



**R3D GLOBAL LIMITED**

**ABN 53 111 398 040**

**Annual Report**

**For the year ended**

**30 June 2020**

# **R3D GLOBAL LIMITED – ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

## **CORPORATE INFORMATION**

The directors of R3D Global Limited (ABN 53 111 398 040) ('R3D' or the 'Company') submit the financial report of the Company and its controlled entities (the 'Group') for the year ended 30 June 2020.

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

### **Directors**

Daniel Yeo Chin Tuan (Chairman)  
Florence Fang - resigned 9 December 2019  
Michael Thirnbeck  
Tiffany Tsao  
Muljadi Irawan

### **Company Secretary**

Henry Kinstlinger

### **Registered Office and Principal Place of Business**

Level 5, 52 Phillip Street  
Sydney NSW 2000 Australia

### **Share Registry**

Computershare Investor Services Pty Ltd  
452 Johnston Street  
Abbotsford Victoria 3067 Australia

### **Legal Advisors**

Baker & McKenzie  
Level 46, Tower Two  
International Towers Sydney  
100 Barangaroo Avenue  
Sydney NSW 2000 Australia

### **Auditor**

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

	Page
Corporate governance statement	1
Directors' report	1
Auditor's independence declaration	8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flow	12
Notes to the financial statements	13
Note 1: General information	13
Note 2: Statement of significant accounting policies	12
Note 3: Financial risk management	20
Note 4: Fair value measurements	21
Note 5: Segment information	21
Note 6: Revenue and other income	21
Note 7: Income tax	22
Note 8: Cash and cash equivalents	22
Note 9: Trade and other receivables	23
Note 10: Prepayments	24
Note 11: Intangible assets	24
Note 12: Property, plant & equipment	24
Note 13: Investments	25
Note 14: Trade and other payables	25
Note 15: Provisions	25
Note 16: Issued capital	25
Note 17: Interest of key management personnel ("KMP")	26
Note 18: Dividends	27
Note 19: Auditor's remuneration	27
Note 20: Related parties	27
Note 21: Earnings per share	28
Note 22: Convertible notes	28
Note 23: Commitments and contingent liabilities	28
Note 24: Leases	28
Note 25: Correction of errors	31
Note 26: Subsidiaries	31
Note 27: Parent entity	32
Note 28: Contract liability	33
Note 29: Significant events after the reporting date	33
Directors' declaration	34
Independent auditor's report to the members	35
Additional information for listed public companies	38

# **R3D GLOBAL LIMITED – ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

## **CORPORATE GOVERNANCE STATEMENT**

The Board of Directors is responsible for the corporate governance of R3D Global Limited ('**R3D**' or the '**Company**') and its controlled entities (the '**Group**'). The Company operates in accordance with the corporate governance principles as set out by the ASX Corporate Governance Council and required under ASX listing rules.

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

The Company's Corporate Governance Statement on the governance practices adopted by the Company is structured with reference to the ASX Corporate Governance Council's Principles and Recommendations. The practices can be found on the Company's website at [www.r3d.com.au](http://www.r3d.com.au).

Your directors submit their report for the year ended 30 June 2020.

## **DIRECTORS' REPORT**

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

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

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

**Ms Florence Fang** (CEO, Member of the Audit and Risk Committee) appointed 31 August 2017, resigned 9 December 2019.

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

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

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

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

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

# **R3D GLOBAL LIMITED – ANNUAL REPORT**

## **FOR THE YEAR ENDED 30 JUNE 2020**

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

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

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

### **Company Secretary**

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

Mr Kinstlinger has in the past 30 years been actively involved in the financial and corporate management of several public companies and non-governmental organisations. He is a professional company secretary and corporate consultant with broad experience in investor and community relations and corporate and statutory compliance. Mr Kinstlinger is a Member of the Australian Institute of Company Directors (MAICD).

### **DIRECTORS MEETINGS**

The Board of Directors monitored and supervised all Company and Group activity closely. The Company's constitution allows the Directors to pass resolutions equivalent to meetings by way of circulating resolution. During the year, the Board passed 4 circulating resolutions. No Board meetings were held.

### **PRINCIPAL ACTIVITIES**

The Group provides investor relations, financial media, research and promotional services for small-mid cap stocks in Asia Pacific.

### **DIVIDENDS**

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

### **REVIEW OF OPERATIONS**

The Group's net loss for the year ended 30 June 2020 was \$326,626 (2019: \$413,699 loss).

The Group's team focuses on developing its operations in Asia, including the starting of a representative office in Jakarta, Indonesia to service clients that are based in South-East Asia. The Group remains committed to the development of its business, focusing on increasing revenue and saving costs.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

The Company incorporated a fully owned subsidiary, R3D Singapore Pte Ltd on 25 July 2019.

The Company's securities remain suspended from quotation by the Australian Securities Exchange (ASX). The Company's Board and Management continue to work towards satisfying ASX's queries and concerns and will update shareholders further as the matter progresses.

On 11 March 2020, the World Health Organisation ("WHO") declared the Coronavirus disease 2019 ('COVID-19') a pandemic. The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Consequently, governments around the world have announced monetary and fiscal stimulus packages to minimise

# **R3D GLOBAL LIMITED – ANNUAL REPORT**

## **FOR THE YEAR ENDED 30 JUNE 2020**

the adverse economic impact. However, the COVID-19 situation is still evolving and its full economic impact remains uncertain.

International travel restrictions and restrictions on public gatherings continues to affect the Group's core investor, media, and public relations business with clients unable to continue to hold and promote large events for investors and other stakeholders. The Group has responded to these changes in the economic environment, tailoring services offered. The Group has also implemented cost saving initiatives.

