

I-Global Holdings Limited

ABN 28 611 470 010

Consolidated Financial Statements

For the Half Year Ended 30 June 2018

I-Global Holdings Limited

ABN 28 611 470 010

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For the Half Year Ended 30 June 2018

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I-Global Holdings Limited

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Directors' Report **For the Half Year Ended 30 June 2018**

The directors submit the consolidated financial report of the Group, being I-Global Holdings Limited ("the Company") and its controlled entities, for the half year ended 30 June 2018.

Information on directors

The names of each person who has been a director during the half year and to the date of this report are:

Koon Lip Choo

Francesco Cannavo

Justyn Peter Stedwell

Principal activities and significant changes in nature of activities

The principal activities of I-Global Holdings Limited during the financial half year were focused on the establishment of a new business unit providing management and corporate consulting services to Australian and international clients. This will be a key area of focus for the Group moving forward with a reduced focus on corporate education and training.

There were no significant changes in the nature of I-Global Holdings Limited's principal activities during the financial half year, other than the divestment of Avant Group Sdn Bhd, which settled in May 2018.

Review of operations

Operations during the period were focused on the establishment of a new business unit providing management and corporate consulting services to Australian and international clients. The Group's chairman, Dr Koon Lip Choo, leads a small team of consultants in providing these services with specific focus on corporate management consulting. This business unit commenced generating revenue from clients during the period with the majority of the Group's future revenue now expected to be generated from management and corporate consulting services with a reduced focus on corporate education and training.

Significant changes in state of affairs

The following significant changes in the state of affairs of the Group occurred during the financial half year:

- On 14 September 2017, all securities of the Company were placed under a trading halt due to failure to release the financial statements for the half year ended 30 June 2017, pursuant with NSX Listing Rule 6.10. The securities were subsequently suspended on 18 September 2017 and as at the date of this report, remains suspended until the Company satisfies its obligations according to the NSX Listing Rules. The Company is in the process of finalising and lodging its financial statements for the half year ended 30 June 2018 as well as the financial statements for the year ended 31 December 2018 in order for the suspension to be lifted.
- On 8 May 2018, the divestment of Avant Group Sdn Bhd settled, which was in line with the Group's change in strategy.
- On 1 June 2018, the Company established a new business unit providing management and corporate consulting services to Australian and International clients. A small team of consultants is led by the Company's Executive Chairman, Dr Koon Lip Choo, in providing these services with specific focus on corporate management consulting. This business unit commenced generating revenue from clients during the half year period, with the majority of the Group's future revenue now expected to be generated from management and corporate consulting services with a reduced focus on corporate education and training.

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Directors' Report

For the Half Year Ended 30 June 2018

Significant changes in state of affairs (continued)

Changes in the controlled entities and divisions:

- Following a review of operations and corporate structure, Avant was divested on 8 May 2018.

Events after the reporting date


On 4 October 2018, the Group sold the shares it held in Lifespot Health Limited (ASX: LSH) to Dr Koon Lip Choo (Executive Chairman). On the date of transfer, the market value of these shares was \$42,500.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 30 June 2018 has been received and can be found on page 3 of the consolidated financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director:
 Dr Koon Lip Choo

Dated this 30th day of April 2019

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the half-year financial report of I-Global Holdings Limited for the half-year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of i-Global Holdings Limited and the entities it controlled during the half-year ended 30 June 2018.



HLB Mann Judd
Chartered Accountants

Melbourne
30 April 2019



Jude Lau
Partner

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 30 June 2018

	Note	30 June 2018 \$	30 June 2017 \$
Continuing Operations			
Revenue		39,206	39
Foreign exchange gains		-	21,245
Employee benefits expense (including directors' fees and remuneration)		(12,000)	(30,154)
Depreciation and amortisation expense		(4,670)	(5,148)
Impairment loss (goodwill)	5	-	(2,978,740)
Accounting and audit fees		(26,640)	(6,015)
Consulting and professional fees		(17,360)	(41,391)
Share registry and listing fees		(24,325)	(3,508)
Travelling and accommodation expenses		-	(4,921)
Other expenses		(8,565)	(2,018)
Finance costs		(4,959)	-
Loss before income tax		(59,313)	(3,050,611)
Income tax expense		-	-
Loss from continuing operations		(59,313)	(3,050,611)
Profit/(loss) from discontinued operations	6	462,933	-
Net profit/(loss) for the half year		403,620	(3,050,611)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Items that will be reclassified to profit or loss when specific conditions are met:			
- Exchange differences on translating foreign controlled entities		8,536	103
- Net fair value movements for available-for-sale financial assets		(15,913)	(12,773)
Other comprehensive income for the half year, net of tax		(7,377)	(12,670)
Total comprehensive income for the half year		396,243	(3,063,281)
Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)		(0.08)	(12.78)
Diluted earnings per share (cents)		(0.08)	(12.78)
Earnings per share for profit/(loss) attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)		0.54	(12.78)
Diluted earnings per share (cents)		0.54	(12.78)

The accompanying notes form part of these financial statements.

