Appendix 4D

28 February 2019

Half year reporting period ending 31 December 2018

The following information is provided to ASX under listing rule 4.2A.3.

1. Reporting period

Current Period: 6 months ended 31 December 2018
Prior Period: 6 months ended 31 December 2017

2. Results for announcement to the market

	Item	31 December 2018 $	31 December 2017 $	Change %
Revenue from ordinary activities	2.1	$478,597	$201,160	138%
Profit/(Loss) after tax attributable to members	2.2	($374,758)	($3,889,688)	90%
Net Profit/(Loss) attributable to members	2.3	($374,758)	($3,889,688)	90%
Dividend	2.4	ServTech Global Holdings Limited did not declare a dividend during the current reporting or corresponding previous reporting period.		
The record date for determining entitlements to the dividend	2.5	Not applicable		
Explanatory information	2.6			

Overview

For the Half Year Ended 31 December 2018, ServTech Global Holdings Limited ("ServTech" or the "Company") was focused on:

- Delivering custom software development and support activities for its clients
- Implementing change management initiatives to deliver cost efficient development and support services

During the half year, ServTech announced that it had entered into an IT development contract with Emerge Gaming Solutions Pty Ltd ("Emerge") to offer strategic insights and manage the development and maintenance of Emerge's eSports platform, for revenue of circa $500,000 over a 2 years period.

On 10 July 2018, the Company advised that the real estate businesses sold to The Agency Group Australia Limited ("The Agency") had been successfully migrated to The Agency. As part of the transaction, ServTech continues to deliver support and SaaS services to The Agency. ServTech's invoiced more than ~$30,000 each month for services to The Agency demonstrating that the offering has expanded beyond the scope of the initial engagement.

On 9 August 2018, ServTech announced that it had successfully completed development of a mobile application for a leading real estate profession in WA - Real Estate Institute of WA ("REIWA"). The successful launch of the REIWA app represents the first phase of development. The Company expects to gain further incremental revenue from this engagement as well as other contracts in the pipeline.

Subsequent to period end on 22 January 2019, the Company announced that it has signed a binding agreement to acquire 100% of European based software development business Officine 8K S.r.l. (to be renamed "Vection"). Vection is an established, European full-service software development company with advanced Augmented Reality ("AR") and Virtual Reality ("VR") development capabilities, providing practical and commercial software solutions for its clients, from web and mobile applications to AR and VR. The Company intends to raise $2,000,000 in order to fund the Company's and Vection's operations and ongoing commercial activities.

Revenue

Overall revenue from ordinary activities ($478,597) was up on the prior period (2017: $201,160) as a result of various software development contracts including Emerge and REIWA. In addition, the company received $190,175 from the discontinued businesses.

Expenditure

Following completion of the Company's restructuring process, total expenditure from ordinary activities ($1,043,530) was significantly lower (73%) than prior period (2017: $3,802,527). With substantially reduced overheads and most legacy issues resolved, the Company is well positioned to become profitable.

Outlook

ServTech delivers software development and support solutions to its clients from its two operational divisions.
ServTech plans to accelerate its software development operations through its newly acquired European operation's sales network, leveraging Vection's development capabilities. Following the acquisition of Vection, the Company will be positioned as a global software development company with expertise ranging from website and app development to Virtual and Augmented Reality and will leverage its newly acquired SaaS VR platform to drive further value across the group.

3. Net tangible assets per security

	31 December 2018	31 December 2017
Net tangible asset per share (cents per share)	0.11 cents	0.02 cents

4. Details of entities over which control has been gained or lost during the period

There were no entities over which control has been gained or lost during the period. Note the transaction with The Agency was completed post period end.

5. Details of individual and total dividends or distributions and dividends or distribution payments

Not applicable.

6. 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

Not applicable.

7. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities

Not applicable.

8. For foreign entities, which set of accounting standards is used in compiling the report

The Company is not a foreign entity.

9. For all entities, if the accounts contain an independent audit report or review that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

The 2018 Half-Year report is based upon accounts that were reviewed by the Company's auditor and are not subject to a modified opinion. The report does include an emphasis of matter regarding the going concern basis of preparation of the interim financial accounts.

