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# **VIAGOLD CAPITAL LIMITED**

(Incorporated in Bermuda with limited liability)

(ARBN: 070 352 500)

**Preliminary Final Report**  
For the year ended 31 March 2019  
ASX Appendix 4E

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

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# VIAGOLD CAPITAL LIMITED

## PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

1. **Name of Entity**

ARBN:

Financial year ended (reporting period)

Financial year ended (previous corresponding period)

VIAGOLD CAPITAL LIMITED

070 352 500

31 March 2019

31 March 2018

2. **Results for announcement to the market**

*(Amount and percentage change up or down from the previous corresponding period)*

|   | <u>2019</u>         | <u>2018</u> | <u>Change</u>                  | <u>Change</u> |
|---|---------------------|-------------|--------------------------------|---------------|
|   | A\$'000             | A\$'000     | A\$'000                        | %             |
| 2.1 Revenue from ordinary activities  | 27,397              | 35,597      | (8,200)                        | -23%          |
| 2.2 Loss from ordinary activities<br>after tax attributable to<br>the equity holders of the Company | (2,898)             | (1,126)     | (1,772)                        | 157%          |
| 2.3 Net loss for the reporting period<br>attributable to the equity holders<br>of the Company       | (2,898)             | (1,126)     | (1,772)                        | 157%          |
| 2.4 Dividends   | Amount per security |             | Franked amount<br>per security |               |
| Final dividend  | Nil                 |             | N/A                            |               |
| Interim dividend  | Nil                 |             | N/A                            |               |
| Previous corresponding period   | Nil                 |             | N/A                            |               |
| 2.5 Record date for determining<br>entitlements to the dividend                                     |                     |             | N/A                            |               |

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **EXPLANATION OF RESULTS**

I am pleased to present the 2018/2019 annual results of ViaGold Capital Limited ("VIA") and its subsidiaries collectively referred to as the "Group" and the outlook for 2019.

### **REVIEW**

As all shareholders will be aware, the operating conditions were extremely challenging in the year under review. It was indeed the most challenging marketing environment the Group has experienced, in particular in the rare-earth refinery and processing sector. For the year ended 31 March 2019, the Group recorded a consolidated revenue of approximately AUD27,397,000 (period ended 31 March 2018: AUD35,597,000).

During the year under review, the education management sector recorded an increase in revenue of AUD408,000 (period ended 31 March 2018: AUD368,000), representing an increase of 10.9%, the Leasing and Capital sector recorded an increase in revenue of AUD360,000 as well (period ended 31 March 2018: AUD215,000), representing a sharp growth of 67.4%. However, they are offset by the decrease in revenue in the rare earth refining and separation sector for AUD26,629,000 (period ended 31 March 2018: AUD35,014,000), representing a decrease of 23.9%. The loss was attributable to the equity holder of the Group for the year ended 31 March 2019 was AUD2,898,000 (period ended 31 March 2018: AUD1,126,000).

### **GAIN AND LOSS**

- (i) (1) The segment loss in rare earth refining and separation was AUD24,901,000 (2018: loss of AUD170,000) which was mainly attributed to (1) the complicated and ever-changing market environment challenging the rare earth sector and (2) an incident led by theft and illegal move by third party of the inventory at an external warehouse that itself led to a loss of AUD21,440,000. The rare-earth processing associate entity has already filed the incident with the local police in Changzhou and is going put the external warehouse owner into full responsibility to recover the loss of value of the inventory.
- (ii) The segment profit in education management was AUD126,000 (2018: profit of AUD8,000) which was mainly contributed to the followings:
  - a/ The increase of students enrolled in the new school premises which has harvested from the move consolidating the three school premises into one a year ago; and
  - b/ The continued enjoying of the cost effectiveness during the period by reduction in:
    - i/ Salaries for principals, vice principals and administrative staffs that have been reduced by 23.7%; and
    - ii/ Office rent in line with the reduction in staffs.

