

Financial Statements for the year ended 30 June 2019

The Board of Directors of the Company, Hangji Global Ltd (the "Company") according to the regulations of the Cyprus Stock Exchange and in order to inform its shareholders and any investor would like to announce that at the meeting of the Board of Directors that took place on the 10 October 2019, the Financial Statements of the Company for the financial year ended 30 June 2019 have been approved.

From the Board of Directors,

Attachment:

1. **Financial Statements**

Non Regulated

Publication Date: 10/10/2019

010

Hangji Global Limited
British Virgin Islands

Financial statements
Year ended 30 June 2019

Hangji Global Limited

Financial statements Year ended 30 June 2019

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Hangji Global Limited

Directors' report Year ended 30 June 2019

We submit our report and the audited financial statements of **Hangji Global Limited** (the Company) for the year ended 30 June 2019.

Review of business and its performance

The Company is engaged in the activity of providing turnkey solutions for projects including sourcing, structuring, packaging, financing and logistics and engaging domain experts & independent service providers.

During the year, the Company achieved a revenue of USD 123.37 million and earned a profit of USD 34.2 million in the current year as compared to a revenue of USD 64.68 million and a profit of USD 23.14 million in the previous year.

Dividend

No dividend is proposed for the current year.

Events since the end of the reporting period

There are no significant events since the end of the reporting period.

Management responsibilities

We confirm that we are responsible for these financial statements, which have been prepared in conformity with the statutory requirements and the International Financial Reporting Standards, including selecting the accounting policies and making the judgements underlying them. We further confirm that we have made available all relevant accounting records and information for compilation of these financial statements and that all transactions have been recorded and are reflected in the financial statements.

Auditors

M/s. Behl, Lad & Al Sayegh - Chartered Accountants are proposed as auditors of the Company for the next year.



Umesh Chandra
Director

10 October 2019



Vipul Choudhari
Director



**Independent Auditor's Report
to the Shareholders of Hangji Global Limited
on the Audit of the Financial Statements
for the Year Ended 30 June 2019**

Opinion

We have audited the financial statements of **Hangji Global Limited (the Company)**, **British Virgin Islands**, which comprise the statement of financial position as at **30 June 2019** and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information contained in notes set out on pages 4 to 16.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 30 June 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Responsibilities of management and those charged with governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Management and those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibility

The objectives of our audit 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 ISAs 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.

Cadvasa
Vasant Lad
Registration No. 299
Partner
Behl, Lad & Al Sayegh
Dubai, United Arab Emirates
10 October 2019



Hangji Global Limited


Statement of profit or loss and other comprehensive income Year ended 30 June 2019


	Note	30 June 2019 USD	30 June 2018 USD
Revenue	6	123,366,638	64,681,721
Cost of revenue	7	<u>(86,554,269)</u>	<u>(40,330,440)</u>
Gross profit		36,812,369	24,351,281
Selling and administrative expenses	8	(3,255,927)	(1,214,419)
Interest income	10	<u>639,532</u>	<u>-</u>
Profit for the year		34,195,974	23,136,862
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>34,195,974</u></u>	<u><u>23,136,862</u></u>

The accompanying notes on pages 8 to 16 form an integral part of these financial statements.

The Independent Auditor's report is set forth on pages 2 & 3.

Approved by the Shareholders and authorised for issue on 10 October 2019 and signed on their behalf by the Directors.


Umesh Chandra
Director


Vipul Choudhari
Director



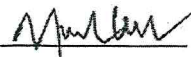
Hangji Global Limited

Statement of financial position As at 30 June 2019

	Note	30 June 2019 USD	30 June 2018 USD
Non-current assets			
Property and equipment	9	49,074	-
Advances to business associates	10	<u>38,692,198</u>	<u>25,264,909</u>
		<u>38,741,272</u>	<u>25,264,909</u>
Current assets			
Trade receivables	11	75,675,556	46,439,612
Cash and cash equivalents	12	<u>525,559</u>	<u>329,452</u>
		<u>76,201,115</u>	<u>46,769,064</u>
Total assets		<u><u>114,942,387</u></u>	<u><u>72,033,973</u></u>
Shareholders' equity			
Share capital	13	50,201,100	50,201,100
Retained earnings		<u>48,541,021</u>	<u>14,345,047</u>
		<u>98,742,121</u>	<u>64,546,147</u>
Current liabilities			
Trade and other payables	15	16,200,266	7,329,126
Due to a related party	16	<u>-</u>	<u>158,700</u>
		<u>16,200,266</u>	<u>7,487,826</u>
Total Shareholders' equity and liabilities		<u><u>114,942,387</u></u>	<u><u>72,033,973</u></u>

The accompanying notes on pages 8 to 16 form an integral part of these financial statements.
The Independent Auditor's report is set forth on pages 2 & 3.

