INCEPT
HOLDINGS (BVI) Limited

INCEPT HOLDINGS (BVI) LTD

CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2017

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Statement of Directors' Responsibilities in Respect of the Financial Statements

Incept Holdings (BVI) Ltd is incorporated in British Virgin Islands. Under BVI Business Corporate Act 2004, it is not required to prepare financial statements.

This consolidated financial statement is prepared in accordance with International Financial Reporting Standards (IFRSs) and the accounting policies described in Note 1 of the financial statements.

The directors of the Company declare that:

1. the consolidated financial statements and notes present a true and fair view of the Company's financial position as at 30 June 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable.

Silvana De Cianni
Director

Consolidated Statement of Comprehensive Income

	Note	30-Jun-17
		US$
Revenue	2	150
Other revenue		134,053
Cost of sales		(30)
Gross profit		**134,173**
Expenses		
Employee expenses	3	(167,879)
Depreciation and amortisation	10	(261,749)
Professional fee	3	(86,843)
Consultancy expenses	3	(55,012)
Lease expense	3	(12,753)
Travel and accommodation	3	(14,806)
Administration expenses	3	(163,400)
		(762,442)
Operating profit/(loss)		**(628,269)**
Finance income		114
Finance costs		(639)
Profit/ (loss) before income tax		**(628,794)**
Tax expense / (revenue)	4	-
Profit/ (loss) for the year		**(628,794)**
Other comprehensive income		
Loss on disposal of investment		(2,381,190)
Other comprehensive income for the year		**(2,381,190)**
Total comprehensive loss for the year		**(3,009,984)**
Earnings per share		
Basic earnings per share		(0.01)
Diluted earnings per share		(0.01)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	30-Jun-17
		US$
Assets		
Current assets		
Cash and cash equivalents	6	9,578
Trade and other receivables	7	411,328
Other current assets	8	744,834
Total current assets		**1,165,740**
Non-current assets		
Trade and other receivables	7	155,814
Investments	9	22,099,130
Property, plant and equipment	10	2,014,705
Intangible assets	11	28,528,712
Total non-current assets		**52,798,361**
Total assets		**53,964,101**
Liabilities		
Current liabilities		
Trade and other payables	12	507,210
Borrowings	13	912,365
Total current liabilities		**1,419,575**
Non-current liabilities		
Loans	14	28,903,970
Total non-current liabilities		**28,903,970**
Total liabilities		**30,323,545**
Net assets		**23,640,556**
Equity		
Issued capital	15	26,514,918
Reserves	16	3,307,810
Retained profits/ (Accumulated losses)		(6,182,172)
Total equity		**23,640,556**

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

Consolidated Statement of Cash Flows

	Note	**30-Jun-17**
		US$
Operating activities		
Total comprehensive income		(3,009,984)
Adjustments for:		
Depreciation and amortisation		261,749
Changes in assets and liabilities:		
Trade and other receivables		(567,141)
Trade and other payables		507,210
Other current assets		(744,834)
Net operating cash flows		**(3,553,000)**
Investing activities		
Investments		(22,099,131)
Property, plant and equipment		(2,276,454)
Intangible assets		(28,528,712)
Net investing cash flows		**(52,904,297)**
Financing activities		
Borrowings		912,365
Long term loans		28,903,970
Issuance of new shares		26,514,918
Net financing cash flows		**56,331,253**
Net increase/(decrease) in cash and cash equivalents		**(126,044)**
Cash and cash equivalents at the beginning of the year		-
Effects of foreign exchange rate changes on cash and cash equivalents		135,622
Cash and cash equivalents at the end of the year	**6**	**9,578**

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

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The consolidated financial statements and notes represent those of Incept Holdings (BVI) Limited (the Company) and its controlled entities (the "Consolidated Group" or "Group") for the year ended 30 June 2017.

The group financial statements consolidated those of the Company and its subsidiaries and equity account of the Group's interest in associates and jointly controlled entities.