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **EXPLANATION OF RESULTS (Continued)**

#### **GAIN AND LOSS (Continued)**

- (iii) The segment loss in leasing and capital financing was AUD158,000 (2018: loss of AUD168,000). During the period ended 31 March 2019, the revenue increased to AUD360,000 (period ended 31 March 2018: AUD215,000).

As a result, although there was an increase in the segment profit of education management sector and the drop in the segment loss of the leasing and capital financing sector, the segment loss in the rare earth refining and separation sector has overwhelmed it. The management has incurred a sharp increase of 157.4% of consolidated loss as attributed to the equity holders of the Group.

#### **PROSPECT**

Looking ahead, the Group will focus on exploring the strategic mergers/acquisitions/joint venture opportunities to expand in rare-earth industry and complement our organic growth while planning to make endeavor to engage in rare-earth related high technologies development to strengthen the Group's competitive position. We have aligned with the main players in the industry in China and look forward to deepening our cooperation relationships which will better our portfolio while generating gains for the shareholders of the Group. Moreover, Rare earth has aroused attentions around the world recently which we believe will contribute to a better market demand and higher return in the near future.

The education management sector has been very stable and expected to continue to perform on a professional level while developing more programs. The group expects to maintain growth in the car leasing sector and our team in Beijing has been actively seeking for more long term leasing contracts to sustain a growth pattern.

#### **APRPECIATION**

On behalf of the Board, I would like to express my heartfelt gratitude to the Group's shareholders, customers, bankers, consultants and professionals for the continuing support, and my fellow directors and all the dedicated staffs for their hard work and valuable contributions during the year.

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **OTHER INFORMATION**

| <b>1. Net assets per security</b>        | <b>Current<br/>Reporting<br/>Period</b> | <b>Previous<br/>Corresponding<br/>Period</b> |
|--|---|--|
| Net assets backing per ordinary security | A\$0.56                                 | A\$1.20                                      |

### **2. Dividends**

There was no dividend paid or declared during the current year.

### **3. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan**

N/A

### **4. Details of associates and joint venture entities**

For the year ended 31 March 2019, the Group only have interests in an associate and no joint venture entities.

# VIAGOLD CAPITAL LIMITED

## PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS

|   | <b>2019</b>             | <b>2018</b>             |
|---|-------------------------|-------------------------|
|   | <b>A\$'000</b>          | <b>A\$'000</b>          |
| Turnover  | 27,397                  | 35,597                  |
| Cost of services and sales  | <u>(28,446)</u>         | <u>(33,390)</u>         |
| <b>Gross (loss)/profit</b>  | (1,049)                 | 2,207                   |
| Other income  | 75                      | 266                     |
| Administrative expenses   | (2,970)                 | (3,349)                 |
| Write-off of inventories  | (21,440)                | -                       |
| Impairment loss on interest in an associate                             | -                       | (191)                   |
| Impairment loss on goodwill   | (2,816)                 | -                       |
| Share of result of an associate   | (149)                   | 29                      |
| Finance costs   | <u>(47)</u>             | <u>(112)</u>            |
| <b>Loss before income tax</b>   | (28,396)                | (1,150)                 |
| Income tax credit/(expenses)  | <u>5,341</u>            | <u>(203)</u>            |
| <b>Loss for the year</b>  | <u><u>(23,055)</u></u>  | <u><u>(1,353)</u></u>   |
| <b>Attributable to:</b>   |                         |                         |
| Equity holders of the Company   | (2,898)                 | (1,126)                 |
| Non-controlling interests   | <u>(20,157)</u>         | <u>(227)</u>            |
|   | <u><u>(23,055)</u></u>  | <u><u>(1,353)</u></u>   |
| <b>Loss per share attributable to the equity holders of the Company</b> |                         |                         |
| - Basic   | <u><u>(A\$0.07)</u></u> | <u><u>(A\$0.03)</u></u> |
| - Diluted   | <u><u>(A\$0.07)</u></u> | <u><u>(A\$0.03)</u></u> |

The above preliminary consolidated financial statements should be read in conjunction with the accompanying notes set out on pages 11 to 16.

