

CAPALLIANZ HOLDINGS LIMITED

(Formerly known as CWX Global Limited)
(Incorporated in the Republic of Singapore)
(Company Registration No. 199905693M)

QUALIFIED OPINION BY THE AUDITOR ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Pursuant to Rule 704(4) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst, the board of directors (the “**Board**”) of CapAllianz Holdings Limited (formerly known as CWX Global Limited) (the “**Company**”, together with its subsidiaries, referred to as the “**Group**”) wishes to announce that the Company’s independent auditor, Nexia TS Public Accounting Corporation (the “**Auditor**”), has in its Independent Auditor’s Report dated 14 October 2021 (the “**Independent Auditor’s Report**”), included a qualified opinion (“**Qualified Opinion**”) in relation to the Group’s audited consolidated financial statements for the financial year ended 30 June 2021 (“**FY2021**”).

The basis for the Qualified Opinion arose purely from a disclaimer of opinion issued by the former independent auditor of the Company on the Group’s audited consolidated financial statements for the financial year ended 30 June 2020. Please refer to the Independent Auditor’s Report, a copy of which is attached as an Appendix to this announcement, for further details on the basis for the Qualified Opinion.

The Board wishes to highlight that, in the Independent Auditor’s Report, the Auditor opined that except for the possible effects of the matter which is described in the “Basis for Qualified Opinion” section in its Independent Auditor’s Report, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 of Singapore and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

The Independent Auditor’s Report forms part of the Company’s annual report for FY2021 (“**Annual Report 2021**”), which has been released separately by the Company on SGXNet on 14 October 2021. Shareholders of the Company are advised to read this announcement in conjunction with the Independent Auditor’s Report and the Annual Report 2021 in their entirety.

By Order of the Board

Pang Kee Chai, Jeffrey
Executive Director and Chief Executive Officer
14 October 2021

*This announcement has been prepared by CapAllianz Holdings Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Goh Mei Xian, Associate Director, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

INDEPENDENT AUDITOR'S REPORT

to the Members of CapAllianz Holdings Limited (formerly known as CWX Global Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying financial statements of CapAllianz Holdings Limited (formerly known as CWX Global Limited) (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 June 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 66 to 141.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section in our report, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Qualified Opinion

Investments in associated companies and loan to associated companies, FIT Global Pte. Ltd. and its subsidiary corporations

During the financial year ended 30 June 2020, in view of the significant economic uncertainties brought about by the COVID-19 pandemic, the Group and the Company made full allowance for impairment against the total gross carrying amounts of the debt and equity investments in associated companies, Fit Global Pte. Ltd. and its subsidiary corporation. Accordingly, a total impairment charge of US\$5,851,000 was recognised in profit or loss of the Group thereby bringing the net carrying amounts of the investments in associated companies and loan to associated companies of the Group and the Company to zero.

The predecessor auditor were unable to evaluate and determine whether the assessment (including any bases thereof) has been robustly and comprehensively carried out by the Group and the Company. Consequently, the predecessor auditor issued a modified opinion as they were unable to ascertain the appropriateness of the impairment amount recognised for the financial year ended 30 June 2020.

INDEPENDENT AUDITOR'S REPORT

to the Members of CapAllianz Holdings Limited (formerly known as CWX Global Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Basis for Qualified Opinion

As the carrying amounts of investments in associated companies and loan to associated companies in FIT Global Pte. Ltd. and its subsidiary corporation as at 30 June 2020 formed part of the opening balances for the Group's and the Company's current financial year, and as we were unable to carry out any alternative audit procedures to obtain sufficient and appropriate audit evidences on the opening balances, we were unable to determine whether any adjustments might be necessary in respect of the consolidated statement of comprehensive income for the current financial year, and whether there will be possible effects on the comparability of current year's figures with corresponding figures.

