a director	484,237	-	-	-	-	-	484,237	-
Tax payables	467,388	340,410	-	-	-	-	467,388	340,410
Lease liabilities	337,392	635,763	1,796,354	2,743,490	-	-	2,133,746	3,379,253
<b>Total expected outflows</b>	<b>3,068,188</b>	<b>3,617,916</b>	<b>1,796,354</b>	<b>2,743,490</b>	<b>-</b>	<b>-</b>	<b>4,864,542</b>	<b>6,361,406</b>
<b>Financial assets – cash flows realisable</b>								
Trade receivables	1,534,542	3,226,827	-	-	-	-	1,534,542	3,226,827
Deposits and other receivables	266,450	2,565,265	-	-	-	-	266,450	2,565,265
Cash and cash equivalents	188,976	3,950	-	-	-	-	188,976	3,950
<b>Total anticipated inflows</b>	<b>1,989,968</b>	<b>5,796,042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,989,968</b>	<b>5,796,042</b>
Net (outflow)/ inflow on financial instruments	(1,078,220)	2,178,126	(1,796,354)	(2,743,490)	-	-	(2,874,574)	(565,364)

Note: As explained at note 14 a significant portion of trade payables has been classified as a current liability, notwithstanding that the Company has the ability if required to defer repayment over up to 5 years from 1 December 2020.

The Company has successfully raised approximately A\$3,000,000 through the admission of listing on NSX on 8 June 2021. The Board of the Company considers the liquidity risk in short to medium term is minimal.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 28 Financial risk management (continued)

#### (b) Financial risk management and policies (continued)

##### Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has exposures arising from transactions that are denominated in HK\$. The Group holds cash and bank balances denominated in HK\$ for working capital purposes. Consequently, the Group is exposed to movements in foreign currency exchange rates. The Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

All the financial assets and liabilities of the Group's operations as disclosed in note 28(a) are denominated in HK\$.

##### *Sensitivity analysis*

The following table illustrates sensitivities to the Group's exposures to changes in the exchange rate. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the exchange rate that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group	
	Profit after Tax	Equity
	\$	\$
<b>Year ended 31 March 2021</b>		
+/-5% in \$A/\$HK	+/- 27,151	+/- 84,384
<b>Year ended 31 March 2020</b>		
+/-5% in \$A/\$HK	+/- 52,302	+/- 74,153

#### (c) Capital management

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the owners through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate.

The Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debts divided by total capital. Net debts are calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statements of financial position plus net debt, if any.

#### (d) 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 March 2021 and 2020.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

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### 29 Events occurring after the reporting date

The Company completed its Initial Public Offer, raising equity of approximately A\$3 million by issuing approximately 30,000,000 additional ordinary shares at A\$0.1 each, and subsequently listing on NSX on 8 June 2021.

**End of the notes**

## Directors' Declaration

In the directors' opinion:

- (a) the financial statements comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and accompanying notes set out on pages 14 to 58 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2021 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- (c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 31 March 2021, comply with Section 300A of the *Corporations Act 2001*; and
- (d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



**Alyce Wong**  
Executive Director and CEO

30 June 2021

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMART AUTO AUSTRALIA LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Smart Auto Australia Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 March 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a) the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Group's financial position as at 31 March 2021 and of its financial performance for the year then ended; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

#### Basis for Opinion

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

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

#### Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SMART AUTO AUSTRALIA LIMITED (CONTINUED)**

