SPORTSHERO ENTERPRISE PTE. LTD.

(Registration No: 201606171W)

Statement by Directors and Financial Statements

Reporting year from 9 March 2016 (date of incorporation) to 30 June 2016

RSM Chio Lim LLP

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SPORTSHERO ENTERPRISE PTE. LTD. (Registration No: 201606171W)

Statement by Directors and Financial Statements

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SPORTSHERO ENTERPRISE PTE. LTD. (Registration No: 201606171W)

Statement by Directors

The directors of the company are pleased to present the audited financial statements of the company for the reporting year from 9 March 2016 (date of incorporation) to 30 June 2016.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company for the reporting year covered by the financial statements; and

(b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. Directors in office at date of statement

The directors of the company in office at the date of this statement are:

Dinesh Singh Bhatia s/o Amarjeet Singh	(Appointed 1 June 2016)
Tonavanik Thomas Napong Lapping	(Appointed 9 March 2016)

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

	Direct interest	
Name of director and companies in which interest are held	At beginning of the reporting year or date of appointment (if later)	At end of the reporting year
	Number of shares at par value of US$0.001 each	
Ultimate parent company – MyHero Limited		
Dinesh Singh Bhatia s/o Amarjeet Singh	480,000	480,000

By virtue of section 7 of the Act, the director, Dinesh Singh Bhatia s/o Amarjeet Singh with more than 20% of the shareholdings of the ultimate parent company, is deemed to have an interest in the shares of the company and in all the related corporations of the company.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

5. Options

During the reporting year, no option to take up unissued shares of the company was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

The board of directors approved and authorised these financial statements for issue.

.....
Dinesh Singh Bhatia s/o Amarjeet Singh
Director

.....
Tonavanik Thomas Napong Lapping
Director

28 September 2016

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Independent Auditor's Report to the Member of SPORTSHERO ENTERPRISE PTE. LTD. (Registration No: 201606171W)

Report on the financial statements

We have audited the accompanying financial statements of SportsHero Enterprise Pte. Ltd., which comprise the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the reporting year from 9 March 2016 (date of incorporation) to 30 June 2016, and significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Business Advisors to Growing Businesses

Independent Auditor's Report to the Member of
SPORTSHERO ENTERPRISE PTE. LTD. (Registration No: 201606171W)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the company as at 30 June 2016 and the financial performance, changes in equity and cash flows of the company for the year ended on that date.

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 have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

28 September 2016

Partner in charge of audit: Lock Chee Wee
Effective from reporting year ended 30 June 2016

Statement of Profit or Loss and Other Comprehensive Income
Reporting year from 9 March 2016 (date of incorporation) to 30 June 2016

	Notes	9.3.2016 to 30.6.2016 $
Administrative expenses	4	(151,260)
Loss before tax		(151,260)
Income tax expense	6	–
Total comprehensive loss		(151,260)

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position
As at 30 June 2016

	Notes	2016 $
ASSETS		
Non-current assets		
Plant and equipment	7	1,109
Intangible assets	8	2,000,000
Total non-current assets		2,001,109
Current assets		
Other assets	9	14,367
Cash and cash equivalents	10	436,666
Total current assets		451,033
Total assets		2,452,142
EQUITY AND LIABILITIES		
Equity		
Share capital	11	2,500,000
Accumulated losses		(151,260)
Total equity		2,348,740
Current liabilities		
Trade and other payables	12	103,402
Total current liabilities		103,402
Total liabilities		103,402
Total equity and liabilities		2,452,142

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity
Reporting year from 9 March 2016 (date of incorporation) to 30 June 2016

	Total equity $	Share capital $	Accumulated losses $
Current year:			
Subscriber's shares issued at 9 March 2016 (date of incorporation) (Note 11)	500,000	500,000	–
Movements in equity:			
Total comprehensive loss for the year	(151,260)	–	(151,260)
Issue of share capital (Note 11)	2,000,000	2,000000	–
Closing balance at 30 June 2016	2,348,740	2,500,000	(151,260)

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows
Reporting year from 9 March 2016 (date of incorporation) to 30 June 2016

	9.3.2016 to 30.6.2016 $
Cash flows from operating activities	
Loss before tax	(151,260)
Adjustments for:	
Depreciation	32
Operating cash flows before changes in working capital	(151,228)
Other assets	(14,367)
Trade and other payables	60,844
Net cash flows used in operating activities	(104,751)
Cash flows from investing activities	
Purchase of plant and equipment (Note 7)	(1,141)
Net cash flows used in investing activities	(1,141)
Cash flows from financing activities	
Issue of share capital (Note 11)	500,000
Net movements in amounts due to related companies (Note 3D)	42,558
Net cash flows from financing activities	542,558
Net increase in cash and cash equivalents	436,666
Cash and cash equivalents, statement of cash flows, beginning balance	–
Cash and cash equivalents, statement of cash flows, ending balance (Note 10)	436,666

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements
30 June 2016

1. General

The company was incorporated on 9 March 2016 in Singapore with limited liability. The financial statements are presented in United States dollars.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activities of the company are that of development of computer games and social media sports prediction app.