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

|   | <b>2019</b>     | <b>2018</b>    |
|---|-----------------|----------------|
|   | <b>A\$'000</b>  | <b>A\$'000</b> |
| <b>Loss for the year</b>                                      | (23,055)        | (1,353)        |
| Other comprehensive income for the year                       |                 |                |
| Items that may be reclassified subsequently to profit or loss |                 |                |
| Exchange realignment on translation of:                       |                 |                |
| - Financial statements of overseas subsidiaries               | <u>(168)</u>    | <u>1,518</u>   |
| <b>Total comprehensive (loss)/income for the year</b>         | <u>(23,223)</u> | <u>165</u>     |
| <b>Total comprehensive (loss)/income attributable to:</b>     |                 |                |
| Equity holders of the Company                                 | (2,511)         | (566)          |
| Non-controlling interests                                     | <u>(20,712)</u> | <u>731</u>     |
|   | <u>(23,223)</u> | <u>165</u>     |

The above preliminary consolidated financial statements should be read in conjunction with the accompanying notes set out on pages 11 to 16.



# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | <b>2019</b>          | <b>2018</b>           |
|--|----------------------|-----------------------|
|  | <b>A\$'000</b>       | <b>A\$'000</b>        |
| <b>ASSETS</b>  |                      |                       |
| <b>Non-current assets</b>  |                      |                       |
| Fixed assets   |                      |                       |
| - Investment property  | 497                  | 537                   |
| - Plant and equipment  | 7,759                | 8,752                 |
| Land use rights  | 4,415                | 4,421                 |
| Interests in an associate  | 188                  | 337                   |
| Goodwill   | -                    | 2,856                 |
| Financial assets at fair value<br>through other comprehensive income | 2,308                | -                     |
| Available-for-sale financial assets                                  | -                    | 2,278                 |
|  | <u>15,167</u>        | <u>19,181</u>         |
| <b>Current assets</b>  |                      |                       |
| Trade and other receivables  | 24,825               | 21,270                |
| Inventories  | 46,816               | 69,087                |
| Pledged bank deposits  | 140                  | 1,036                 |
| Cash and cash equivalents  | 926                  | 923                   |
|  | <u>72,707</u>        | <u>92,316</u>         |
| <b>Total assets</b>  | <u><u>87,874</u></u> | <u><u>111,497</u></u> |

The above preliminary consolidated financial statements should be read in conjunction with the accompanying notes set out on pages 11 to 16.

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**

|   | <b>2019</b>    | <b>2018</b>    |
|---|----------------|----------------|
|   | <b>A\$'000</b> | <b>A\$'000</b> |
| <b>CAPITAL AND RESERVES</b>   |                |                |
| <b>Equity</b>   |                |                |
| Share capital   | 8,331          | 8,331          |
| Reserves  | 2,150          | 8,615          |
|   | <u>10,481</u>  | <u>16,946</u>  |
| Capital and reserves attributable<br>to the equity holders of the Company | 10,481         | 16,946         |
| Non-controlling interests   | 12,362         | 33,074         |
|   | <u>22,843</u>  | <u>50,020</u>  |
| <b>Total equity</b>   | <b>22,843</b>  | <b>50,020</b>  |
| <b>LIABILITIES</b>  |                |                |
| <b>Non-current liabilities</b>  |                |                |
| Deferred tax liabilities  | 7,477          | 12,820         |
|   | <u>7,477</u>   | <u>12,820</u>  |
| <b>Current liabilities</b>  |                |                |
| Trade and other payables  | 57,518         | 46,548         |
| Tax payable   | 36             | 36             |
| Short-term bank borrowing   | -              | 2,073          |
|   | <u>57,554</u>  | <u>48,657</u>  |
| <b>Net current assets</b>   | <b>15,153</b>  | <b>43,659</b>  |
| <b>Total equity and liabilities</b>                                       | <b>87,874</b>  | <b>111,497</b> |

The above preliminary consolidated financial statements should be read in conjunction with the accompanying notes set out on pages 11 to 16.