For the financial year ended 30 June 2021, we have obtained sufficient and appropriate audit evidence to determine the carrying amounts on the investments in associated companies and loan to associated companies in FIT Global Pte. Ltd. and its subsidiary corporation.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

Assessment of the going concern basis in preparation of the financial statements

(Refer to Notes 2.1 and 37 to the financial statements)

The Group incurred a net loss of US\$4,725,000 and net cash used in operating activities of US\$1,046,000 for the financial year ended 30 June 2021, and as of that date, the Group's current liabilities exceeded its current assets by US\$17,010,000. As at 30 June 2021, the Group's current liabilities amounted to US\$20,250,000, which mainly comprised of bank borrowings amounted to US\$17,826,000 due on demand or latest by 30 July 2021.

The above constitutes events or conditions which indicate the existence of material uncertainties which may cast significant doubt as to whether the Group will be able to continue as a going concern for the next 12 months.

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to the Members of CapAllianz Holdings Limited (formerly known as CWX Global Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Key Audit Matters

Assessment of the going concern basis in preparation of the financial statements

(Refer to Notes 2.1 and 37 to the financial statements)

As disclosed in Note 2.1 to the financial statements, the directors are of the view that the Group will be able to meet their obligations in the foreseeable future due to the following:

- The Group had, on 14 September 2021, successfully completed a S\$1,890,000 placement exercise and raised gross placement proceeds amounting to S\$1,865,000 (equivalent to approximately US\$1,381,000);
- The Group had, on 8 September 2021, entered into a loan facility of up to S\$2,000,000 with a shareholder. The loan facility will be valid till December 2022 or such later date that the borrower and the Group may mutually agree to in writing. The funds are expected to be received on a timely manner. Such funds when received, will be adequate for the Group's working capital purposes for the next 12 months;
- The Group will not be required to provide additional funds to the joint operation in Thailand ("Thailand Operations") for the next 12 months as the Thailand Operations as at the date of this report are currently able to generate sufficient cash flows to sustain its operations and there are existing undrawn bank facilities of US\$10,000,000 obtained from a financial institution by the Thailand Operations. Such facilities will be sufficient to cover the discretionary capital costs of the Thailand Operations including drilling of new wells and workovers of existing wells.
- The Group had, on 16 August 2021, entered into a settlement agreement ("Settlement Agreement") with Oversea-Chinese Banking Corporation Limited ("OCBC Bank") in relation to an outstanding Bank Loan I (Note 27) (the "Term Loan"). Under the terms of the Settlement Agreement, the Group will make a final repayment of S\$1,500,000 (equivalent to approximately US\$1,100,000) to OCBC Bank by 30 September 2021 ("Completion"). This will extinguish all payables by the Group to OCBC Bank, including the Term Loan and all related servicing costs, amounting to approximately US\$18,600,000 as at 30 June 2021. All collaterals relating to the Term Loan (including pledging of shares and cashflow of Loyz Oil Thailand Pte Ltd, a subsidiary corporation of the Group) will also be discharged by OCBC Bank on Completion. OCBC Bank has also given an in-principle approval in writing for the waiver of financial covenants that have been technically breached in relating to the Term Loan for the financial year ended 30 June 2021.

On 27 September 2021, the Group has made a final repayment of S\$1,500,000 to OCBC Bank. Pursuant to the terms of the Settlement Agreement, with effect from 27 September 2021 (i) all payables by the Group to OCBC Bank, including the Term Loan and all related servicing costs have been extinguished; and (ii) all collaterals relating to the Term Loan (including pledging of shares and cashflow of Loyz Oil Thailand Pte Ltd, a subsidiary corporation of the Group) have been discharged by OCBC Bank.

As at the date of this report, the Group is in the process of releasing the registered charges in accordance with the Settlement Agreement.

Accordingly, management does not believe there is a material uncertainty over the ability of the Group to operate as a going concern.