Based on the directors of the Group's understanding, although the COVID-19 situation has created economic uncertainty, the directors of the Group believe the Group will be able to continue as a going concern.

### **SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

Subsequent to year end, a loan for \$250,000 was secured from Yaputri Pte Ltd, a shareholder of the Company. The loan is unsecured, the interest rate is 10% per annum and the loan will be repaid at the earlier of either 12 months from the initial drawdown or the issue of Convertible Notes by the Company for this loan on terms agreed by both parties. The loan was drawn down in full on 17 September 2020.

On 31 December 2019, the Company announced it had entered into a strategic partnership with Crossroads Investments Pte Ltd (Crossroads) to further develop Crossroad's newly launched media intelligence and analytics platform and offer the service to the Group's clients in exchange for promotion of the product and investor communication services. Crossroads is to pay R3D \$5,000 a month for 2 years, and R3D is to pay Crossroads \$8,000 per month for 1 year for this collaborative arrangement. Crossroads also sub-leases space in the Group's leased offices for a fee of \$2,800 per month. Ms Florence Fang, the Group's CEO, became a Director and shareholder of Crossroads in September 2020.

There are no other significant events which have arisen since the end of the year which may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial year.

### **ENVIRONMENTAL REGULATION AND PERFORMANCE**

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

### **OPTIONS**

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

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

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

Directors	<b>R3D Global Limited</b>
	Fully paid ordinary shares Number held
Daniel Yeo Chin Tuan	965,573
Florence Fang	-
Michael Thirnbeck	-
Tiffany Tsao	-
Muljadi Irawan	-

# R3D GLOBAL LIMITED – ANNUAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2020

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

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

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

### Indemnifying Officers

The Company has entered into agreements to indemnify directors of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has paid premiums to insure each of the current and former directors and senior executive officers of the Company against liabilities for costs and expenses incurred by them in defending legal proceeding arising from their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The total premiums paid during the year were \$26,423 (2019: \$21,492) and the insurance policies do not contain details of the premiums paid in respect of individual officers of the Company.

### PROCEEDINGS ON BEHALF OF THE COMPANY

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

### REMUNERATION REPORT (AUDITED)

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

The Directors of R3D Global Limited during or since the end of the financial year ended 30 June 2020 were:

Name	Position	Appointment	Resignation
Daniel Yeo Chin Tuan	Non-executive chairman	28 March 2017	n/a
Florence Fang	Managing Director & CEO	31 March 2017	9 Dec 2019 <sup>1</sup>
Michael Thirnbeck	Non-executive director	23 December 2013	n/a
Tiffany Tsao	Non-executive director	28 March 2017	n/a
Muljadi Irawan	Non-executive director	9 July 2018	n/a

<sup>1</sup> Resigned 9 December 2019 as a Director. Ms Fang continues to be the CEO.

### Remuneration Policy

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

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

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

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## Relationship between Remuneration Policy and Company Performance

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

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

	2020	2019
	\$	\$
Revenue	281,141	249,554
Net profit/(loss)	(326,626)	(413,699)
Share price at year-end	0.055	0.038
Dividends paid	Nil	Nil

## Employment Details of Members of Key Management Personnel

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

Key Management Personnel	Position held as at 30 June 2020 and any change during the year	Contract detail (duration & termination)	Proportions of elements of remuneration related to performance		Proportions of elements of remuneration not related to performance	
			Non-salary cash-based incentives %	Options %	Fixed Salary/ Fees %	Total %
Mr Daniel Yeo Chin Tuan	Chairman (Non-Executive)	No fixed term	-	-	100	100
Ms Florence Fang <sup>1</sup>	Managing Director & CEO	No fixed term	-	-	100	100
Michael Thirnbeck	Director (Non-Executive)	No fixed term	-	-	100	100
Dr Tiffany Tsao	Director (Non-Executive)	No fixed term	-	-	100	100
Mr Muljadi Irawan	Director (Non-Executive)	No fixed term	-	-	100	100

<sup>1</sup> Resigned 9 December 2019 as a Director



# R3D GLOBAL LIMITED – ANNUAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2020

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

2020	Balance at the start of the year	Changes during the year	Balance at the end of the year
	No.	No.	No.
<b>Ordinary shares</b>			
Daniel Yeo Chin Tuan	965,573	-	965,573
Florence Fang <sup>1</sup>	-	-	-
Michael Thirnbeck	-	-	-
Tiffany Tsao	-	-	-
Muljadi Irawan	-	-	-

<sup>1</sup> Resigned 9 December 2019 as a Director

### Table of Benefits and Payments for the Year Ended 30 June 2020

		Short-term Benefits	Post-employment Benefits	Termination Benefits	Total
		Salary \$	\$	\$	\$
Daniel Yeo Chin Tuan	2020	47,400	-	-	47,400
	2019	45,000	-	-	45,000
Florence Fang <sup>1</sup>	2020	110,800	-	-	110,800
	2019	109,589	10,411	-	120,000
Michael Thirnbeck <sup>2</sup>	2020	-	-	-	-
	2019	13,500	1,282	-	14,782
Tiffany Tsao <sup>2</sup>	2020	-	-	-	-
	2019	13,500	1,282	-	14,782
Muljadi Irawan <sup>2</sup>	2020	-	-	-	-
	2019	13,500	1,282	-	14,782
<b>Total</b>	<b>2020</b>	<b>158,200</b>	<b>-</b>	<b>-</b>	<b>158,200</b>
	<b>2019</b>	<b>195,089</b>	<b>14,257</b>	<b>-</b>	<b>209,346</b>

<sup>1</sup> Resigned 9 December 2019 as a Director

<sup>2</sup> Non-executive Directors have foregone their fees and superannuation for the current year

### Options granted as part of remuneration

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

**This concludes the remuneration report, which has been audited.**

### NON-AUDIT SERVICES

No non-audit services were provided for the year ended 30 June 2020.