Approved by the Shareholders and authorised for issue on 10 October 2019 and signed on their behalf by the Directors


Umesh Chandra
Director


Vipul Choudhari
Director



Hangji Global Limited

Statement of changes in equity Year ended 30 June 2019

	Share capital USD	Retained earnings USD	Total USD
As at 30 June 2017	1,000	26,158,185	26,159,185
Profit for the year	-	23,136,862	23,136,862
Bonus shares issued (Note 13)	34,950,000	(34,950,000)	-
Capital introduced during the year (Note 13)	<u>15,250,100</u>	<u>-</u>	<u>15,250,100</u>
As at 30 June 2018	50,201,100	14,345,047	64,546,147
Profit for the year	<u>-</u>	<u>34,195,974</u>	<u>34,195,974</u>
As at 30 June 2019	<u>50,201,100</u>	<u>48,541,021</u>	<u>98,742,121</u>

The accompanying notes on pages 8 to 16 form an integral part of these financial statements.
The Independent Auditor's report is set forth on pages 2 & 3.



Hangji Global Limited

Statement of cash flows Year ended 30 June 2019

	Note	30 June 2019 USD	30 June 2018 USD
Cash flows from operating activities			
Profit for the year		34,195,974	23,136,862
Adjustments for:			
Depreciation	8	8,660	-
Interest income	10	(639,532)	-
Operating profit before changes in operating assets and liabilities		33,565,102	23,136,862
Increase in trade and other receivables	11	(29,235,944)	(11,329,985)
Increase/(decrease) in trade and other payables	15	8,871,140	(1,107,874)
Net cash generated from operations (A)		13,200,298	10,699,003
Cash flows from investing activities			
Purchase of property and equipment	9	(57,734)	-
Net cash used in investing activities (B)		(57,734)	-
Cash flows from financing activities			
Increase in advances to business associates	10	(12,787,757)	(25,264,909)
Proceeds of issue of share capital	13	-	15,201,100
Payments to a related party (net)	16	(158,700)	(686,778)
Net cash used in financing activities (C)		(12,946,457)	(10,750,587)
Net increase/(decrease) in cash and cash equivalents (A+B+C)			
		196,107	(51,584)
Cash and cash equivalents at beginning of the year		329,452	381,036
Cash and cash equivalents at end of the year	12	525,559	329,452

The accompanying notes on pages 8 to 16 form an integral part of these financial statements.
The Independent Auditor's report is set forth on pages 2 & 3.



Hangji Global Limited

Notes to the financial statements Year ended 30 June 2018

1 Legal status and business activity

- a) **Hangji Global Limited** (the **Company**), previously known as Hangji Impex Limited, was incorporated on 20 May 2015 under the BVI Business Companies Act 2004 (amended) and operates under Registration No. 1874896. The registered office of the Company is located at Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands.
- b) The Company provides turnkey solutions for projects including sourcing, structuring, packaging, financing, logistics along with restructuring plans and engaging domain experts & independent service providers.
- c) Mr. Umesh Chandra and Vipul Choudhari have been appointed as the Directors of the Company.

2 Basis of preparation

a) Statement of compliance

These financial statements are prepared under the historical cost convention and in conformity with International Financial Reporting Standards and interpretations issued by the IFRS Interpretations Committee (IFRSIC) or adopted by the International Accounting Standards Board (IASB).

The following standards and amendments are effective for the first time from the current year, however except for IFRS 15 and IFRS 9, they do not apply to the Company or do not have any material impact on the Company's financial statements as they merely clarify the existing requirements and do not affect the Company's accounting policies or any other disclosures.

IFRS 15 - Revenue from contracts with customers and associated amendments to various other standards. This establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 - Revenue, IAS 11 - Construction Contracts and IFRIC 13 - Customer Loyalty Programmes - Effective 1 January 2018.

IFRS 9 Financial Instruments and associated amendments to various other standards - This standard published in July 2014 replaces the existing guidance in IAS 39 - Financial Instruments, Recognition and Measurements. This includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39 - Effective 1 January 2018.

Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2 - Effective 1 January 2018.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4 - Effective 1 January 2018 or when the entity first applies IFRS 9.

Annual Improvements 2014 - 2016 Cycle - Effective 1 January 2018.