Yours faithfully

ServTech Global Holdings Limited

Bert Mondello
Chairman
Tel: +618 6380 2555

SERVTECH GLOBAL HOLDINGS LIMITED

ABN 93 614 814 041

INTERIM FINANCIAL REPORT

For the six months ended 31 December 2018

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2018 and any announcements to the market during the half-year ended 31 December 2018.

CONTENTS

DIRECTORS' REPORT

The Directors of ServTech Global Holdings Limited (the **Company**, **Group** or **SVT**) present the Interim Financial Report for the period ended 31 December 2018 and the auditor's review report.

DIRECTORS

The Directors of the Company at any time during or since the end of the interim period and until the date of this report are noted below:

Mr Bert Mondello

Non-Executive Chairman – Appointed: 22 November 2017

Mr Gianmarco Orgnoni

Non-Executive Director – Appointed: 22 November 2017

Mr Derek Hall

Non-Executive Director – Appointed: 7 February 2018

PRINCIPAL ACTIVITIES

During the period, the principal continuing activity of the Group consisted of software development and support activities for clients in multiple industry verticals.

REVIEW OF OPERATIONS

Following the implementation of change management initiatives, the Company is successfully developing and delivering software development solutions for renowned national and international businesses, cementing its industry position and capabilities.

The Company has implemented an organisational structure capable of delivering results to its clients, leveraging the knowledge of its team consisting of 30 software development professionals, with skill sets including, but not limited to, back end and front-end PHP, database, native iOS and Android as well as UI/UX developing, designing and testing.

Services Contract with The Agency

On 10 July 2018, the Company advised that the real estate businesses sold to The Agency Group Australia Limited (**The Agency**) (ASX: 21 February 2018) had been successfully migrated to The Agency.

As part of the transaction, ServTech continues to deliver services and SaaS support to The Agency.

The Company has continued to provide these services to The Agency's Sell Lease Property brand, The Agency's Mortgage and Finance Solutions and Property Management divisions. During the quarter, there

ServTech is currently in discussions with several real estate agencies and other corporates to provide these types of services. The Company expects to be able to report on these opportunities in due course.

Revenue from Software Development Contracts
The Company continues to provide services to Emerge Gaming Solutions Pty Ltd (**Emerge**) under the 2-year Services Contract Agreement to offer strategic insights and manage the development and maintenance of Emerge's cutting-edge eSports platform Arcade X (ASX: 7 May 2018).

The agreement with Emerge is the largest development contract the Company has secured since its inception and profitably underpins the operations of the software development division for the long term.

The development team also continues to service the Real Estate Institute of WA (**REIWA**) mobile application (**REIWA App**). During the period, the REIWA App was developed and launched successfully by the development team and the Company anticipates further work to flow from this engagement.

Outlook
Over the past year and a half, ServTech's Board and management have been focussed on stabilising the business and concentrating resources on profitable software development and outsourced services for external clients.

Board and management are focused on driving revenue into its software development and outsourced services teams. In this regard, a pipeline of contract opportunities has been assembled, in tandem with the identification and assessment of potential complementary projects and acquisitions. In this regard, subsequent to period end, SVT announced its plans to acquire leading software development company Officine 8K Srl (to be renamed **Vection**).

Vection is an established, European full-service software development company with advanced Augmented Reality (**AR**) and Virtual Reality (**VR**) development capabilities, providing practical and commercial software solutions for its clients, from web and mobile applications to AR and VR. Vection currently targets the software development market and the virtual and augmented reality market.

The acquisition of Vection marks the first step of an international expansion strategy into new software development verticals that will continue to receive the Board and management's strategic and investment focus. With advanced Virtual Reality and Augmented Reality software development capabilities, and a commercialised VR platform, ready for global scale, Vection augments SVT's software technology credentials and end to end service delivery capabilities.

RESULTS
The Company incurred a loss of $374,758 after income tax for the period (2017: loss $3,889,688).

A substantial proportion of the loss in the prior period is attributable to the obligations of running the real estate related businesses which was a non-core activity. With the sale of the real estate businesses, SVT has been able to focus its resources and management towards its core offerings of Outsourced Solutions, Custom Software Development and Software as a Service. As a result, the Company is close to a delivering positive cashflows from its operations.