# **R3D GLOBAL LIMITED – ANNUAL REPORT**


**FOR THE YEAR ENDED 30 JUNE 2020**

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration for the year ended 30 June 2020 is set out on page 8 of the Annual Report.

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

Signed by

A handwritten signature in black ink, appearing to read 'D. Yeo', is written over a horizontal line.

**Daniel Yeo**  
**Chairman**

**30 October 2020**

## AUDITOR'S INDEPENDENCE DECLARATION

### To the Directors of R3D Global Limited:

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

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



Andrew J Newhouse  
**Registered Company Auditor**

Wollongong

30 October 2020

**hlb.com.au**

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

65 Kembra Street, Wollongong NSW 2500 Australia / PO Box 544 Wollongong NSW 2520

**T:** +61 (0)2 4254 6500 **F:** +61 (0)2 4226 2371 **E:** mailbox@hlbw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (Wollongong) Pty Ltd is a member of HLB International, the global advisory and accounting network.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019* \$
<b>Revenue</b>			
Business income	6	257,168	247,823
Other income	6	23,728	-
Interest received		245	1,731
<b>Expenses</b>			
Professional fees		(148,332)	(210,382)
ASX fees		(18,716)	(15,431)
Employment expenses		(153,977)	(235,682)
Impairment expenses		(15,900)	(13,400)
Revaluation of investments		3,592	-
Depreciation and amortisation expense		(51,605)	(2,168)
Support services agreement		(96,121)	-
Other expenses		(126,708)	(186,190)
Loss for the year before income tax expense		(326,626)	(413,699)
Income tax expense		-	-
<b>Loss for the year before income tax</b>		<b>(326,626)</b>	<b>(413,699)</b>
Income tax expense	7	-	-
<b>Loss for the year</b>		<b>(326,626)</b>	<b>(413,699)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translating foreign operations		(300)	-
<b>Total comprehensive loss for the year, net of tax</b>		<b>(326,926)</b>	<b>(413,699)</b>
<b>Net loss for the year is attributable to:</b>			
Loss attributable to owners		<b>(326,626)</b>	<b>(413,699)</b>
<b>Total comprehensive loss for the year is attributable to:</b>			
Loss attributable to owners		<b>(326,926)</b>	<b>(413,699)</b>
<b>Loss per share</b>			
Basic loss per share (cents)		(0.76)	(1.01)
Diluted loss per share (cents)		(0.76)	(1.01)

\* Restated see Note 25

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

# R3D GLOBAL LIMITED – ANNUAL REPORT

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	2020 \$	2019* \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	131,825	448,287
Trade and other receivables	9	71,622	95,114
Prepayments	10	-	4,414
<b>Total Current Assets</b>		<b>203,447</b>	<b>547,815</b>
<b>Non-Current Assets</b>			
Intangible assets	11	-	6,296
Property, plant and equipment	12	3,285	3,275
Rights-of-use assets	24	114,418	-
Investments	13	7,370	3,778
Deposit paid		19,708	-
<b>Total Non-Current Assets</b>		<b>144,781</b>	<b>13,349</b>
<b>Total Assets</b>		<b>348,228</b>	<b>561,164</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	14	192,804	225,075
Provisions	15	-	8,662
Borrowings		8,208	7,925
Contract liability	28	39,177	-
Lease liability	24	80,420	-
<b>Total Current Liabilities</b>		<b>320,609</b>	<b>241,662</b>
<b>Non-Current Liabilities</b>			
Lease liability	24	35,043	-
<b>Total Non-Current Liabilities</b>		<b>35,043</b>	<b>-</b>
<b>Total Liabilities</b>		<b>355,652</b>	<b>-</b>
<b>Net Assets</b>		<b>(7,424)</b>	<b>319,502</b>
<b>Equity</b>			
Issued capital		62,062,337	62,070,159
Accumulated losses		(62,069,461)	(61,742,835)
Reserves		(300)	(7,822)
<b>Total Equity</b>		<b>(7,424)</b>	<b>319,502</b>

\* Restated see Note 25

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

## R3D GLOBAL LIMITED – ANNUAL REPORT

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

#### FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital	Convertible Note Reserve	Foreign currency translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2018</b>	61,770,159	-	-	(61,329,136)	441,023
Loss for the year	-	-	-	(413,699)	(413,699)
<b>Total comprehensive loss for the year</b>	-	-	-	(413,699)	(413,699)
Issuer convertible call option	-	(7,822)	-	-	(7,822)
Convertible note	-	300,000	-	-	300,000
<b>Balance as at 30 June 2019</b>	<b>61,770,159</b>	<b>292,178</b>	<b>-</b>	<b>(61,742,835)</b>	<b>319,502</b>
<b>Balance as at 1 July 2019</b>	61,770,159	292,178	-	(61,742,835)	319,502
Loss for the year	-	-	-	(326,626)	(326,626)
Other comprehensive loss	-	-	(300)	-	(300)
<b>Total comprehensive loss for the year</b>	-	-	(300)	-	(300)
Issue of shares	292,178	(292,178)	-	-	-
<b>Balance as at 30 June 2020</b>	<b>62,062,337</b>	<b>-</b>	<b>(300)</b>	<b>(61,069,461)</b>	<b>(7,424)</b>