Transfer of Investment Property - Amendments to IAS 40 - Effective 1 January 2018.

Interpretation 22 Foreign Currency Transactions and Advance Consideration - Effective 1 January 2018.

b) Functional and presentation currency

These financial statements have been expressed in US Dollar, which is the functional currency of the Company. The figures have been rounded off to the nearest US Dollar.

c) Going concern basis of accounting

The financial statements have been prepared on a going concern basis on the assumption that the Company will be able to meet its payment obligations as and when they fall due for payment, the financial support of the Shareholders and related parties would be available on a continuing basis. The Company's operations are profitable and it has sound financial position.



Hangji Global Limited

Notes to the financial statements Year ended 30 June 2018

2 Basis of preparation (Continued)

d) Accrual basis of accounting

The Company prepares the financial statements, except for cash flows information, using the accrual basis of accounting i.e. all items of assets, liabilities, equity, income and expenses are recognised as they arise.

e) Use of significant estimates, assumptions and judgements

In preparing the financial statements, based on the historical experience and reasonable expectations of future events, the management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments. These relate to provision for doubtful trade receivables and loans & advances.

Impairment of assets

Financial assets are assessed at each reporting date to determine whether there is any evidence of impairment which is judged by default or delinquency by a debtor, the age of the debts, management experience and assessed creditworthiness of the debtor.

In the case of non-financial assets a review is made to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised in the statement of profit or loss, if the carrying amount of the asset exceeds its recoverable amount.

f) New and amended standards

The Company intends to adopt the following new standards, if applicable when they become effective.

- IFRS 16 - Leases - Effective date 1 January 2019.
- IFRS 17 Insurance Contracts - Effective 1 January 2021.
- Interpretation 23 Uncertainty over Income Tax treatments - Effective date 1 January 2019.
- Prepayment features with Negative Compensation - Amendments to IFRS 9 - Effective date 1 January 2019.
- Long-term interests in Associates and Joint Venture - Amendments to IAS 28 - Effective date 1 January 2019.
- Plan Amendment, Curtailment or Settlement - Amendments to IAS 19 - Effective date 1 January 2019.

3 Summary of significant accounting policies

The significant accounting policies adopted and which have been consistently applied are as follows:

a) Revenue

Revenue represents the amounts invoiced for services rendered and goods sold & delivered for the projects undertaken during the period, net of discounts and returns. Sale of goods is recognised at a point in time when the control and ownership relating to the goods concerned are transferred to the customers. Revenue from services is recognized over a period of time with reference to the stage of completion when the outcome of the transaction and related revenue and cost can be measured reliably.

b) Cost of revenue recognition

Cost of revenue includes costs of goods purchased and costs which are directly identifiable with the costs of goods sold along with sub-contracting costs paid to independent service providers for project work.



Hangji Global Limited

Notes to the financial statements Year ended 30 June 2018

3 Summary of significant accounting policies (Continued)

c) Leases

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to the statement of profit or loss.

d) Foreign currency transactions

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirham at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured at historical cost in a foreign currency are not translated. These items that are measured at a fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Gains or losses resulting from settlement of foreign currency transactions are taken to the statement of profit or loss on net basis as either foreign exchange gains or foreign exchange losses and included in finance income or finance costs respectively.

e) Property and equipment

Property and equipment comprising of office equipments and furniture & fixtures are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated using the straight-line method from the date of acquisition to their estimated useful lives of five years.

f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

g) Cash and cash equivalents

Cash and cash equivalents comprise of cash, balances in current accounts with a bank and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the reporting date. These unsecured balances are presented as current liabilities unless payment is not due within twelve months after the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

i) Statement of cash flows

Statement of cash flows is prepared segregating the cash flows from operating, investing and financing activities based on the nature of items. Cash flows under the operating activities are reported using the indirect method, whereby profit/(loss) is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future of cash receipts and payments and for items of income and expenses which are reflected in investing or financial activities.



Hangji Global Limited

Notes to the financial statements Year ended 30 June 2018

3 Summary of significant accounting policies (Continued)

j) Fair value measurements

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

When measuring the fair value of an asset or a liability, as far as possible the Company uses market observable data. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

If inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input significant to entire measurement.

The Company measures its financial instruments on a fair value basis.

k) Financial instruments

The principal financial instruments used by the Company are trade receivables, cash equivalents, trade and other payables.

Recognition and derecognition

The Company initially recognises financial assets and financial liabilities when they are originated.

The Company derecognizes a financial asset when the contractual rights to cash flows from the assets expire or when substantially all the risks and rewards of ownership are transferred, or the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset.