**VIAGOLD CAPITAL LIMITED****PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2019****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|  | Attributable to equity holders of the Company |                            |                                  |                                  |                              |  |                                 |                     |  |          | Total<br>equity<br>AS'000 |
|--|---|----------------------------|----------------------------------|----------------------------------|------------------------------|--|---------------------------------|---------------------|--|----------|---------------------------|
|  | Share<br>capital<br>AS'000                    | Share<br>premium<br>AS'000 | Translation<br>reserve<br>AS'000 | Contributed<br>surplus<br>AS'000 | Warrant<br>reserve<br>AS'000 | Share-based<br>compensation<br>reserve<br>AS'000 | Accumulated<br>losses<br>AS'000 | Sub-total<br>AS'000 | Non-controlling<br>interests<br>AS'000 |          |                           |
| As at 1 April 2017   | 8,031   | 43,445                     | (27,786)                         | 47,645                           | 1,440                        | 2,949  | (59,277)                        | 16,447              | 32,343                                 | 48,790   |                           |
| - Total comprehensive income/(loss) for the year                           | -   | -                          | 560                              | -                                | -                            | -  | (1,126)                         | (566)               | 731                                    | 165      |                           |
| Transactions with equity holders in their capacity                         | 8,031   | 43,445                     | (27,226)                         | 47,645                           | 1,440                        | 2,949  | (60,403)                        | 15,881              | 33,074                                 | 48,955   |                           |
| - Issuance of shares by exercise of warrants                               | 300   | 885                        | -                                | -                                | (120)                        | -  | -                               | 1,065               | -                                      | 1,065    |                           |
| - Transfer of warrant reserve upon lapse of warrants                       | -   | -                          | -                                | -                                | (240)                        | -  | 240                             | -                   | -                                      | -        |                           |
| - Transfer of share-based compensation reserve upon lapse of share options | -   | -                          | -                                | -                                | -                            | (1,242)  | 1,242                           | -                   | -                                      | -        |                           |
| As at 31 March 2018  | 8,331   | 44,330                     | (27,226)                         | 47,645                           | 1,080                        | 1,707  | (58,921)                        | 16,946              | 33,074                                 | 50,020   |                           |
| As at 1 April 2018   | 8,331   | 44,330                     | (27,226)                         | 47,645                           | 1,080                        | 1,707  | (58,921)                        | 16,946              | 33,074                                 | 50,020   |                           |
| Adjustment on adoption of HKFRS 9, net of tax                              | -   | -                          | -                                | -                                | -                            | -  | (3,954)                         | (3,954)             | -                                      | (3,954)  |                           |
| Restated balance on 1 April 2018   | 8,331   | 44,330                     | (27,226)                         | 47,645                           | 1,080                        | 1,707  | (62,875)                        | 12,992              | 33,074                                 | 46,066   |                           |
| - Total comprehensive loss for the year                                    | -   | -                          | 387                              | -                                | -                            | -  | (2,898)                         | (2,511)             | (20,712)                               | (23,223) |                           |
| Transactions with equity holders in their capacity                         | 8,331   | 44,330                     | (26,839)                         | 47,645                           | 1,080                        | 1,707  | (65,773)                        | 10,481              | 12,362                                 | 22,843   |                           |
| - Transfer of warrant reserve upon lapse of warrants                       | -   | -                          | -                                | -                                | (150)                        | -  | 150                             | -                   | -                                      | -        |                           |
| As at 31 March 2019  | 8,331   | 44,330                     | (26,839)                         | 47,645                           | 930                          | 1,707  | (65,623)                        | 10,481              | 12,362                                 | 22,843   |                           |

The above preliminary consolidated financial statements should be read in conjunction with the accompanying notes set out on pages 11 to 16.