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

# R3D GLOBAL LIMITED – ANNUAL REPORT

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		304,387	170,349
Payments to suppliers and employees		(570,243)	(669,001)
Interest received		245	1,731
<b>Net cash used in operating activities</b>	8a	<u>(265,611)</u>	<u>(496,921)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for office equipment		(2,599)	(1,655)
<b>Net cash used in investing activities</b>		<u>(2,599)</u>	<u>(1,655)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of convertible notes		-	299,862
Repayment of lease		(48,252)	-
<b>Net cash provided by financing activities</b>		<u>(48,252)</u>	<u>299,862</u>
Net decrease in cash and cash equivalents held		(316,462)	(198,594)
Cash and cash equivalents at beginning of the year		448,287	646,881
<b>Cash and cash equivalents at end of the year</b>	8	<u><b>131,825</b></u>	<u><b>448,287</b></u>

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

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 1: GENERAL INFORMATION

R3D Global Limited (“the Company”) is a public company incorporated in Australia, listed on the Australian Securities Exchange. The Company incorporated a fully owned subsidiary, R3D Singapore Pte Ltd on 25 July 2019, together referred to as the consolidated group (“the Group”).

#### Registered office and principal place of business

Level 5, 52 Phillip Street  
Sydney NSW 2000  
Australia

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

##### (a) Basis of accounting

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

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

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

##### (b) Principals of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company (the parent entity) as at reporting date and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the Group.

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 consolidated entity companies 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. 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.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributable to the non-controlling interest in full, even if that results in a deficit balance.



# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

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.

#### **(c) Going concern**

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

As at 30 June 2020, the Group had net assets of \$(7,424) and net current assets of \$(117,162), and in the year then ended incurred a loss of \$326,262 and net operating cash outflows of \$313,863. 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 ability of the Group to continue as a going concern and to pay its debts as and when they become due and payable is dependent upon the Group earning sufficient revenue, ensuring that they continue to minimise their costs, and manage working capital effectively. COVID-19 has produced significant challenges for the Group during the current year, with certain contracts unable to be completed due to COVID-19 related travel restrictions. Management is confident that, with improving market conditions and travel restrictions easing, these contracts can be completed in the coming year, along with new business opportunities arising. Subsequent to year end, the Group secured a \$250,000 loan from Yaputri Pte Ltd, a shareholder of the Company. Management are confident that further funding can be secured if required in order to support working capital requirements of the Group.

#### **(d) Foreign currency translation**

##### **Functional and presentation currency**

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

##### **Transactions and balances**

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

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

#### **(e) Revenue recognition**

The consolidated entity recognizes revenue as follows:

##### *Revenue from contracts with customers*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or hourly rate.

# **R3D GLOBAL LIMITED – ANNUAL REPORT**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2020**

The core principal of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods and services. Revenue for service income is based on either a contract or a quote for service. Revenue is only recognised to the extent that there is a high probability that a significant reversal of income will not occur.

A receivable will be recognised when the services are provided and the Group's right to consider is deemed to be unconditional at this time as only the passage of time is required before payment of that consideration is due. There are no significant financing terms related to service revenue of the Group, as there is less than 12 months between receipt of the funds and satisfaction of the performance obligations.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer.
2. Identify the performance obligations.
3. Determine a transaction price. Quotes are based on scope of work and the estimated time required to complete the project. For projects that require travel, this cost is included in the quote.
4. Allocate the transaction price to the performance obligations.
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

#### *Interest income*

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

#### **(f) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 14 days.

#### **(g) Plant and equipment**

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

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

#### **(h) Intangible assets**

##### **Intangible assets acquired separately**

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

# **R3D GLOBAL LIMITED – ANNUAL REPORT**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2020**

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

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

#### **(i) Borrowings**

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

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

#### **(j) Impairment of Non-Financial 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 the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

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

Impairment testing is performed annually for intangible assets.

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

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of 3 months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### **(l) Employee Leave Benefits**

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

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

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

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

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

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid, and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The balance is recognised as a current liability and amounts are normally paid within 30 days. Trade & other payables are initially measured as fair value & subsequently measured at amortised cost using the effective interest method.

# **R3D GLOBAL LIMITED – ANNUAL REPORT**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2020**

#### **(n) Income Tax**

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

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantively enacted, as at the end of the reporting period. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

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

Current and deferred income tax expense/(income) is charged or credited directly to equity instead of to profit or loss when the tax relates to items that are credited or charged directly to equity.

#### **(o) Goods & Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”).

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

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

#### **(p) Financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Financial assets are derecognised when the rights to receive the cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part of all of a financial asset, its carrying value is written off.

##### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit and loss. Typically, such financial assets will be either: 1) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or 2) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

##### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

#### **(q) Issued capital**

Ordinary shares are classified as equity.

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

#### **(r) Earnings per share**

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

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

#### **(s) Comparatives**

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

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

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

#### **Key estimates**

##### *Impairment*

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

#### **Key judgements**

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

No provision for impairment has been brought to account for the year ended 30 June 2020.

# **R3D GLOBAL LIMITED – ANNUAL REPORT**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2020**

#### *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgment to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

#### *Lease term and Option to Extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise the option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgment that the entity will make. The Group determines the likelihood to exercise on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

#### **(u) New & amended accounting policy**

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting year. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

- AASB 16 *Leases*

The impact of adoption of this Standard and the retrospective accounting policies is disclosed in Note 24.