EVENTS OCCURING AFTER THE REPORTING PERIOD
On 22 January 2019, the Company announced that it had signed a binding agreement to acquire 100% of European based software development business Vection. The Company intends to convene a general meeting of shareholders (**General Meeting**) to seek approval pursuant to ASX Listing Rule 11.1.2 for the Acquisition.

Shareholder approval is required as the Acquisition will result in a significant change to the current scale of the Company's activities.

The terms of the acquisition are as follows:

- Consideration of 292,556,186 ServTech ordinary shares (**Shares**) at a deemed issue price of $0.02 per Share, to be issued to Vection shareholders;
- Upfront cash consideration of ~$69,000;
- Deferred, performance based, consideration of up to 150,000,000 Shares, to be issued to the shareholders of Vection in three (3) equal tranches of 50,000,000 shares subject to the achievement of milestones.

In addition, in order to fund the continued operations of Vection and the Company's ongoing commercial activities, the Company intends to issue a further 111,111,111 Shares (**Placement**) at $0.018 to sophisticated and professional investors to raise an additional $2,000,000 before costs. The Company will seek shareholder approval at the General Meeting to conduct the Placement without using the Company's 15% annual placement capacity.

Following the acquisition of Vection, the Company believes it will be well positioned to integrate Vection into its existing operations, driving further growth and value, with the benefit of both sets of technical personnel, and synergies from shared resources and funding.

Other than the above, there were no other subsequent events.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than disclosed elsewhere in this Directors report, there have been no significant changes in the state of affairs of the Group which occurred during the period.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Other than information disclosed elsewhere in this interim report, information on likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this Directors' Report because the Directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the Group.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Criterion Audit Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 6 and forms part of this Directors' Report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of *the Corporations Act 2001*.

Mr Bert Mondello
Chairman
Dated at Perth, Western Australia this 28th day of February 2019.

CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 2138 SUBIACO WA 6904

Suite 1 GF, 437 Roberts Road
SUBIACO WA 6008

Phone: 6380 2555 Fax: 9381 1122

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of ServTech Global Holdings Ltd and its controlled entities for the half year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 28th day of February 2019

SERVTECH GLOBAL HOLDINGS LIMITED
HALF-YEARLY REPORT FOR THE PERIOD TO 31 DECEMBER 2018
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Consolidated	
		Period Ended 31 Dec 2018	Period Ended 31 Dec 17*
	Notes	$	$
Revenue			
Revenue	2(ii)	478,597	201,160
Expenses			
Employee benefits expense		466,694	1,576,262
Consulting and professional fees		206,807	458,549
Finance costs		15,479	46,226
Depreciation and amortisation		51,869	67,322
Other expenses	2(i)	265,781	1,654,168
Share based payments		36,900	-
Total Expenditure		1,043,530	3,802,527
Loss before income tax expense		(564,933)	(3,601,367)
Income tax expense		-	-
Loss after income tax attributable to equity holders		(564,933)	(3,601,367)
Discontinued Operations			
Profit (loss) for the year after income tax from discontinued operations	14	190,175	(288,321)
Loss after income tax attributable to equity holders of ServTech Global Holdings Limited		(374,758)	(3,889,688)
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(1,860)	4,378
Total comprehensive loss for the period		(1,860)	4,378
Total comprehensive loss attributable to equity holders of ServTech Global Holdings Limited		(376,618)	(3,885,310)
Loss per share for the year attributable to the members of ServTech Global Holdings Ltd			
Discontinued operations profit (loss) per share for the year (per share)	12	0.10	(0.0028)
Continuing operations loss per share for the year (per share)	12	(0.30)	(0.0349)
Overall basic loss per share	12	(0.20)	(0.0377)
Overall diluted loss per share	12	(0.20)	(0.0377)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

*Period ended 31 December 2017 re-presented to exclude those operations classified as discontinued in the reporting period.