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | <b>2019</b>       | <b>2018</b>       |
|--|-------------------|-------------------|
|  | <b>A\$'000</b>    | <b>A\$'000</b>    |
| <b>Operating activities</b>                                  |                   |                   |
| Net cash generated from/(used in) operating activities       | <u>1,377</u>      | <u>(2,971)</u>    |
| <b>Investing activities</b>                                  |                   |                   |
| Purchase of fixed assets                                     | (233)             | (1,081)           |
| Purchase of available-for-sale financial assets              | -                 | (481)             |
| Proceeds from disposal of plant and equipment                | 89                | 203               |
| Interest received  | <u>31</u>         | <u>54</u>         |
| Net cash used in investing activities                        | <u>(113)</u>      | <u>(1,305)</u>    |
| <b>Financing activities</b>                                  |                   |                   |
| Interest paid  | (47)              | (112)             |
| Decrease/(increase) of pledged fixed deposits                | 886               | (474)             |
| Repayment of bank loans                                      | (2,043)           | -                 |
| Proceeds from bank loans                                     | -                 | 2,073             |
| Proceeds from issuance of new shares by exercise of warrants | <u>-</u>          | <u>1,065</u>      |
| Net cash (used in)/generated from financing activities       | <u>(1,204)</u>    | <u>2,552</u>      |
| <b>Net increase/(decrease) in cash and cash equivalents</b>  | <b>60</b>         | <b>(1,724)</b>    |
| Cash and cash equivalents at the beginning of the year       | 923               | 1,374             |
| Effect of foreign exchange rate change, net                  | <u>(57)</u>       | <u>1,273</u>      |
| <b>Cash and cash equivalents at the end of the year</b>      | <u><u>926</u></u> | <u><u>923</u></u> |

The above preliminary consolidated financial statements should be read in conjunction with the accompanying notes set out on pages 11 to 16.

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **NOTES TO THE PRELIMINARY FINAL REPORT**

#### **Note 1. Statement of Significant Accounting Policies**

The preliminary final report of ViaGOLD Capital Limited and its subsidiaries (collectively the "Group") has been prepared in accordance with listing rule 4.3A of the Australian Securities Exchange Limited ("ASX") and has been derived from the unaudited consolidated financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards.

The preliminary final report is presented in Australian dollars, unless otherwise stated.

The preliminary final report has been prepared under the historical cost convention, as modified by the revaluations of financial assets and financial liabilities at fair value through profit or loss (if any). The accounting policies adopted in this report is the same as those disclosed in the consolidated financial statements for the year ended 31 March 2019.

The International Accounting Standards Board ("IASB") has issued a number of new International Financial Reporting Standards and IFRIC interpretations ("IFRSs") and amendments to IFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

IFRS 9, Financial instruments

IFRS 15, Revenue from contracts with customers

IFRS 9 replaces IAS 39, Financial instruments: recognition and measurement. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 also replaces the "incurred loss" model in IAS 39 with the expected credit loss ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in IAS 39.

The Group has applied IFRS 9 retrospectively to items that existed at 1 April 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 April 2018. Therefore, comparative information continues to be reported under IAS 39.

The following table summarises the impact of transition to IFRS 9 on trade and other receivables and accumulated losses at 1 April 2018.

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **NOTES TO THE PRELIMINARY FINAL REPORT (continued)**

#### **Note 1. Statement of Significant Accounting Policies (continued)**

|                                    | IAS 39<br>Carrying amount<br>31 March 2018<br>A\$'000 | Remeasurement<br>A\$'000 | IFRS 9<br>Carrying amount<br>1 April 2018<br>A\$'000 |
|------------------------------------|---|--------------------------|--|
| <b>Trade and other receivables</b> | 21,270  | (3,954)                  | 17,316   |
| <b>Accumulated losses</b>          | 58,921  | 3,954                    | 62,875   |

Apart from above, the adoption of IFRS 9 and IFRS 15 has had no impact on the Group's consolidated financial statements.