**Key Audit Matters (continued)**

<b>Recognition of Revenue</b>	
<b>Refer to Note 3 "Revenue"</b>	
<p>The Group's revenue is derived from management and rental of coaches and from the trading of coaches and passenger service licences, all of which are based on contracts which determine the services, products to be provided and rates to be charged.</p> <p>The accurate recording of revenue is highly dependent upon the following key factors;</p> <ul style="list-style-type: none"> <li>• Knowledge of the individual characteristics and status of contracts;</li> <li>• Management's invoicing process including;               <ul style="list-style-type: none"> <li>– accurate measurement of services and products provided each month</li> <li>– invoices prepared in compliance with contract terms such as services performed, products delivered and rates charged;</li> </ul> </li> <li>• Compliance with contractual terms and an assessment of when the Group believes it is has complied with its performance obligations and thus is entitled to invoice the customer;</li> </ul> <p>We focused on this matter as a key audit matter due to the significance of revenue to the Group combined with the need to comply with a variety of contractual conditions, leading to judgmental risk associated with revenue recognition.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• We evaluated management's processes regarding occurrence, valuation and recording of the Group's contract revenues. We tested internal controls in relation to preparation and authorisation of monthly revenue invoices for compliance with the Group's accounting policies in relation to revenue;</li> <li>• We selected a sample of sales invoices raised during the year and performed the following procedures:               <ul style="list-style-type: none"> <li>– agreed to contractual terms and rates;</li> <li>– agreed to general ledger accounts and subsequent receipts from the customer;</li> <li>– for variations or claims we checked they were in accordance with contract terms and evaluated for risk of non-recovery;</li> </ul> </li> <li>• We evaluated contract performance during and subsequent to year end to audit opinion date to reflect on year end revenue recognition judgements;</li> <li>• Ensuring appropriate disclosure in the financial statements of revenue policies and significant estimates and judgement applied.</li> </ul>

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SMART AUTO AUSTRALIA LIMITED (CONTINUED)**

**Key Audit Matters (continued)**

<b>Valuation of Receivables</b>	
<b>Refer to Note 11 "Trade Receivables"</b>	
<p>Valuation of receivables is a key audit matter. It is due to the size of the account balances and the judgements required in determining their carrying value that this is a key area of audit focus.</p> <p>Trade debtors amounted to \$1,634,249 (before allowance for credit losses) as at 31 March 2021 and, as set out in Note 11, a significant portion of the balance owing is past due</p> <p>The Group has assessed the allowance for expected credit loss on trade receivables based on a number of factors designed to assess credit risk associated with its debtors. The assessment of expected credit losses is subject to considerable judgement and sensitive to changes in estimates.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Review of subsequent receipt collections from debtors and ageing analysis post year end;</li> <li>• Confirmations with selected trade debtors where considered necessary or agreement to individual contracts;</li> <li>• Discussion with management as to the existence of any disputes with debtors and review of correspondence and assessment of impairment provisions raised by management;</li> <li>• Assessment of the financial viability of debtors, where considered necessary based on publicly available information and other information available to the Company;</li> <li>• Review of the classification of receivables between current and non current ensuring that classification reflects the agreements entered into with customers and borrowers;</li> <li>• Review of disclosures made in the notes to the financial statements.</li> </ul>
<b>Existence and Valuation of Inventories</b>	
<b>Refer to Note 13 Inventories</b>	
<p>The Group holds a significant amount of inventories (coaches and passenger vehicle licences) which are held for sale in the ordinary course of business.</p> <p>Inventories are held in significant quantities and are valued at the lower of cost and net realisable value (NRV).</p> <p>Valuation at cost includes different components and is subject to significant management estimates. This could result in an overstatement of the value of the inventories if the historical cost is higher than the net realisable value. We have therefore identified inventory existence and valuation as a key audit matter.</p>	<p>Our procedures to test the existence and valuation of inventories included, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Testing the relevant internal control procedures relating to the existence and valuation of inventory, including physical attendance at year end counts of the inventory;</li> <li>• Testing a sample of stock items and comparing our count results with count results by the Group's representative and investigating any variances;</li> <li>• Performing test of details on historical costs, including testing the mathematical accuracy of the final stock listing and assessment of management estimates and assumptions in relation to cost allocations;</li> <li>• Testing a sample of stock items to external evidence of market prices and subsequent sales to ensure that they were recorded at the lower of cost and net realisable value;</li> <li>• Reviewing gross margins for any unusual pattern compared to prior periods.</li> </ul>



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMART AUTO AUSTRALIA LIMITED (CONTINUED)**

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

### **Responsibilities of the Directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SMART AUTO AUSTRALIA LIMITED (CONTINUED)**

**Report on the Remuneration Report**

**Opinion on the Remuneration Report**

We have audited the Remuneration Report as included in the directors' report for the year ended 31 March 2021.