SERVTECH GLOBAL HOLDINGS LIMITED
HALF-YEARLY REPORT AS AT 31 DECEMBER 2018
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Consolidated	
		As at 31 Dec 2018	As at 30 June 2018
	Notes	$	$
Current Assets			
Cash and cash equivalents	3	111,645	513,754
Receivables	4	973,511	1,054,876
Total Current Assets		1,085,156	1,568,630
Non-Current Assets			
Property, plant & equipment	5	115,702	161,306
Total Non-Current Assets		115,702	161,306
Total Assets		1,200,858	1,729,936
Current Liabilities			
Trade and other payables	6	805,372	834,414
Other provisions	7	121,607	177,870
Interest bearing liabilities	8	-	1,140,078
Total Current Liabilities		926,979	2,152,362
Non-Current Liabilities			
Other provisions	7	34,705	138,760
Total Non-Current Liabilities		34,705	138,760
Total Liabilities		961,684	2,291,122
Net Assets/(Liabilities)		239,174	(561,186)
Equity			
Issued capital	9	11,581,310	10,404,332
Reserves	10	267,634	269,494
Accumulated losses	11	(11,609,770)	(11,235,012)
Total Equity/(Deficiency in Equity)		239,174	(561,186)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

SERVTECH GLOBAL HOLDINGS LIMITED
HALF-YEARLY REPORT FOR THE PERIOD TO 31 DECEMBER 2018
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Consolidated Period Ended 31 December 2018				
	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Foreign Currency Translation Reserve	Total
	$	$	$		$
Balance at 1 July 2018	10,404,332	(11,235,012)	272,500	(3,006)	(561,186)
Loss for the period	-	(374,758)	-	-	(374,758)
Other comprehensive (loss)/income	-	-	-	(1,860)	(1,860)
Total comprehensive loss for the period	-	(374,758)	-	(1,860)	(376,618)
Transactions with owners in their capacity as owners					
Share based payments	36,900	-	-	-	36,900
Issue of share capital	1,140,078	-	-	-	1,140,078
Balance at 31 December 2018	11,581,310	(11,609,770)	272,500	(4,866)	239,174
Balance at 1 July 2017	10,040,552	(7,691,115)	601,380	(1,712)	2,949,105
Loss for the period	-	(3,889,688)	-	-	(3,889,688)
Other comprehensive income	-	-	-	4,378	4,378
Total comprehensive loss for the year	-	(3,889,688)	-	4,378	(3,885,310)
Transactions with owners in their capacity as owners					
Issue of share capital	-	-	-	-	-
Balance at 31 December 2017	10,040,552	(11,580,803)	601,380	2,666	(936,205)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

SERVTECH GLOBAL HOLDINGS LIMITED

HALF-YEARLY REPORT FOR THE PERIOD TO 31 DECEMBER 2018

CONSOLIDATED STATEMENT OF CASH FLOWS

	Consolidated	
	Period Ended 31 Dec 2018	Period Ended 31 Dec 2017
	$	$
Cash flows from operating activities		
Receipts from customers	584,184	6,989,507
Payments to suppliers and employees	(1,136,185)	(9,865,400)
Interest paid	(20,506)	(15,167)
(Repayment)/Advancement of funds to employees	-	57,196
Interest received	266	4,464
Net cash outflow from operating activities	(572,241)	(2,829,400)
Cash flows from investing activities		
Payments for plant & equipment	-	(197,520)
Proceeds (Payments) for disposal of discontinued operations	195,599	104,679
Net cash outflow from investing activities	195,599	(92,841)
Cash flow from financing activities		
Proceeds from issue of convertible notes	-	500,000
Net cash inflow from financing activities	-	500,000
Cash and cash equivalents at the beginning of the financial year	513,754	3,300,575
Net increase/(decrease) in cash and cash equivalents	(376,642)	(2,422,241)
Effect of movement in exchange rates on cash held	(25,467)	(31,472)
Cash and cash equivalents at the end of the financial year	111,645	846,862

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

SERVTECH GLOBAL HOLDINGS LIMITED
HALF-YEARLY REPORT FOR THE PERIOD TO 31 DECEMBER 2018
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-yearly report of ServTech Global Holdings Limited (the **Company, Group or ServTech**) for the period ended December 2018 was authorised for issue in accordance with a resolution of directors on 28 February 2019.