Basis of Preparation

The consolidated financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the IASB.

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

The financial statements have been prepared on an accruals basis and are based on historical costs principles. The financial statements are presented in United States Dollars.

Basis of Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has incurred losses for the year ended 30 June 2017 of $3,009,984 and has accumulated losses at 30 June 2017 of $6,182,172. The Group has cash on hand at 30 June 2017 of $9,578.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The on-going operation of the Group is dependent upon:

- The Group raising additional funding from shareholders or other parties (Refer to Note 17); and/or
- The Group reducing expenditure in-line with available funding
- The starting of trading activity immediately.

The Directors have prepared cash flow projections that support the ability of the Group to continue as a going concern. These cash flow projections assume the Group obtains further funding from shareholders or other parties or through anticipated revenue from operations until the planned IPO is completed. If such funding is not achieved, the Group plans to reduce expenditures significantly and this will likely result in non-completion of certain asset acquisition agreements and/or divestment of projects.

In the event that the Group does not obtain additional funding and reduce expenditure in-line with available funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Incept Holdings (BVI) Limited at the end of the reporting period. A controlled entity is any entity over which Incept Holdings (BVI) Limited has the power to govern the financial and operating policies to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the period, the financial performance of those entities is included only for the period of the period that they were controlled. A list of controlled entities is contained in Note 18 to the financial statements.

In preparing the consolidated financial statements, all inter-Group balances and transactions between entities in the Consolidated Group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of assets and liabilities.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

b. Income Tax

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

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

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

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

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

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

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

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

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

c. Property, Plant and Equipment

Property held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Borrowing costs and holding charges incurred after development is completed are expensed.

Plant and equipment comprising furniture, fixture and fittings are carried at cost less accumulated depreciation and impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset depreciation rate

Property 2%
Plant and Equipment 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership, which are transferred to entities in the Consolidated Group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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

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

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

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

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

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

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

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

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

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

(v) *Financial liabilities*

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

Impairment

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

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with IAS I8: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under IAS I8.

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

- The likelihood of the guaranteed party defaulting during the next reporting period;
- The proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- The maximum loss exposure if the guaranteed party were to default.

De-recognition

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

f. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in IAS 16). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

g. Intangibles Other than Goodwill

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Acquired intangible assets

Intangible assets that are acquired by the Group and have finite lives are measured at cost less amortisation and accumulated losses. Intangible assets are investment costs for Intellectual property.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit and loss as incurred.

Amortisation

Intangible assets are amortised from the date that they are available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives.

The estimated useful lives for the current and comparative years are as follows:

- Patents and trademarks 3-20 years
- Capitalised development costs 2-5 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

h. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each Group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in the parent entity's presentation currency which is United States Dollars. The presentation currency differs from the functional currency of Incept Holdings (BVI) Limited which is Australian dollars.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity. Otherwise, the exchange difference is recognised in the statement of comprehensive income.

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 period-end exchange rates prevailing at that reporting date;

- 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 are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

i. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

j. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

l. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their 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.

n. Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of tax, except where the amount of tax incurred is not recoverable from the regulatory taxing body.

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

o. Critical Accounting Estimates and Judgments

The directors have evaluated estimates and judgments incorporated into the financial statements based on historical knowledge and best available information where the Company's technologies and business was assessed against similar technologies and businesses which had a historical value. Estimates assume a reasonable expectation of similar Intellectual Property improving over time subject to future world events and economic conditions. The information used to access the evaluated estimates is obtained both externally and within the Group.

Key judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 1 Going concern

p. Share-based Payment Transactions

Transactions with parties other than employees

The Group

The Group measures the fair value of goods or services, including intangibles, received as part of a share-based payment transaction with parties other than employees, and the corresponding increase in equity, directly, at the fair value of the goods or services received at the date the Company receives the goods or services, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The Company

The Company issues certain shares to parties other than employees in exchange for the acquisition of certain intangible assets by its subsidiaries and recognises a receivable from its subsidiaries in relation to these issues. Such transactions are reflected by the company on initial recognition at the fair value of the intangibles acquired at the date the subsidiary acquires the intangibles, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the intangibles, the entity measures the receivable from the subsidiary, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

q. New Accounting Standards for Application in Future Periods

There are new Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements.