The registered office address is: 306 Tanglin Road, Singapore 247973. The company is situated in Singapore.

2. Significant accounting policies and other explanatory information

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS.

Basis of preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The functional currency is the United States dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful life is as follows:

Software	–	2 years

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the reporting year there were no financial assets classified in this category.

4. Available-for-sale financial assets: As at end of the reporting year there were no financial assets classified in this category.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used.

2. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Classification of equity and liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Intangible assets:
An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating unit is measured based on value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is $2,000,000.

Ownership of intangible assets:
The company signed an agreement with its ultimate parent company for the acquisition of SportsHero, an internally-developed real-time fantasy sports and social prediction platform and software during the reporting year. The legal title of the intangible assets is in the process of being transferred from the ultimate parent company to the company. Management is of the view that the acquisition of SportsHero is substantially completed, and concluded that the risk and reward of the ownership of the intangible assets had been transferred from the ultimate parent company to the company.

3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Dinesh Singh Bhatia s/o Amarjeet Singh with more than 20% of the shareholdings of the ultimate parent company, is deemed to an have interest in the shares of the company and in all the related corporations of the company.

3A. Members of a group:

Name	Relationship	Country of incorporation
MyHero Limited	Immediate parent company and ultimate parent company	Cayman Islands

Related companies in these financial statements include the members of the above group of companies. Associates also include those that are associates of members of the above group.

3B. Other related parties:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any balances and financial guarantees no interest or charge is imposed unless stated otherwise.

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	9.3.2016 to 30.6.2016 $
Ultimate parent company:	
Purchase of intangible assets (Note 8)	2,000,000
Related company:	
Purchase of plant and equipment (Note 7)	1,141

3C. Key management compensation:

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts do not include compensation if any of certain key management personnel and directors of the company who received compensation from related corporations in their capacity as directors and or executives of those related corporations.

3. Related party relationships and transactions (cont'd)

3C. Key management compensation: (cont'd)

	9.3.2016 to 30.6.2016 $
Remuneration of directors of the company	22,500

The above amounts are included under administrative expenses.

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The amounts do not include compensation if any of key management personnel and directors of the company who received compensation from related corporations in their capacity as directors and or executives of those related corporations.

3D. Other receivables from and other payables to related companies:

	Related companies 2016 $
Other payables:	
Balance at date of incorporation	–
Amounts paid out and settlement of liabilities on behalf of the related company	59,801
Amounts paid in and settlement of liabilities on behalf of the company	(102,359)
Balance at the end of the year (Note 12)	(42,558)

4. Administrative expenses

The major components and other selected components include the following:

	9.3.2016 to 30.6.2016 $
Advertising and marketing	36,143
Employee benefits expense (Note 5)	74,277
Professional fees	10,617
Sports subscription services	11,619
Recruitment fees	10,500

5. Employee benefits expense

	9.3.2016 to 30.6.2016 $
Employee benefits expense	69,024
Contributions to defined contribution plan	1,441
Others	3,812
Total employee benefits expense	74,277

The employee benefits expense is charged under administrative expenses (Note 4).

6. Income tax

	9.3.2016 to 30.6.2016 $
Current tax expense	–

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% to profit or loss before income tax as a result of the following differences:

	9.3.2016 to 30.6.2016 $
Loss before tax	(151,260)
Income tax credit at the above rate	(25,714)
Non-deductible items	25,714
Total income tax expense	–

There are no income tax consequences of dividends to owners of the company.

7. Plant and equipment

	Computer equipment $
Cost:	
At 9 March 2016 (date of incorporation)	–
Additions	1,141
At 30 June 2016	1,141
Accumulated depreciation:	
At 9 March 2016 (date of incorporation)	–
Depreciation for the year	32
At 30 June 2016	32

7. Plant and equipment (cont'd)

	Computer equipment $
Net book value:	
At 9 March 2016 (date of incorporation)	–
At 30 June 2016	1,109

The depreciation is charged under administrative expenses.

8. Intangible assets

	Social media platform and software $
Cost:	
At 9 March 2016 (date of incorporation)	–
Additions	2,000,000
At 30 June 2016	2,000,000
Accumulated amortisation:	
At 9 March 2016 (date of incorporation) and 30 June 2016	–
Net book value:	
At 9 March 2016 (date of incorporation)	–
At 30 June 2016	2,000,000

The intangible assets represent "SportsHero", an internally developed real-time fantasy sports and social prediction platform and software, which was acquired during the reporting year from its ultimate parent company (Note 3A) via an issue of the company's ordinary shares (Note 11).