In our opinion, the Remuneration Report of Smart Auto Australia Limited, for the year ended 31 March 2021 complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

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

NEIL PACE  
PARTNER

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 30<sup>th</sup> day of June 2021.

## Corporate Governance Statement

Smart Auto Australia Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Smart Auto Australia Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition) published by the ASX Corporate Governance Council.

The 2020 Corporate Governance Statement was approved by the Board on 30 June 2021 and is current as at 30 June. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at <https://www.smartautoltd.com/corporate-governance-2/>.

## Additional Information

Additional information required by NSX and not shown elsewhere in this report is as follows. The information is current as at 29 June 2021.

### (a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding

#### **TOP SPREAD REPORT**

<b>SPREADS OF HOLDINGS</b>	<b>NUMBER OF HOLDERS</b>	<b>NUMBER OF UNITS</b>	<b>% OF TOTAL ISSUED CAPITAL</b>
1 - 1,000	0	0	0.00%
1,001 - 5,000	1	2,000	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	64	1,393,000	0.90%
100,001 - 999,999,999,999	14	153,922,200	99.10%
<b>TOTAL</b>	<b>79</b>	<b>155,317,200</b>	<b>100%</b>

The number of shareholders holding less than a marketable Parcel of shares are:

Nil

### (b) Twenty largest shareholders

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

**Security: SAL ORDINARY FULLY PAID**  
**As of 29 Jun 2021**

#### **Top Listing - Grouped**

<b>Rank</b>	<b>Name</b>	<b>Units</b>	<b>% of Units</b>
1	NGA LAI WONG	116,000,000	74.69
2	WA HUNG YEUNG	7,200,000	4.64
3	SUET YU YAN	5,000,000	3.22
4	KING TUNG KWOK	4,000,000	2.58
5	SUI LAN SIOW	4,000,000	2.58
6	JA WEI VICTOR HENG	4,000,000	2.58
7	MR SIU CHUNG HO	3,093,400	1.99
8	PRIMAX CAPITAL PARTNERS PTY LTD	3,093,400	1.99
9	OI LAM CHAU	2,460,000	1.58
10	MR CHEUK MING CHUNG	1,546,700	1
11	MR YAU SHING WONG	1,546,700	1
12	LUNG CHIU KUNG	1,000,000	0.64
13	KAI PONG TAM	832,000	0.54
14	MR ALPESHKUMAR RAMESHBHAI PATEL	150,000	0.1
15	MR MADHUGIRI SHIVARAM	50,000	0.03
16	MR PRAKASH KANUBHAI SANGANI	50,000	0.03
17	MR DARYL JOHN HEINRICH	40,000	0.03
18	MS PRINKA DHAWANKAR DHINGRA + MR TUSHAR DHINGRA	35,000	0.02
19	DR BIJOY VARMA + MRS JYOTIMA VARMA	30,000	0.02
20	MR GAURAV PATEL	25,000	0.02

<b>Totals: Top 20 holders of SAL ORDINARY FULLY PAID</b>	<b>154,152,200</b>	<b>99.25</b>
<b>Total Remaining Holders Balance</b>	<b>1,165,000</b>	<b>0.75</b>
<b>Total Holders Balance</b>	<b>155,317,200</b>	<b>100</b>

*Note: Nominee holders hold shares on behalf of a number of beneficial holders*

## Additional Information (continued)

### (c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

### (d) Substantial shareholders

<b>Name</b>	<b>Units</b>	<b>% of Units</b>
NGA LAI WONG	116,000,000	74.69