#### **(v) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The directors have decided not to early-adopt any of the new and amended pronouncements but do not expect the adoption of these pronouncements to have a material impact on the reported position or performance of the Group.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 3: FINANCIAL RISK MANAGEMENT

##### Objectives and policies and financial instruments

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

The totals for each category of financial instruments, measured in accordance with *AASB 9: Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2020 \$	2019 \$
<b>Financial Assets</b>			
Cash and cash equivalents	8	131,825	448,287
Trade and other receivables	9	71,622	95,114
Deposit paid		19,708	-
Investments	13	7,370	3,778
<b>Total Financial Assets</b>		<b>230,525</b>	<b>547,179</b>
<b>Financial Liabilities</b>		-	
Trade and other payables	14	192,804	225,093
Borrowings		8,208	7,925
Contract liabilities	28	39,177	-
Lease liability – current	24	80,420	-
Lease liability – non-current	24	35,043	-
<b>Total Financial Liabilities</b>		<b>355,652</b>	<b>233,018</b>

##### Financial Risk Management Policies

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

##### Specific Financial Risk Exposures and Management

The main risk that the Group is exposed to through its financial instruments are liquidity risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

##### Liquidity risk

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

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

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 4: FAIR VALUE MEASUREMENTS

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

- Shares in listed companies

#### Fair Value Hierarchy

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

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

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

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

#### NOTE 5: SEGMENT INFORMATION

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

#### NOTE 6: REVENUE AND OTHER INCOME

	2020 \$	2019 \$
<b>Revenue from contracts with customers</b>		
Services rendered	257,168	247,823

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or hourly rate.

All revenue is generated from one geographic location for services rendered.

#### Other income

Rental income	18,226	-
Other income	5,502	-
	<b>23,728</b>	-
Interest income	245	1,731



# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 7: INCOME TAX

	2020	2019
	\$	\$
<b>The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:</b>		
Prima facie tax (benefit)/expense on (loss)/profit before income tax at 27.5% (2019: 27.5%)	(89,822)	(113,767)
Non-deductible amounts	4,372	4,281
Tax losses not recognised	85,450	109,486
Income tax expense	-	-

The franking account balance of the Company at 30 June 2020 is \$ nil (30 June 2019: \$ nil).

The available gross tax losses of the Company at 30 June 2020 are \$1,105,134 (30 June 2019: \$866,772).

The deferred tax asset of \$316,200 (2019: \$238,362) arising from these losses and other temporary differences have not been recognised. The benefit of the tax losses will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,
- the Company continues to comply with the conditions for deductibility imposed by tax legislation, and
- no changes in tax legislation adversely affect the Company in realising the benefit of deductions for the losses.

#### NOTE 8: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and on hand	131,825	448,287
Total cash and cash equivalents	<b>131,825</b>	<b>448,287</b>

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

	2020	2019
	\$	\$
Loss after income tax	(326,626)	(413,699)
Non-cash flows in result for the year:		
Depreciation and amortisation	51,605	2,168
Impairment of trade and other receivables	15,900	-
Change in fair value of investments	(3,592)	13,400
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	7,592	(77,474)
(Increase)/decrease in prepayments	(15,295)	5,909
Increase/(decrease) in trade and other payables	7,171	(24,836)
(Increase)/decrease in intangibles	6,296	-
Increase/(decrease) in provisions	(8,662)	(2,389)
<b>Net cash flow from operating activities</b>	<b>(265,611)</b>	<b>(496,921)</b>

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 9: TRADE AND OTHER RECEIVABLES

	2020 \$	2019 \$
<b>CURRENT</b>		
Trade and other receivables	132,614	140,206
Less: loss allowance	9a (60,992)	(45,092)
Total current trade and other receivables	<u>71,622</u>	<u>95,114</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (a) Impairment of receivables

The Group has recognised a loss of \$15,900 (2019: \$45,092) in profit or loss in respect of loss allowance for the year ended 30 June 2020.

The ageing of the receivables and loss allowance provided for the above are as follows:

	Within maturity < 30 days \$	31–60 days \$	61–90 days \$	> 90 days \$	Total \$
<b>2020</b>					
Expected loss rate (%)	-	-	-	100%	
Trade and term receivables (\$)	59,526	7,091	5,005	60,992	<b>132,614</b>
Expected credit loss (\$)	-	-	-	60,992	<b>60,992</b>
<b>2019</b>					
Expected loss rate (%)	-	-	-	100%	
Trade and term receivables (\$)	65,266	-	29,848	45,092	<b>140,206</b>
Expected credit loss (\$)	-	-	-	45,092	<b>45,092</b>

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2020 \$	2019 \$
Balance at the beginning of the year	45,092	-
Additional impairment loss recognised	15,900	45,092
Additional provisions recognised	-	-
Balance at end of the year	<u>60,992</u>	<u>45,092</u>

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 10: PREPAYMENTS

	2020 \$	2019 \$
<b>CURRENT</b>		
Prepayments	-	4,414
Total prepayments	<u>-</u>	<u>4,414</u>

#### NOTE 11: INTANGIBLE ASSETS

	2020 \$	2019 \$
<b>Cost</b>		
R3D Platform Intellectual Property	-	6,296
Total intangible assets	<u>-</u>	<u>6,296</u>
<b>Movement:</b>		
Balance at beginning of the year	6,296	6,296
Impairment expense	(6,296)	-
Balance at end of the year	<u>-</u>	<u>6,296</u>

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

	2020 \$	2019 \$
<b>Plant &amp; Equipment</b>		
Office equipment - at cost	11,712	9,113
Office equipment - accumulated depreciation	(8,427)	(5,838)
Office equipment - carrying value at the end of the year	<u>3,285</u>	<u>3,275</u>