The Company is a public company limited by shares incorporated on 14 September 2016 and domiciled in Australia.

The nature of the operations and principal activities of the Company are described in the Directors' report.

(a) Basis of preparation

The principle accounting policies adopted for the preparation of the interim financial report are set out below. These accounting policies have been applied consistently to all periods presented unless otherwise stated.

(i) Statement of compliance

This interim financial report for the half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting (AASB 134) and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with the International Financial Reporting Standard IAS34 'Interim Financial Reporting'.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as fill an understanding of the financial performance and cash flows of the Company as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the Company's 2018 annual financial report.

(ii) Basis of preparation

The interim financial report has been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair values at the end of each reporting period, as disclosed in the accounting policies below. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2018 annual financial report for the financial year ended 30 June 2018. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

(iii) Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. For the period ended 31 December 2018 the Group recorded a loss of $374,758 (2017: $3,889,688), negative cash flows from operating activities of $572,241 (2017: $2,829,400) a net current assets position of $239,174 as at 31 December 2018.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

On 10 July 2018, the Group advised that the real estate businesses sold to The Agency Group Australia Limited (**The Agency**). The outstanding balance of the consideration totalling $536,363 is agreed to a payment plan which fit in the cash requirement with the Group. The Group also entered into a service arrangement whereby the Group would provide outsourced services to The Agency. As a result of these transactions, the Group is exposed to credit risk from The Agency as the Company's primary customer. On 17 January 2019, The Agency announced that the completion of $8.4 million capital raising via a share placement. On this basis, the Group is satisfied that The Agency does not represent an adverse credit risk.

On 22 January 2019, the Group announced that it has engaged in an acquisition agreement with a software development business Vection. The Group intends to raise $2,000,000 in order to support the ongoing operations and the integration of Vection in the Group.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Going Concern (continued)

The Group is continually assessing its ongoing cash requirements. As part of this process the Group maintains a strict internal cash flow management process which is based on numerous revenue and other assumptions. Should these assumptions not be achieved the directors believe the Group will reduce the cost base in line with revenue as required and attempt to raise additional capital or enter other funding arrangements as required.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the reasons outlined above.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

(b) Segment Information

Operating Segments – AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. This is consistent to the approach used for the comparative period. Operating segments are reported in a uniform manner to which is internally provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

An operating segment is a component of the Group that engages in business activity from which it may earn revenues or incur expenditure, including those that relate to transactions with other Group components. Each operating segment's results are reviewed regularly by the Board to make decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

The Board monitors the operations of the Company based on 2 segments; its IT development division and its outsourced services division.

The financial results of each segment are reported to the board to assess the performance of the Group. The Board has determined that strategic decision making is facilitated by evaluation of the operations of the legal parent and subsidiaries which represent the operational performance of the Group's revenues and the research and development activities as well as the finance, treasury, compliance and funding elements of the Group.

(c) Estimates and judgements

The preparation of the annual financial report requires the use of accounting estimates and judgements which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a degree of judgement or complexity in the preparing the annual financial report. Facts and circumstances may come to light after the event which may have significantly varied the assessment used which result in a materially different value being recorded at the time of preparing this annual financial report.

Deferred tax assets - The Group has not recognised deferred tax assets relating to carried forward tax losses or timing differences. These amounts have not been recognised given the recognition requirements of AASB 112 *Income Taxes*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(d) New accounting standards and interpretations that are not yet mandatory

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies as a result of the adoption of new and revised accounting standards. The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. The Directors have decided against early adoption of any new Standards and Interpretations. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies as a result of accounting standards issued not yet effective.