The accounting policies adopted in this report have been consistently applied by each entity in the consolidated entity and are consistent with those of the previous year other than adoption of IFRS 9 and IFRS 15.

The preliminary final report is based on the financial statements which are in the process of being audited.

The current reporting in the preliminary final report is the year ended 31 March 2019 while the prior year is the year ended 31 March 2018.

#### **Note 2. Segment Reporting**

The Group manages its business by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following reportable segments:

- Rare earth refining and separation
- Leasing and capital financing
- Provision of consultancy and management services to educational institutions

Geographically, the Group's businesses are divided into Hong Kong and the People's Republic of China (the "PRC"). The main business in Hong Kong is investment holdings. The businesses in the PRC are segregated into rare earth refining and separation, leasing and capital financing services, and consultancy and management services to educational institutions.

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **NOTES TO THE PRELIMINARY FINAL REPORT (continued)**

#### **Note 2. Segment Reporting (continued)**

100% of the Group's customers are located in Mainland China and revenue of the Group is derived from operations in Mainland China.

100% of the Group's non-current assets are located in Mainland China. The geographical location of the non-current assets is based on the physical location of assets in the case of property, plant and equipment, and the location of the operation to which they are allocated in the case of goodwill.

The management assesses the performance of the operating segments based on the profit/loss for the year. This measurement basis excludes intra-group transactions and gain/loss of disposal of subsidiaries.

All assets are allocated to reportable segments other than interests in an associate and unallocated corporate assets. All liabilities are allocated to reportable segments other than unallocated corporate liabilities.

VIAGOLD CAPITAL LIMITED

PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE PRELIMINARY FINAL REPORT (continued)

Note 2. Segment Reporting (continued)

The segment information provided to the management for the reporting segments for the year ended 31 March 2019 is as follows:

|   | Leasing and<br>capital financing<br>AS'000 | Provision of<br>consultancy and<br>management<br>services to<br>educational<br>institutions<br>AS'000 | Rare earth refining<br>and separation<br>AS'000 | Total<br>AS'000 |
|---|--|---|---|-----------------|
| Segment revenue   | 360  | 408   | 26,629  | 27,397          |
| Inter-segment revenue   | -  | -   | -   | -               |
| Revenue from external customers                                       | <u>360</u>                                 | <u>408</u>  | <u>26,629</u>                                   | <u>27,397</u>   |
| Reportable segment (loss)/profit before income tax                    | (158)                                      | 126   | (24,901)  | (24,933)        |
| Unallocated corporate expenses  |  |   |   | (3,463)         |
| Loss before income tax  |  |   |   | <u>(28,396)</u> |
| Depreciation  | (224)                                      | (54)  | (903)   | (1,181)         |
| Amortisation of land use rights                                       | -  | -   | (62)  | (62)            |
| Interest income   | 1  | -   | 31  | 32              |
| Finance costs   | -  | -   | (47)  | (47)            |
| Gain/(loss) on disposal of plant and equipment                        | <u>-</u>                                   | <u>-</u>  | <u>(86)</u>                                     | <u>(86)</u>     |
| <b>As at 31 March 2019</b>  |  |   |   |                 |
| Reportable segment assets   | 1,866                                      | 560   | 84,903  | 87,329          |
| Interests in an associate   |  |   |   | 188             |
| Unallocated corporate assets  |  |   |   | 357             |
| Consolidated total assets   |  |   |   | <u>87,874</u>   |
| Non-current assets<br>(Other than financial instruments)              | 1,079                                      | 298   | 11,292  | 12,669          |
| Unallocated corporate assets  |  |   |   | 190             |
|   |  |   |   | <u>12,859</u>   |
| Additions to non-current assets<br>(Other than financial instruments) | <u>-</u>                                   | <u>-</u>  | <u>233</u>                                      | <u>233</u>      |
| Reportable segment liabilities  | (122)                                      | (869)   | (62,404)  | (63,395)        |
| Unallocated corporate liabilities                                     |  |   |   | (1,636)         |
| Consolidated total liabilities  |  |   |   | <u>(65,031)</u> |