We identified the assessment of whether the financial statements have been prepared on a going concern basis as a key audit matter because of the management's judgements involved in determining the appropriateness of the use of going concern assumption in preparing the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Members of CapAllianz Holdings Limited (formerly known as CWX Global Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Key Audit Matters

Assessment of the going concern basis in preparation of the financial statements

(Refer to Notes 2.1 and 37 to the financial statements)

In addition, given that the COVID-19 situation remains very fluid as at the date of issuances of these financial statements, any post balance sheet effects that the events may have on the going concern of the Group cannot be, and have not been, incorporated into the Group's financial statements.

How our audit addressed the matter

In obtaining sufficient audit evidence, the following procedures were carried out:

- Enquired the status of the Group's Settlement Agreement with OCBC Bank and verified the repayment of S\$1,500,000 to OCBC Bank;
- Reviewed management's assessment on going concern through obtaining management's forecast of the cash flows projection of the Group over the next 12 months;
- Challenged the appropriateness of the key assumptions used by the management in the cash flows projection, including timing of cash inflows and cash required for operations;
- Discussed with management on any material judgements and uncertainties identified;
- Reviewed minutes of board meetings and relevant committees for events and conditions after the financial year end to identify factors relevant, if any, to the going concern assumption as a basis for the preparation of the financial statements; and
- Evaluated the adequacy and appropriateness of the disclosures made in the financial statements.

Impairment assessment of (i) exploration, evaluation and development assets; and (ii) oil and gas properties

(Refer to Notes 3.1, 16, 17 and 23 to the financial statements)

As at 30 June 2021, the carrying amount of exploration, evaluation and development assets ("E,E&D") and oil and gas properties were US\$14,187,000 and US\$54,521,000 respectively which accounted for a total of 92% of the Group's total assets. The impairment assessment is significant to our audit because the recoverability of these assets is dependent on management's estimation and judgement of the future cash flows and profits of the oil exploration and production business. As these are long-lived assets, the most critical assumptions are the oil prices, discount rates, inflation rates, decommissioning costs and estimation of the oil and gas reserves compiled by management's experts.

In accordance with SFRS(I) 1-36 Impairment of assets, management assessed that there is objective evidence and indication that the E,E&D and oil and gas properties of the Group may be impaired due to the potential adverse effect on the market conditions as a result of the on-going COVID-19 situation and carried out an impairment assessment exercise during the financial year. The recoverable amount of these assets were estimated based on higher of the fair value less costs to sell and value-in-use. Notes 16, 17 and 23 to the financial statements include details of the Group's E,E&D and oil and gas properties and the related impairment charge recorded during the financial year.

INDEPENDENT AUDITOR'S REPORT

to the Members of CapAllianz Holdings Limited (formerly known as CWX Global Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

How our audit addressed the matter

In obtaining sufficient audit evidence, the following procedures were carried out:

- Reviewed management's impairment assessment on the indicators of impairment, on non-financial assets in accordance with SFRS(I) 1-36;
- Evaluated the objectivity, independence and expertise of management's expert who provided the valuation of the reserve reports;
- Critically evaluated whether the valuation methodology used to determine the recoverable amounts of the E,E&D and oil and gas properties complied with the requirements of SFRS(I) 1-36;
- Critically evaluated the reasonableness and appropriateness of the key inputs and assumptions used, tested and challenged the underlying assumptions of the calculation as well as the reasonableness of discount rate used in determining the recoverable amount;
- Reviewed the sensitivity analyses in consideration of the potential impact of possible downside changes in these key assumptions; and
- Evaluated the adequacy and appropriateness of the disclosures made in the financial statements.