	Office equipment \$	Total property, plant & equipment \$
<b>Movements:</b>		
<b>Balance at 1 July 2018</b>	3,788	3,788
Additions	1,655	1,655
Depreciation expense	(2,168)	(2,168)
<b>Balance at 30 June 2019</b>	<u>3,275</u>	<u>3,275</u>
<b>Balance at 1 July 2019</b>	3,275	3,275
Additions	2,599	2,599
Depreciation expense	(2,589)	(2,589)
<b>Balance at 30 June 2020</b>	<u>3,285</u>	<u>3,285</u>

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 13: INVESTMENTS

	2020	2019
	\$	\$
Listed investments: at fair value through profit or loss	7,370	3,778

#### NOTE 14: TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade payables	31,385	18,388
Related party trade payables and accruals	110,737	35,287
Other payables	50,682	171,400
Total current trade and other payables	192,804	225,075

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

Related party trade payables are for purchases of services performed for Flame Communications Pte Ltd, a company associated with Ms Florence Fang, Managing Director<sup>1</sup> and CEO of the Company.

<sup>1</sup> Ms Florence Fang resigned as Director on 9 December 2019.

#### NOTE 15: PROVISIONS

	2020	2019
	\$	\$
Provision for annual leave	-	8,662

#### NOTE 16: ISSUED CAPITAL

a) Movement in shares on issue	2020	2019
	\$	\$
Fully paid ordinary shares at the beginning of the year	61,770,159	61,770,159
Convertible notes <sup>2</sup>	292,178	-
Fully paid ordinary shares at the end of the year	62,032,337	61,770,159

	2020	2019
	No.	No.
Balance at the beginning of the year	41,147,058	41,147,058
Issue of shares <sup>2</sup>	6,000,000	-
Balance at the end of the year	47,147,058	41,147,058

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

<sup>2</sup> On 22 February 2020, the Company issued 6,000,000 Fully Paid Ordinary Shares upon conversion of 2 Convertible Notes with face value of \$100,000 and \$200,000 respectively. Total consideration was \$300,000 or \$0.05 per Share.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### Capital Management

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

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

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

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2020.

The Key Management Personnel during the years ended 30 June 2020 and 2019 were as follows:

<b>2020</b>	<b>2019</b>
Mr Daniel Yeo Chin Tuan	Mr Daniel Yeo Chin Tuan
Ms Florence Fang, resigned as Director 9 Dec 2019	Ms Florence Fang
Dr Tiffany Tsao	Dr Tiffany Tsao
Mr Michael Thirnbeck	Mr Michael Thirnbeck
Mr Muljadi Irawan - appointed 9 July 2018	Mr Kasudjono Harianto, resigned 26 Oct 2018 Mr Yuen Loke Chin, resigned 9 July 2018 Mr Muljadi Irawan, appointed 9 July 2018

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	158,200	195,089
Post-employment benefits	-	14,257
<b>Total</b>	<b>158,200</b>	<b>209,346</b>

#### Short-term employee benefits

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

#### Post-employment benefits

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

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 18: DIVIDENDS

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

#### NOTE 19: AUDITOR'S REMUNERATION

	2020 \$	2019 \$
<b><i>Audit services – Mr A. Newhouse</i></b>		
Audit or review of financial statements	55,000	25,000
Related party of Mr A. Newhouse:		
Other services - Tax	-	1,800
Total	<u>55,000</u>	<u>26,800</u>

#### NOTE 20: RELATED PARTIES

The following transactions between the Group and related parties took place at terms agreed between the parties during the year.

#### Transactions with related parties:

	2020 \$	2019 \$
Billings for services performed	38,808	79,275
Purchases of services	110,737	35,287

Purchases of services & billings for services performed during the prior year, were for Flame Communications Pte Ltd ('Flame'), a company associated with Ms Florence Fang, Managing Director<sup>1</sup> and CEO of the Company. Certain contracts were outsourced to Flame, however some staff were provided by the Group in order to execute the projects. The Directors consider these transactions to be at arms lengths.

As at 30 June 2020 there was \$110,737 payable relating to the transactions with related parties disclosed above (2019: \$35,287).

<sup>1</sup> Ms Florence Fang resigned as Director on 9 December 2019.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 21: EARNINGS PER SHARE

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

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

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss for the year attributable to members	(326,626)	(413,699)
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares for basic earnings per share	47,147,058	41,147,058
Weighted average number of ordinary shares adjusted for the effect of dilution	47,147,058	41,147,058

#### NOTE 22: CONVERTIBLE NOTES

On 22 February 2020, the Company issued 6,000,000 Fully Paid Ordinary Shares upon conversion of 2 Convertible Notes with face value of \$100,000 and \$200,000 respectively. Total consideration was \$300,000 or \$0.05 per Share.

#### NOTE 23: COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no commitments or contingent liabilities as at 30 June 2020.

#### NOTE 24: RIGHT-OF-USE ASSETS & LEASE LIABILITIES

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods. There was no impact on adoption as the Group had no leases other than a low value lease.

##### The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

Lease payments included in the measurement of the lease liability are as follows:

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group's weighted average incremental borrowing rate on 1 July 2019 was 5%.

#### NOTE 24 (a): RIGHT-OF-USE ASSET

- i) AASB 16 related amounts recognised in the balance sheet

	2020 \$
<b>Right-of-use asset</b>	
Lease office	164,048
Accumulated depreciation	(49,630)
	<u>114,418</u>

A lease agreement was entered into on 8 October 2019 for an office at CT Hub, Singapore. The lease has a 2 year term with an option to extend for 1 year. Where the option to extend is reasonably certain, this has been included in the calculations.