	Consolidated	
	Period Ended 31 Dec 2018	Period Ended 31 Dec 2017
	$	$
2. LOSS FOR THE PERIOD		
Loss for the year included the following items:		
(i) Other expenses		
Advertising and marketing	50,876	27,413
Corporate and administrative expenses	214,905	1,626,755
	265,781	1,654,168
(ii) Revenue		
Software technology development services	228,509	40,570
Outsourced services	203,232	154,446
Interest received	253	4,454
Other revenue	46,402	1,690
	478,597	201,160

	Consolidated	
	As at 31 Dec 2018	As at 30 June 2018
	$	$
3. CASH		
Cash at bank	111,645	513,754
Balance per statement of cash flows	111,645	513,754

	Consolidated	
	As at 31 Dec 2018	As at 30 June 2018
	$	$
4. RECEIVABLES - CURRENT		
Trade and other receivables	469,369	405,524
Trade and other receivables from sale of business	536,363	650,000
Amounts receivable from (former) employees	232,594	232,594
Provision for doubtful debts	(333,429)	(329,362)
	904,897	958,756
Prepayments	68,614	96,120
TOTAL RECEIVABLES - CURRENT	973,511	1,054,876

Classification of trade and other receivables (current and non-current)

All receivables are non-interest bearing. There are no receivables where the fair value would be materially different from the current carrying value. The Group reviews all receivables for impairment. Any receivables which are doubtful have been provided for. Based on past experience all receivables where no impairment has been recognised are not considered to be impaired. No other class of financial asset is past due.

	Consolidated	
	As at 31 Dec 2018	As at 30 June 2018
	$	$
5. PROPERTY, PLANT & EQUIPMENT		
OFFICE & COMPUTER EQUIPMENT		
Office & computer equipment at cost	81,996	598,746
Less accumulated depreciation	(21,969)	(281,393)
Less provision for impairment	-	(252,946)
	60,027	64,407
LEASEHOLD IMPROVEMENTS		
Leasehold improvements at cost	181,513	239,777
Less accumulated depreciation	(125,838)	(80,637)
Less provision for impairment	-	(62,241)
	55,675	96,899
TOTAL PROPERTY, PLANT & EQUIPMENT	115,702	161,306

Assets held by the business sold in the year ended 30 June 2018 were fully written off.

	Consolidated	
	As at 31 Dec 2018	As at 30 June 2018
	$	$
6. TRADE AND OTHER PAYABLES		
Unsecured liabilities:		
Trade payables	429,045	260,731
Sundry creditors and accruals	376,327	573,683
	805,372	834,414

	Consolidated	
	As at 31 Dec 2018	As at 30 June 2018
	$	$
7. PROVISIONS – CURRENT		
Provision for annual leave	-	450
Provision for onerous lease commitments	121,607	117,420
	121,607	117,870
PROVISIONS – NON-CURRENT		
Provision for onerous lease commitments	34,705	138,760
	34,705	138,760

Due to changes in strategy, the Perth office has not been used for the operations of the Company. As a result, a provision for an onerous lease has been recognised to reflect the present value of future lease costs which are required to be made in respect of this office. The benefits expected to be generated by the lease contract are outweighed by the future costs.

	Consolidated	
	As at 31 Dec 2018	As at 30 June 2018
	$	$
8. INTEREST BEARING LIABILITIES		
Convertible Notes	-	1,140,078
	-	1,140,078

In the prior period, the Company entered into a convertible note agreement for a total amount of $1 million with Servnote Holding Pty Ltd. On 10 August 2018, the Company obtained shareholder approval for conversion of the note agreement proceeds into fully paid ordinary shares in the Company.

9. ISSUED CAPITAL

Share Capital	As at 31 Dec 2018 Shares No.	As at 30 Jun 2018 Shares No.	As at 31 Dec 2018 $	As at 30 Jun 2018 $
Ordinary Shares	213,373,944	129,073,131	11,581,310	10,404,332

Movement in share capital

Date	Details	Number of shares	$
1 July 2018	Opening balance	129,073,131	10,404,332
17 August 2018	Conversion of convertible note	81,300,813	1,140,078
17 August 2018	Consultant shares	3,000,000	36,900
		213,373,944	11,581,310

<u>Convertible Notes</u>
The Company converted $1 million convertible notes into 81,300,813 fully paid ordinary shares.

<u>Consultant shares</u>
During the year, the Company issued 3,000,000 fully paid ordinary shares to its General Manager in return for service at a price of $0.0123 per share.