2. Revenue

	2017 US$
Revenue	150
	150

3. Expenses

	2017 US$
Employee expenses	167,879
Audit fees	25,755
Legal fees	59,832
Accounting fee	1,256
Consultancy expenses	55,012
Lease expense	12,753
Depreciation and amortisation	261,749
Travel expenses	14,806
Administration expenses	163,400
	762,442

4. Income Tax Expenses

	2017 US$
	-

5. Dividends

No dividends were paid during or subsequent to year end 30 June 2017.

6. Cash and Cash Equivalents

	2017 US$
Cash at bank	9,578
	9,578

7. Trade and Other Receivables

	2017 US$
Current	
Refundable deposit paid	999
GST receivable	333
Other current receivables	409,996
	411,328
Non-current	
Loan to related parties*	155,814
	155,814

* Refer to note 17 related party transactions for more details.

8. Other Current Assets

	2017 US$
Inventories	3,718
Bank trade	450,000
Prepayments	4,818
Other current assets	286,298
	744,834

9. Investments

	2017 US$
Winsom Investment Holdings[1]	21,743,169
Hidrofoton[2]	355,961
	22,099,130

1) Through its fully owned subsidiary Incept Gold Ltd, the Group purchased total of 3,478,260 sub-class Mali 1 shares at US$5.75 per share in the Sagabari resources project in Mali at the total consideration of US$ 20 million. The value of these shares is US$21,743,169 as at 30 June 2017.

2) The Group invested in the Hidrofoton project through its subsidiary Quantum Engines Pty Ltd (70% owned by the Group). The figures in this note are based on the actual cost of the investments.

10.Property, Plant and Equipment

	2017 US$
Property, plant and equipment	2,770,967
Less: accumulated depreciation	756,262
	2,014,705

Movement in carrying amount of property, plant and equipment

	US$
Carrying amount as at 1 July 2016	-
Additions	2,276,454
Disposal	-
Effects of FX rate movement	-
Depreciation for the year	(261,749)
Carrying amount as at 30 June 2017	**2,014,705**

11.Intangible Assets

	2017 US$
Goodwill from acquiring Astra	16,819,314
Goodwill from acquiring Interecotech*	3,358,152
Green Gum IP and patent	86,690
Exploration licence - Nigeria Coal	3,000,000
Demo ACWF*	118,112
Patent ICSGCC*	195,571
T-steel IP and patent*	3,509,734
Exploration licence – Cambodia Gold*	1,441,139
	28,528,712

12.Trade and Other Payables

	2017 US$
Trade creditors	188,044
Accrued expenses	225,627
Other payables	93,539
	507,210

13.Borrowings

	2017 US$
Borrowings	912,365
	912,365

14.Loans

	2017 US$
Bank loan	20,000,000
Loan from related parties*	8,903,970
	28,903,970

* Refer to note 17 related party transactions for more details.

15.Issued Capital

	2017 US$
Issued capital	26,514,918
	26,514,918

16.Reserves

	2017 US$
Equity reserves	1,874,235
Revaluation reserves	1,739,453
Foreign exchange reserves	(305,878)
	3,307,810

17.Related Party Transactions

Related Parties

The Group's main related parties are as follows:

a. Entities exercising control over the Group

There are no entities exercising control over the group.

b. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel.

c. Entities subject to significant influence by the Group

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

d. Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

e. Transactions with related parties

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

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or joint control were as follows:

	2017 US$
Loan to related parties that is receivable	
Lightstone Technologies Ltd	23,562
Others	132,252
	155,814
Loan received from related parties that is payable	
Astra Industries Unit Trust	1,901,481
Jaydeep Biswas & Silvana De Cianni	5,113,219
Daniel De Cianni	1,326,451
Others	562,819
	8,903,970