- ii) AASB 16 related amounts recognised in the profit or loss

	2020 \$
<b>Right-of-use asset</b>	
Depreciation charge	49,630
Interest	3,007
Low value lease	8,400
	<u>61,037</u>



# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 24 (b): LEASE LIABILITY

	<b>2020</b>
	<b>\$</b>
Current	80,420
Non-current	35,043
Lease liability	<u>115,463</u>

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

<b>2020</b>	<b>&lt; 1 year</b>	<b>1 – 5 years</b>	<b>5 years</b>	<b>Total undiscounted lease liabilities</b>	<b>Lease liabilities included in this Consolidated Statement of Financial Position</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Lease liabilities	84,350	35,146	-	119,496	115,643

#### The Group as lessor

Upon entering into contract as a lessor, the Group assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

The Group sub-leases a portion of its office at CT Hub, Singapore. Please refer to Note 6 for rental income received during the year. The sub-lease agreement commenced on 1 January 2020 is for a 1 year period, with an option to extend for 1 year. The monthly rent is S\$2,800 per month. The Group has classified this sub-lease as an operating lease.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 25: CORRECTION OF ERROR

##### Convertible Notes

The Statement of Financial Position at 30 June 2019 included convertible notes issued for \$300,000 net of transaction costs, classified as debt based on the terms of the notes.

This instrument should not have been classified as debt in its entirety for the year ended 30 June 2019 as the terms of the notes gave rise to a debt component, being the 3% fixed interest on the Notes that the issuer cannot avoid paying and an equity component, arising from the conversion feature that gives rise to an obligation on the issuer to issue a fixed number of shares on conversion of the Notes. The fair value of the financial liability was \$7,822 calculated based on a discount rate of 5% and yielding an effective interest rate of 4.4%.

On 22 February 2020, the Company issued 6,000,000 Fully Paid Ordinary Shares upon conversion of 2 Convertible Notes with face values of \$100,000 and \$200,000 respectively. Total consideration was \$300,000 or \$0.05 per Share.

The error has been corrected by restating each of the affected line items for the prior year as follows:

	Original	Increase/ (Decrease)	Restated
	\$	\$	\$
<b>Statement of Financial Position</b>			
Convertible notes	299,982	(299,982)	-
Borrowings	-	7,925	7,925
Trade and other payables	225,093	(18)	225,075
<b>Total current liabilities</b>	<b>533,737</b>	<b>(292,075)</b>	<b>241,662</b>
<b>Net assets</b>	<b>27,427</b>	<b>292,075</b>	<b>319,502</b>
Accumulated losses	(61,742,732)	(103)	(61,742,835)
Reserves	-	(292,178)	(292,178)
<b>Total equity</b>	<b>27,427</b>	<b>292,075</b>	<b>319,502</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
Interest expense	-	103	103
<b>Loss before income tax</b>	<b>(416,596)</b>	<b>(103)</b>	<b>(413,699)</b>
<b>Total comprehensive loss for the year</b>	<b>(413,596)</b>	<b>(103)</b>	<b>(413,699)</b>

Diluted earnings per share for the year ended 30 June 2019 have been restated, from a loss per share of 1.01 cents to a loss per share of 1.01 cents.

#### NOTE 26: SUBSIDIARIES

The Group incorporated a fully owned subsidiary in Singapore, R3D Singapore Pte Ltd on 25 July 2019.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 27: PARENT ENTITY

	2020 \$	2019 \$
<b>Assets</b>		
Current assets	193,066	547,815
Non-current assets	10,666	13,349
<b>Total assets</b>	<b>203,732</b>	<b>561,164</b>
<b>Liabilities</b>		
Current liabilities	111,368	241,662
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>111,368</b>	<b>241,662</b>
<b>Net assets</b>	<b>92,364</b>	<b>319,502</b>
<b>Equity</b>		
Issued capital	62,062,338	62,070,159
Reserves	-	(7,822)
Accumulated losses	(61,969,974)	(61,742,835)
<b>Total equity</b>	<b>92,364</b>	<b>319,502</b>
<b>Loss of the parent entity</b>	<b>(227,139)</b>	<b>(413,699)</b>
<b>Total comprehensive loss of the parent entity</b>	<b>(227,139)</b>	<b>(413,699)</b>

#### *Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity has not entered into any guarantees in relation to the debts of its subsidiaries as at 30 June 2020.

#### *Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

#### *Capital commitments*

The parent entity had no capital commitments as at 30 June 2020 and 30 June 2019.

#### *Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

# R3D GLOBAL LIMITED – ANNUAL REPORT

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2020

#### NOTE 28: CONTRACT LIABILITY

	2020	2019
	\$	\$
Contract liability	39,177	-
Reconciliation:		
Opening balance	-	-
Unsatisfied performance obligations	39,177	-
<b>Closing balance</b>	<b>39,177</b>	<b>-</b>

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at 30 June 2020 was \$39,177 (30 June 2019: \$Nil) and is expected to be recognised as revenue in the following year within the first 6 months.

#### NOTE 29: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Subsequent to year end, a loan for \$250,000 was secured from Yaputri Pte Ltd, a shareholder of the Company. The loan is unsecured, the interest rate is 10% per annum and the loan will be repaid at the earlier of either 12 months from the initial drawdown or the issue of Convertible Notes by the Company for this loan on terms agreed by both parties. The loan was drawn down in full on 17 September 2020.

On 31 December 2019, the Company announced it had entered into a strategic partnership with Crossroads Investments Pte Ltd ('Crossroads') to further develop Crossroad's newly launched media intelligence and analytics platform, and offer the service to the Group's clients in exchange for promotion of the product and investor communications services. Crossroads is to pay the Company \$5,000 a month for 2 years, and the Company is to pay Crossroads \$8,000 per month for 1 year for this collaborative arrangement. Crossroads also sub-leases space in the Group's leased offices for a fee of \$2,800 per month. Ms Florence Fang, the Group's CEO, became a Director and shareholder of Crossroads in September 2020.