Other Matter

The consolidated financial statements of the Group for the financial year ended 30 June 2020 and the balance sheet of the Company as at 30 June 2020 were audited by another independent auditor who issued a disclaimer opinion on those statements on 15 November 2020 due to predecessor auditor's inability to obtain sufficient audit evidence regarding the going concern assumptions used by the directors in preparing the consolidated financial statements of the Group and inability to ascertain the appropriateness of the impairment amount recognised for the investment in associate and loan to associate for the financial year ended 30 June 2020.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

to the Members of CapAllianz Holdings Limited (formerly known as CWX Global Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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to the Members of CapAllianz Holdings Limited (formerly known as CWX Global Limited)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Auditor's Responsibilities for the Audit of the Financial Statements

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Chan Siew Ting.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
14 October 2021

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below. The financial statements are presented in United States Dollar ("US\$") and all values are rounded up to the nearest thousand ("US\$'000") except as otherwise indicated.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Interpretations and amendments to published standards effective in 2021

On 1 July 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Going concern

The Group incurred a net loss of US\$4,725,000 and net cash used in operating activities cash flows of US\$1,046,000 for the financial year ended 30 June 2021, and as of that date, the Group's current liabilities exceeded its current assets by US\$17,010,000. As at 30 June 2021, the Group's current liabilities amounted to US\$20,250,000 which mainly comprised of bank borrowings amounted to US\$17,826,000 due on demand or latest by 30 July 2021 (Note 27).

These facts and circumstances indicate the existence of material uncertainties that may cast significant doubts over the ability of the Group and the Company to continue as a going concern. Notwithstanding the above, the financial statements have been prepared on a going concern basis which contemplates that the Group will be able to pay its debts as and when they fall due and payable and realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts included in the financial statements after taking into consideration the following measures and assumptions:

- (a) the Group had, on 14 September 2021, successfully completed a S\$1,890,000 placement exercise and raised gross placement proceeds amounting to S\$1,865,000 (equivalent to approximately US\$1,381,000);
- (b) the Group had on 8 September 2021 entered into a loan facility of up to S\$2,000,000 with a shareholder. The loan facility will be valid till December 2022 or such later date that the borrower and the Group may mutually agree to in writing. The funds are expected to be received on a timely manner. Such funds when received, will be adequate for the Group's working capital purposes for the next 12 months;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Going concern (Continued)

- (c) the Group will not be required to provide additional funds to the joint operation in Thailand ("Thailand Operations") (Note 21(a)) for the next 12 months as the Thailand Operations as at the date of this report are currently able to generate sufficient cash flows to sustain operations and there are existing undrawn bank facilities of US\$10,000,000 obtained from a financial institution by the Thailand Operations. Such facilities will be sufficient to cover the discretionary capital costs of the Thailand Operations including drilling of new wells and workovers of existing wells.
- (d) the Group had, on 16 August 2021, entered into a settlement agreement ("Settlement Agreement") with Oversea-Chinese Banking Corporation Limited ("OCBC Bank") in relation to an outstanding Bank Loan I (Note 27) (the "Term Loan"). Under the terms of the Settlement Agreement, the Group will make a final repayment of S\$1,500,000 (equivalent to approximately US\$1,100,000) to OCBC Bank by 30 September 2021 ("Completion"). This will extinguish all payables by the Group to OCBC Bank, including the Term Loan and all related servicing costs, amounting to approximately US\$18,630,000 as at 30 June 2021. All collaterals relating to the Term Loan (including pledging of shares and cashflow of Loyz Oil Thailand Pte Ltd, a subsidiary corporation of the Group) will also be discharged by OCBC Bank on Completion. OCBC Bank has also given an in-principle approval in writing for the waiver of financial covenants that have been technically breached in relating to the Term Loan for the financial year ended 30 June 2021.

On 27 September 2021, the Group has made a final repayment of S\$1,500,000 to OCBC Bank. Pursuant to the terms of the Settlement Agreement, with effect from 27 September 2021 (i) all payables by the Group to OCBC Bank, including the Term Loan and all related servicing costs have been extinguished; and (ii) all collaterals relating to the Term Loan (including pledging of shares and cashflow of Loyz Oil Thailand Pte Ltd, a subsidiary corporation of the Group) have been discharged by OCBC Bank.

As at the date of this report, the Group is in the process of releasing the registered charges in accordance with the Settlement Agreement.

Accordingly, management does not believe there is a material uncertainty over the ability of the Group to operate as a going concern.

If the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. These financial statements do not include any adjustment which may arise from these uncertainties.