In the case of trade receivables they represent amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non-current assets. These are carried at the invoiced amounts less an estimate of provision for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Fair value of financial instruments

Valuation process and technique:

The Company's financial instruments are initially recognised at fair value plus any directly attributable transaction costs, subsequently these are measured at amortised cost using the effective interest method with the significant unobservable inputs being the discount rate that reflects the credit risk of the counter parties, less any write-down for impairment losses plus reversals of impairment losses. Impairment losses and reversals thereof are recognized in the statement of profit or loss. Due to their short-term nature, the carrying values of the financial instruments approximate their fair values.



Hangji Global Limited

Notes to the financial statements Year ended 30 June 2018

3 Summary of significant accounting policies (Continued)

1) Impairment of assets

Non-derivative financial assets

These comprise of trade and other receivables collectively referred to as receivables are assessed at each reporting date to determine whether there is any evidence of impairment which is judged by default or delinquency by a debtor, the age of the debts, management experience and assessed creditworthiness of the debtor, restructuring of any dues to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, the disappearance of an active market for a security or observable data indicating that there is measurable decrease in the expected cash flows from a group of financial assets. Based on these factors an assessment of provisioning required in made.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised in the profit or loss, if the carrying amount of the asset exceeds it recoverable amount. An impairment loss in respect of goodwill is not reversed. For other assets, 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 determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4 Risk management

The Company's management focuses on the unpredictability of financial markets and continually seeks to identify its risks and minimize their impact by conducting and operating the business in a prudent manner. The Company's current activities are exposed to financial risks such as credit, market and liquidity risks.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's customers, related parties and banks.

Credit risk, where relevant is explained in notes on related account balances i.e. trade and other receivables {Note 11 (b)} and cash and bank (Note 12).

b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company buys & sells goods, renders & pays for services in US Dollar, thereby exposure to currency risk is minimized in the day to day operations being carried out by the Company.

At end of the reporting period, there are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in US Dollar. The currency risk, where relevant is explained in the notes on the related account balances, namely trade and other receivables {Note 11 (c)}, cash and bank (Note 12) and trade payables (Note 15).



Hangji Global Limited

Notes to the financial statements Year ended 30 June 2018

4 Risk management (Continued)

b) Market risk

Interest rate risk

The Company does not face interest rate risk except for the interest to be received on advances to business associates (Note 10) which is at a fixed rate of interest hence is exposed to fair value interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks and also arranges funds from its Shareholder or related parties, if required to ensure that adequate funds are available to meet its payment obligations on time.

5 Capital management

Capital consists of share capital and retained earnings which aggregated to USD 98,742,121 as at the end of the reporting period. The Company manages its capital with an objective to ensure that healthy capital ratios are maintained and adequate funds are available to it on an on-going basis to operate as a going concern and provide the Shareholders with reasonable rate of return under the prevailing economic conditions and the risks encountered. Where required the Shareholders makes the funds available to the Company to enable it to meet its payment obligations as and when they fall due for payment. No changes were made in the objectives, policies and procedures from the previous year.

During the year, the Company has registered substantial growth in its business and profitability. Keeping in view the further growth envisaged for the business in the near future, the Directors have decided to retain the entire profits earned during the year.

	30 June 2019 USD	30 June 2018 USD
6 Revenue		
a) By line of activity		
Sale of goods under turnkey projects	84,787,622	35,719,678
Services rendered	38,579,016	28,962,043
	<u>123,366,638</u>	<u>64,681,721</u>
b) By geographical areas		
Asia	59,184,181	27,798,227
North America	25,539,279	17,622,690
Africa	11,961,011	5,950,003
Europe	11,791,527	6,503,567
Oceania	14,890,640	6,807,234
	<u>123,366,638</u>	<u>64,681,721</u>