There are no other significant events which have arisen since the end of the year which may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial year.

# **R3D GLOBAL LIMITED – ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

## **DIRECTORS' DECLARATION**

1. In the directors' opinion:
  - (a) the financial statements and notes set out on pages 9 to 33 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declaration by the chief executive officer for the year ended 30 June 2020 required by Section 295A of the *Corporations Act 2001*.
3. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

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



**Daniel Yeo**

**Chairman**

**30 October 2020**

## INDEPENDENT AUDITOR'S REPORT

To the Members of R3D Global Limited,

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

I have audited the financial report of R3D Global Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, 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 my opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group on 30 October 2020, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Material Uncertainty Related To Going Concern

I draw attention to Note 1(b) in the financial report, which indicates that the Group incurred a net loss of \$326,626 during the year ended 30 June 2020 and, as of that date, the Group's current assets exceeded its current liabilities by \$7,424. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole in forming my opinion thereon and I do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Key Audit Matter	How my audit addressed the key audit matter
<b>Convertible Notes</b>	
<p>The financial statements disclose at Note 22 that during the year ended 30 June 2019 the Company issued \$300,000 of convertible notes.</p> <p>The directors accounted for those convertible notes as a current liability. As disclosed in Note 25, this instrument should not have been classified as debt in its entirety for the year ended 30 June 2019. The terms of the notes gave rise to a debt component and an equity component arising from the conversion feature. On 22 February 2020 the Company issued 6,000,000 fully paid ordinary shares upon conversion of the convertible notes.</p> <p>I consider this to be a Key Audit Matter because of the judgement required by the directors in determining whether the notes should be classified as debt or as equity in accordance with Australian Accounting Standards.</p>	<p>I reviewed the notes and the documentation of the terms of the notes.</p> <p>I considered the requirements of Australian Accounting Standards in relation to the accounting treatment for the notes.</p> <p>I considered the terms of the notes, the classification as a current liability and the subsequent correction.</p> <p>I reviewed the disclosures in relation to the convertible notes in the financial report and the disclosure of the restatement.</p>

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

The directors are responsible for the Other Information. The Other Information comprises the information included in the Group's Annual Report for the year ended 30 June 2020 but does not include the financial report and my auditor's report thereon.

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

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

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

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

The directors of the Group 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 have no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Opinion on the Remuneration Report**

I have audited the Remuneration Report included in pages 4 to 6 of the directors' report for the year ended 30 June 2020.

In my opinion, the Remuneration Report of the Group for the year ended 30 June 2020 complies with Section 300A of the *Corporations Act 2001*.

#### **Responsibilities**

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



**Andrew Newhouse**  
Registered Company Auditor

Wollongong  
30 October 2020



# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES – AUDITED

The following additional information is required by the ASX Limited in respect of listed public companies only. Shareholders information set out below was applicable at 23 October 2019.

### 1. Shareholdings

#### a. Distribution of Shareholders

Category	Number of equity security holders
	Ordinary shares
1 - 1,000	423
1,001 - 10,000	388
10,001 - 100,000	63
100,001 and over	18

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

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

Shareholder	Number Ordinary
Petra Pacific Pte Ltd	7,910,167
Indonoble Res Pte Ltd	7,817,941
Guilford Entps Ltd	5,443,755
Blanville Trading Ltd	4,000,000
German Bulk Carrier Inc	3,500,000
Mr Ng Han Whatt	3,500,000

#### d. Voting rights

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

##### *Ordinary shares*

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

# R3D GLOBAL LIMITED – ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES – UNAUDITED

### 20 Largest Shareholders – Ordinary Shares

S/n	Names	Ordinary Fully Paid Shares (Total)	% Held of Issued Ordinary Capital
1	PETRA PACIFIC PTE LTD	7,910,167	16.78
2	INDONOBLE RESOURCES PTE LTD	7,817,941	16.58
3	GUILFORD ENTERPRISES LIMITED	5,443,755	11.55
4	BLANVILLE TRADING LTD	4,000,000	8.48
5	GERMAN BULK CARRIER INC	3,500,000	7.42
6	MR NG HAN WHATT	3,500,000	7.42
7	EMILAN HOLDINGS PTE LTD	2,000,000	4.24
8	DR LESLIE KUEK BAK KIM	2,000,000	4.24
9	YAPUTRI PTE LTD	1,178,135	2.50
10	MR ROLEX MULIAWAN	1,115,000	2.36
11	MR DANIEL YEO CHIN TUAN	893,438	1.90
12	TARAVILLE PTY LTD	859,961	1.82
14	GIOQUEST LIMITED	700,000	1.48
15	DR KUEK BAK KIM LESLIE	500,000	1.06
16	MR DOUGLAS OOI	500,000	1.06
17	MR KWON WOO BAEK	300,000	0.64
18	MR JAIMES WILLIAM ARTHUR LEGGETT MR NOEL RAYMOND HENDERSON + MRS LYND SAY JOAN	109,829	0.23
19	HENDERSON <AVINGTON SUPER FUND A/C>	100,109	0.21
20	BOOM CAPITAL PTY LTD	77,750	0.16
	Totals: Top 20 holders of Ordinary Fully Paid Shares (Total)	<b>42,506,085</b>	<b>90.13</b>
	Total Remaining Holders Balance	<b>4,640,973</b>	<b>9.87</b>

## 2. Stock Exchange Listing

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

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

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