18.Controlled Entities

Controlled entities consolidated

Entity name	**Country/Region of incorporation**	**Percentage owned by Incept (%) 2017**
Sino Bay Ltd	British Virgin Islands	100%
Incept Industrial Technologies Ltd	Hong Kong	100%
Incept Carbon & Energy Ltd	Hong Kong	100%
Incept Future Science Ltd	Hong Kong	100%
Incept Resources Ltd	Hong Kong	100%
Incept Information & Biotechnology Ltd	Hong Kong	100%
Incept Property and Agriculture Ltd	Hong Kong	100%
Incept Services and Infrastructure Ltd	Hong Kong	100%
Incept Gold Ltd	Hong Kong	100%
Incept Ore Ltd	Hong Kong	100%
Giflo Enterprises Ltd	Hong Kong	50%
Ace Coal Pty Ltd	Australia	75%
Ace Steel Pty Ltd	Australia	82%
Astra Green Gum Technologies Kft	Hungary	75%
Quantum Engines Pty Ltd	Australia	70%
Barjalex Nigeria Ltd	Nigeria	87.5%
Shebuel Int'l Ltd	Nigeria	87%
Cagayan River Astra Philippines Inc.	Philippines	90%
Astra Minerals (India) Pvt Ltd	India	100%

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INCEPT HOLDINGS BVI LIMITED
BVI Co. No.: 1924586
ARBN: 619121452
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Report on the Audit of the Consolidated Financial Statement

We were appointed auditor to the holding company on 1st November 2020 and asked to provide audit reports for the financial years ended 30 June 2017, 30 June 2018,30 June 2019 and 30 June 2020.

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Incept Holdings BVI Limited, (the company) which comprises the Consolidated Statement of Financial Position as at 30 June 2017, and the Consolidated Statement of Comprehensive income 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 director's declaration.

In our opinion, the accompanying financial report of the company subject to the qualifications include below:

(i) giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year ended;

(ii) companying with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001 (Australian), which has been given to the director of the company, would be in the same terms if given to the director as at the time of this auditors' report.

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

We were unable to attend any stocktakes at the end of the financial year for the company and group and cannot verify the value of inventory.

We were unable to obtain at the time valuations of assets as at the end of the financial year.

We believe all non-financial assets should be written off at time of purchase or on a timely basis of asset use, but the director going concern policy is to maintain value, subject to continuing to obtain sufficient funding of operations.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INCEPT HOLDINGS BVI LIMITED
BVI Co. No.: 1924586
ARBN: 619121452
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Emphasis of Matter - Impairment of Non-Financial Assets

We draw attention to note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the Corporations Act 2001 (Australian). As a result, the financial report may not be suitable for another purpose. Our opinion is modified in respect to this matter.

The accounting standards require the intellectual assets (non-financial assets) to be written off and the directors have decided to continue to record the cost price with no write off until sales are obtained by the company.

The value of other financial assets has not been valued by the director or third party and is shown at cost and we cannot determine if it is sufficient to meet the shown liabilities, and the directors have determined that there has been no demand for payment within 12 months of date of signing.

Responsibilities of Director's for the Consolidated Financial Statements

The directors of the company are responsible for the preparation of the Consolidated Financial Statement that gives a true and fair view and have determined that the basis of preparation described in note 1 to the Consolidated Financial Statement is appropriate to meet the requirements of the Corporations Act 2001 (Australian) and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the director determines necessary to enable the preparation of the Consolidated Financial Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibility 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 auditors' 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.

Name of Firm: Nicholas Birdseye & Associates
Public Accountant

Name of Director: ____________________
Nicholas Birdseye (Registered Company Auditor)

Address: 201 O'Connell Street NORTH ADELAIDE SA 5006

Dated this 4th **day of** December 2020.