Hangji Global Limited

Notes to the financial statements Year ended 30 June 2019

	30 June 2019 USD	30 June 2018 USD
6 Revenue (Continued)		
c) By timing of transfer of goods and services		
Point in time	84,787,622	35,719,678
Over a period of time	38,579,016	28,962,043
	<u>123,366,638</u>	<u>64,681,721</u>
d) By sales channels		
Directly sold	95,656,038	64,681,721
Sold through a sales intermediary (Note 8)	27,710,600	-
Total	<u>123,366,638</u>	<u>64,681,721</u>
7 Cost of revenue		
Purchase of goods for turnkey projects	69,764,538	32,568,714
Subcontracting costs for services rendered	16,789,731	7,761,726
	<u>86,554,269</u>	<u>40,330,440</u>
8 Selling and administrative expenses		
Salaries and benefits	1,261,800	792,870
Commission on sales {Note 6 (d)}	1,385,530	158,559
Depreciation (Note 9)	8,660	-
Miscellaneous expenses	599,937	262,990
	<u>3,255,927</u>	<u>1,214,419</u>
Salaries and benefits include salaries of USD 545,232 (previous year: 245,232) paid to the Director / Shareholder in the Company (Note 16).		
9 Property and equipments (Office equipments and furniture & fixtures)		
Cost	57,734	-
Accumulated depreciation	(8,660)	-
Net book value	<u>49,074</u>	<u>-</u>
Reconciliation of net book value		
Purchased during the year	57,734	-
Depreciation for the year (Note 8)	(8,660)	-
	<u>49,074</u>	<u>-</u>
10 Advances to business associates		
These represent amounts denominated in US Dollar advanced to business associates at an effective interest rate of 2% p.a. and due for maturity on 30 June 2021. In the opinion of the management, the amounts advanced are fully recoverable and there is no impairment in their carrying values. Interest income earned on these advances amounted to USD 639,532 (Page 4).		



Hangji Global Limited

Notes to the financial statements Year ended 30 June 2019

	30 June 2019	30 June 2018
	USD	USD
11 Trade receivables		
a) The age analysis of trade receivables:		
Amounts not due (upto 180 days)	69,656,969	31,526,593
<i>Past due:</i>		
Upto 30 days	1,487,493	10,729,267
Between 30 days - 60 days	4,531,094	2,374,763
Above 60 days	-	1,808,989
Total	<u><u>75,675,556</u></u>	<u><u>46,439,612</u></u>
b) Credit risk		
i) As per the credit policy of the Company, customers are extended credit periods ranging upto 180 days on the basis of assessment of their creditworthiness, judged by their conduct in the past and management's trade experience, their reputation of financial standing, market information and the market in which they operate. The outstanding amounts are monitored and follow up for recovery is done by periodic calls and visits to the customers.		
ii) Subsequent to end of the reporting period, the Company has realized an amount of USD 55,616,063 from the trade receivables as of the date of approval of these financial statements. Having regard to the regularity of dealing with the customers, recoveries being made and review of conduct of the individual accounts, in the opinion of the management, there is no impairment in the carrying value of the remaining trade receivables		
c) Currency risk		
The Company's receivables are primarily designated in the US Dollar, hence there is no currency exchange risk with respect to trade receivables.		
12 Cash and cash equivalents		
This represents a balance in a bank account maintained with a reputed bank and is denominated in the US Dollars, hence there are no credit or currency risks with respect to the bank balance.		
13 Share capital		
Authorized, issued and paid up capital of the Company is USD 50,201,100 divided in to 50,201,100 shares of USD 1 each. The Company had issued 34,950,000 bonus shares of USD 1 each on 21 June 2018, aggregating to USD 34,950,000 by way of capitalization of retained earnings and further issued 15,250,100 shares of USD 1 each on 22 June 2018 (Page 6).		
14 Shareholders' current accounts		
Opening balance	-	500,000
Funds withdrawn during the year	-	(49,000)
Transferred to 'other payables' (Note 15)	-	(451,000)
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>
15 Trade and other payables		
Trade payables	16,196,166	6,826,038
Accrued expenses	4,100	52,088
Other payables (Note 14)	-	451,000
	<u><u>16,200,266</u></u>	<u><u>7,329,126</u></u>



Hangji Global Limited

Notes to the financial statements Year ended 30 June 2019

15 Trade and other payables (Continued)

The Company's payables are primarily designated in US Dollars, hence there is no currency exchange risk with respect to trade payables.

16 Related parties

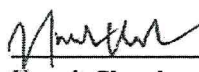
Related parties which fall within the definition of a related party as contained in International Accounting Standard 24 comprise the Shareholders, Director and companies under common management control.

At the end of the reporting period, significant balances with related parties were as follows:


	30 June 2019 USD	30 June 2018 USD
Companies under common management control		
Disclosed as due to a related party	<u>-</u>	<u>158,700</u>
Significant transactions with related parties during the year, which management considers to be in normal course of business and at terms which correspond with the terms with third parties, were as below:		
Director/Shareholder		
Salaries and benefits (Note 8)	<u>545,232</u>	<u>245,232</u>

17 Approval of the financial statements

Approved by the Shareholders and authorised for issue on 10 October 2019 and signed on their behalf by the Directors.



Umesh Chandra
Director



Vipul Choudhari
Director