The Group's customer base includes three (2018: two) customers with whom transactions have exceeded 10% of the Group's total revenue. Revenue from sales to these customers amounted to A\$11,562,000, A\$4,043,000 and A\$3,195,000 each which related to rare earth refining and separation segment (2018: A\$10,981,000 and A\$5,037,000 each which related to rare earth refining and separation segment).



VIAGOLD CAPITAL LIMITED

PRELIMINARY FINAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2019

NOTES TO THE PRELIMINARY FINAL REPORT (continued)

Note 2. Segment Reporting (continued)

The segment information for the reporting segments for the year ended 31 March 2018 is as follows:

|   | Leasing and<br>capital financing<br>AS'000 | Provision of<br>consultancy and<br>management<br>services to<br>educational<br>institutions<br>AS'000 | Rare earth refining<br>and separation<br>AS'000 | Total<br>AS'000 |
|---|--|---|---|-----------------|
| Segment revenue   | 215  | 368   | 35,014  | 35,597          |
| Inter-segment revenue   | -  | -   | -   | -               |
| Revenue from external customers                                       | <u>215</u>                                 | <u>368</u>  | <u>35,014</u>                                   | <u>35,597</u>   |
| Reportable segment (loss)/profit before income tax                    | (168)                                      | 8   | (170)   | (330)           |
| Unallocated corporate expenses  |  |   |   | (820)           |
| Loss before income tax  |  |   |   | <u>(1,150)</u>  |
| Depreciation  | (133)                                      | (11)  | (1,053)   | (1,197)         |
| Amortisation of land use rights                                       | -  | -   | (59)  | (59)            |
| Interest income   | 2  | -   | 52  | 54              |
| Finance costs   | -  | -   | (112)   | (112)           |
| Gain on disposal of plant and equipment                               | <u>25</u>                                  | <u>-</u>  | <u>(2)</u>                                      | <u>23</u>       |
| <b>As at 31 March 2018</b>  |  |   |   |                 |
| Reportable segment assets   | 1,981                                      | 366   | 105,322   | 107,669         |
| Interests in an associate   |  |   |   | 337             |
| Unallocated corporate assets  |  |   |   | 3,491           |
| Consolidated total assets   |  |   |   | <u>111,497</u>  |
| Non-current assets<br>(Other than financial instruments)              | 1,293                                      | 350   | 12,067  | 13,710          |
| Unallocated corporate assets  |  |   |   | 3,193           |
|   |  |   |   | <u>16,903</u>   |
| Additions to non-current assets<br>(Other than financial instruments) | <u>765</u>                                 | <u>236</u>  | <u>80</u>                                       | <u>1,081</u>    |
| Reportable segment liabilities  | (100)                                      | (797)   | (59,256)  | (60,153)        |
| Unallocated corporate liabilities                                     |  |   |   | (1,324)         |
| Consolidated total liabilities  |  |   |   | <u>(61,477)</u> |

# **VIAGOLD CAPITAL LIMITED**

## **PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 MARCH 2019**

### **NOTES TO THE PRELIMINARY FINAL REPORT (continued)**

#### **Note 3. Additions to Plant and Equipment**

During the year, the Group acquired plant and equipment at a cost of approximately A\$233,000 (Year ended 31 March 2018: approximately A\$1,081,000).

#### **Note 4. Audit Status**

This report is based on accounts which are in the process of being audited.

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