10. RESERVES

	Consolidated As at 31 Dec 2018 $	Consolidated As at 30 June 2018 $
Share based payment reserve	272,500	272,500
Foreign currency translation reserve	(4,866)	(3,006)
	267,634	269,494

<u>Share based payment reserve</u>
The Group issued 2,500,000 options in consideration for raising capital in its March 2017 IPO listing. This transaction was recognised as a share based payment of $272,500 with a corresponding increase in other reserves in the financial year ended 30 June 2017. The options exercisable at $0.30 and expire on 17 March 2020.

11. ACCUMULATED LOSSES

	Consolidated As at 31 Dec 2018 $	Consolidated As at 30 June 2018 $
Opening balance	(11,235,012)	(7,691,115)
Transfer of lapsed performance rights value	-	328,880
Loss for the period	(374,758)	(3,872,777)
Closing balance	(11,609,770)	(11,235,012)

12. EARNINGS PER SHARE

	Consolidated	
	As at 31 Dec 2018	As at 30 June 2018
	$	$
Loss attributable to ordinary shareholders (overall)	(374,758)	(3,872,777)
Loss attributable to ordinary shareholders (continuing operations)	(564,933)	(3,421,124)
Loss attributable to ordinary shareholders (discontinued operations)	190,175	(451,653)
Weighted average number of ordinary shares	191,722,916	110,347,307
Basic loss per share calculation (loss / weighted avg shares)	(0.20)	(0.0393)
Basic loss per share calculation (continuing operations)	(0.30)	(0.0371)
Basic loss per share calculation (discontinued operations)	0.10	(0.0022)

13. SEGMENT REPORTING

	Discontinued Operations	IT Development	Outsourced Services	Corporate	Total
	$	$	$	$	$
Half -Year ended 31 December 2018					
Segment Revenue	264,368	228,509	203,232	46,856	742,965
Segment expenses	(74,193)	(215,089)	(266,508)	(561,933)	(1,117,723)
Segment net operating loss after tax	190,175	13,420	(63,276)	(515,077)	(374,758)
Half -Year ended 31 December 2017					
Segment Revenue	5,849,794	35,390	154,050	11,720	6,050,954
Segment expenses	(6,138,115)	(277,695)	(545,695)	(2,979,137)	(9,940,642)
Segment net operating loss after tax	(288,321)	(242,305)	(391,645)	(2,967,417)	(3,889,688)
Segment assets					
At 31 December 2018	-	77,792	315,191	807,875	1,200,858
At 30 June 2018	-	228,534	400,179	1,101,223	1,729,936
Segment liabilities					
At 31 December 2018	-	91,116	78,227	792,341	961,684
At 30 June 2018	-	48,657	73,304	2,169,161	2,291,122

(1) DESCRIPTION OF SEGMENTS

The Group's executive directors examine the Group's performance from a core operations perspective and have identified two reportable segments of its continuing business, being IT development and outsourced services.

(2) SEGMENT REVENUE AND RESULTS

Segment revenue reported above represents revenue generated from external customers. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment profit represents the profit before tax earned by each segment without allocation of central corporate and administration costs, employee benefits, depreciation and amortisation, and finance costs.

13. SEGMENT REPORTING (CONTINUED)

This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(3) SEGMENT ASSETS AND LIABILITIES

All assets are allocated to reportable segments other than cash, GST receivables, office equipment, and certain other receivables. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments other than borrowings, and corporate creditors. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets

14 DISCONTINUED OPERATIONS

On 15 September 2017, the Company announced the sale of its property management and rent roll business. The property rent roll business was conducted through subsidiary Capitol Asset Management Pty Ltd.

On 21 February 2018, the Company announced the completion of binding sales agreements with The Agency Group Australia Limited. The agreements were executed between the Company's subsidiaries (Sell Lease Property Pty Ltd, Complete Settlements Pty Ltd and Value Finance Pty Ltd) and wholly owned subsidiaries of The Agency. Under the agreements, The Agency's subsidiaries acquired the assets of each of the Company's subsidiaries.

Each of these entities: Capitol Asset Management Pty Ltd, Sell Lease Property Pty Ltd, Complete Settlements Pty Ltd and Value Finance Pty Ltd are considered discontinued operations

The following is an analysis of the results of the discontinued operations for the financial year.