The above carrying value of the intangible asset of $2,000,000 represents a non-cash consideration agreed with its ultimate parent company with respect to the issue of the company's shares. This is also related to another proposed underlying transaction ("proposed transaction") in relation to the proposed acquisition of 100% of SportsHero by Nevada Iron Limited ("Nevada"), a company listed on the Australia Stock Exchange via the following agreements:

i. Nevada to acquire 100% of the issued share capital of Sportz Hero Pty Ltd, a shareholder of 1,000,000 shares of the company, via a proposed issue of 36,000,000 post consolidation shares and 72,000,000 options each exercisable at $0.05 each and expiring on 31 August 2019, to Sportz Hero Pty Ltd, in accordance with another proposed share purchase agreement.

ii. Sportz Hero Pty Ltd to acquire the remaining 5,000,000 ordinary shares of the company representing 83.33% of the issued share capital from MyHero Limited, resulting in the company being a 100% owned subsidiary of Sportz Hero Pty Ltd via a proposed issue of 60,000,000 post consolidation shares valued at US$3,000;000 based on a deemed issue price of $0.05, to the company, in accordance with another proposed share sale agreement.

8. Intangible assets (cont'd)

As at date of the financial statements, the above "proposed transaction" is not completed.

The carrying amount of the intangible assets was assessed by management for possible impairment at the end of the reporting year. This was assessed by a comparison of the carrying amount to the recoverable amount which was measured based on future discounted cash flows it is expected to generate. The assessment did not indicate that the carrying amount is less than the recoverable amount and as such, no impairment was recognised.

9. Other assets

	2016 $
Deposits to secure services	8,523
Prepayments	5,844
Total	14,367

10. Cash and cash equivalents

	2016 $
Not restricted in use	436,666

The interest earning balances are not significant.

10A. Non-cash transactions

During the reporting year, the company issued 5,000,000 ordinary of par value US$0.40 each in consideration of the transfer of intangible assets pertaining to the SportsHero business from its ultimate parent company, MyHero Limited (Note 11) in accordance with the terms of the agreement. There was no cash exchanged as a result of the issuance.

11. Share capital

	Number of shares issued	Share capital $
Ordinary shares of no par value:		
Subscriber's shares at 9 March 2016 (date of incorporation)	1,000,000	500,000
Issuance of shares at $0.40 each [(a)]	5,000,000	2,000,000
Balance at 30 June 2016	6,000,000	2,500,000

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

(a) During the reporting year, 5,000,000 ordinary shares of no par value were issued at US$0.40 each in consideration of the transfer of intangible assets pertaining to the SportsHero business from its immediate parent company, MyHero Limited in accordance with the terms of the business sale agreement. There are no monetary values involved in the books of the company (See Note 8).

11. Share capital (cont'd)

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners. The management sets the amount of capital to meet its requirements. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt.

12. Trade and other payables

	2016 $
Trade payables:	
Outside parties and accrued liabilities	60,844
Other payables:	
Related companies [(a)] (Note 3D)	42,558
Total trade and other payables	103,402

[(a)] The other payables due to the related companies are unsecured, interest-free and repayable on demand.

13. Financial instruments: information on financial risks

13A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2016 $
Financial assets:	
Cash and cash equivalents	436,666
At end of the year	436,666
Financial liabilities:	
Trade and other payables at amortised cost	103,402
At end of the year	103,402

Further quantitative disclosures are included throughout these financial statements.

13. Financial instruments: information on financial risks (cont'd)

13B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies, and processes for managing the risk and the methods used to measure the risk.

13C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

13D. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than one year $
Non-derivative financial liabilities:	
2016:	
Trade and other payables	103,402
At end of the year	103,402

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

13. Financial instruments: information on financial risks (cont'd)

13E. Foreign currency risks

Analysis of amounts denominated in non-functional currency:

2016:	Singapore Dollar	China RMB	Total
Financial assets:	$	$	$
Cash	5,473	–	5,473
Total financial assets	5,473	–	5,473
2016:			
Financial liabilities:			
Trade and other payables	(59,339)	(56,606)	(115,945)
Total financial liabilities	(59,339)	(56,606)	(115,945)
Net financial liabilities at end of the year	(53,866)	(56,606)	(110,472)

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	2016 $
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Singapore Dollar with all other variables held constant would have a favourable effect on post-tax profit of	5,386
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the China RMB with all other variables held constant would have a favourable effect on post-tax profit of	5,661

14. Operating lease payment commitments – as lessee

At the end of the reporting year the total of future minimum lease payments under non-cancellable operating leases are as follows:

	2016 $
Not later than one year	43,328
Rental expense for the year included in administrative expenses	3,457

Operating lease payments are for rental payables for workspace for a term of 1 year from 1 June 2016.

15. New or amended standards in issue but not yet effective

For the future reporting years new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
FRS 16 & 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 109	Financial Instruments	1 Jan 2018
FRS 116	Leases	1 Jan 2019

16. Comparative figures

The financial statements cover the reporting year since incorporation on 9 March 2016 to 30 June 2016. This being the first set of financial statements, there are no comparative figures.