	Results of Discontinued Operations	
	Half-Year Ended 31 Dec 2018	Half-Year Ended 31 Dec 2017
	$	$
Profit for the year from discontinued operations		
Revenue	264,368	5,849,794
Employee benefits expense	(47,327)	(5,589,578)
Other administrative expenses	(26,866)	(548,537)
Gain (loss) for the year from discontinued operations	(190,175)	(288,321)

	Cashflow from (used in) Discontinued Operations	
	Half-Year Ended 31 Dec 2018	Half-Year Ended 31 Dec 2017
	$	$
Cashflows from discontinued operations		
Cashflows used in operating activities	(345,635)	(361,518)
Cashflows from investing activities	195,599	265,902
Cashflows (used in)/from financing activities	-	(156,104)
Net cash (outflow)/inflow from discontinued operations	(150,036)	(251,720)

15. CONTINGENT LIABILITIES

Commercial Leases

The Group has entered into the following commercial leases for office accommodation:

Perth office: The property lease is a non-cancellable lease with a 3-year term, with rent payable monthly in advance. Options exist to renew the lease at the end of the 3-year term. On 12 February 2018, the Company entered into a sublease agreement for the Perth Office and subsequently an onerous lease provision has been provided for (refer to note 7).

Philippines office: The property lease is a non-cancellable lease with a two term to 31 March 2019, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by 3% per annum. The lease can be renewed subject to mutual agreement by the lessor and lessee.

Indian office: The property lease is a non-cancellable lease with a term extended by mutual agreement by the lessor and lessee to 29 March 2019.

16. SUBSEQUENT EVENTS

On 22 January 2019, the Company announced that it had signed a binding agreement to acquire 100% of European based software development business Vection. The Company intends to convene a general meeting of shareholders **(General Meeting)** to seek approval pursuant to ASX Listing Rule 11.1.2 for the Acquisition. Shareholder approval is required as the Acquisition will result in a significant change to the current scale of the Company' s activities.

The terms of the acquisition are as follows:

- Consideration of 292,556,186 ServTech ordinary shares **(Shares)** at a deemed issue price of $0.02 per Share, to be issued to Vection shareholders;
- Upfront cash consideration of ~$69,000;
- Deferred, performance based, consideration of up to 150,000,000 Shares, to be issued to the shareholders of Vection in three (3) equal tranches of 50,000,000 shares subject to the achievement of milestones.

In addition, in order to fund the continued operations of Vection and the Company's ongoing commercial activities, the Company intends to issue a further 111,111,111 Shares **(Placement)** at $0.018 (10% discount) to sophisticated and professional investors to raise an additional $2,000,000 before costs. The Company will seek shareholder approval at the General Meeting to conduct the Placement without using the Company's 15% annual placement capacity.

Following the acquisition of Vection, the Company believes it will be well positioned to integrate Vection into its existing operations, driving further growth and value, with the benefit of both sets of technical personnel, and synergies from shared resources and funding.

Other than the above, there were no other subsequent events.

DIRECTORS' DECLARATION

In the opinion of the directors of ServTech Global Holdings Limited:

(a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the Half-Year ended on that date; and

  (ii) complying with Australian Accounting Standards, AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Mr Bert Mondello
Chairman

Dated at Perth, Western Australia this 28th day of February 2019.

Criterion Audit Pty Ltd

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Independent Auditor's Review Report

To the Members of ServTech Global Holdings Ltd

We have reviewed the accompanying half-year financial report of ServTech Global Holdings Ltd ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of ServTech Global Holdings Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ServTech Global Holdings Ltd and Controlled Entities is not in accordance with the Corporations Act 2001 including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion above, we draw attention to Note 1(a)(iii) to the financial report, which indicates that the Consolidated Entity incurred a net loss of $374,758 and as of that date, the Consolidated Entity had net cash operating outflows of $572,241. These conditions, along with other matters as set forth in Note 1(a)(iii) indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Criterion Audit

CRITERION AUDIT PTY LTD

CHRIS WATTS CA
Director

DATED at PERTH this 28th day of February 2019