The Group has applied AASB 15 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 118 and related interpretations. The Group has not restated comparatives when applying AASB 9, the comparative information has been prepared under AASB 139.

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Consolidated Statement of Financial Position**As At 30 June 2018**

		30 June 2018	31 December 2017
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		27,841	125,722
Trade and other receivables		36,706	26,457
Other financial assets		57,500	70,000
Current tax receivable		-	6,851
Other assets		-	11,561
TOTAL CURRENT ASSETS		122,047	240,591
NON-CURRENT ASSETS			
Property, plant and equipment		4,536	45,792
Intangible assets		896	1,966
TOTAL NON-CURRENT ASSETS		5,432	47,758
TOTAL ASSETS		127,479	288,349
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	406,598	968,669
Borrowings	9	107,753	102,795
TOTAL CURRENT LIABILITIES		514,351	1,071,464
TOTAL LIABILITIES		514,351	1,071,464
NET ASSETS/(NET DEFICIENCY)		(386,872)	(783,115)
EQUITY/(NET DEFICIENCY)			
Issued capital	10	2,447,510	2,447,510
Reserves		(39,754)	(32,377)
Accumulated losses		(2,794,628)	(3,198,248)
TOTAL EQUITY/(NET DEFICIENCY)		(386,872)	(783,115)

The accompanying notes form part of these financial statements.

The Group has applied AASB 15 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 118 and related interpretations. The Group has not restated comparatives when applying AASB 9, the comparative information has been prepared under AASB 139.

Consolidated Statement of Changes in Equity

For the Half Year Ended 30 June 2018

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Other Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2018	2,447,510	(3,198,248)	(2,972)	(29,405)	(783,115)
Net profit/(loss) for the half year	-	403,620	-	-	403,620
Foreign currency translation gain	-	-	8,536	-	8,536
Fair value adjustment on available-for-sale financial assets	-	-	-	(15,913)	(15,913)
Balance at 30 June 2018	2,447,510	(2,794,628)	5,564	(45,318)	(386,872)
Balance at 1 January 2017	1	(1,071)	-	-	(1,070)
Net profit/(loss) for the half year	-	(3,050,611)	-	-	(3,050,611)
Foreign currency translation gain	-	-	103	-	103
Fair value adjustment on available-for-sale financial assets	-	-	-	(12,773)	(12,773)
Transactions with owners in their capacity as owners					
Contribution of equity, net of transaction costs	2,448,067	-	-	-	2,448,067
Balance at 30 June 2017	2,448,068	(3,051,682)	103	(12,773)	(616,284)

The accompanying notes form part of these financial statements.

The Group has applied AASB 15 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 118 and related interpretations. The Group has not restated comparatives when applying AASB 9, the comparative information has been prepared under AASB 139.

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Consolidated Statement of Cash Flows For the Half Year Ended 30 June 2018

	30 June 2018 \$	30 June 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	30,711	-
Payments to suppliers and employees	(56,004)	(87,996)
Interest received	-	39
Income taxes paid	-	(1,309)
Net cash provided by/(used in) operating activities	(25,293)	(89,266)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Subsidiary cash acquired in business combination	-	42,240
Subsidiary cash paid in divestment	(43,162)	-
Net cash provided by/(used in) investing activities	(43,162)	42,240
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of related party loan	-	112,688
Proceeds from/(repayment of) KMP loan	(25,920)	75,253
Payment of share issue costs	-	(187,878)
Net cash provided by/(used in) financing activities	(25,920)	63
Effects of exchange rate changes on cash and cash equivalents	(3,506)	103
Net increase/(decrease) in cash and cash equivalents held	(97,881)	(46,860)
Cash and cash equivalents at beginning of the half year	125,722	60,165
Cash and cash equivalents at end of the half year	27,841	13,305

The accompanying notes form part of these financial statements.

The Group has applied AASB 15 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 118 and related interpretations. The Group has not restated comparatives when applying AASB 9, the comparative information has been prepared under AASB 139.

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Notes to the Financial Statements For the Half Year Ended 30 June 2018

The interim condensed consolidated financial report covers I-Global Holdings Limited and its controlled entities (collectively, "the Group") for the six months ended 30 June 2018.

I-Global Holdings Limited ("the Company") is a for-profit Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 30 April 2019.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

This condensed interim financial report for the reporting period ended 30 June 2018 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of I-Global Holdings Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within I-Global Holdings Limited. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of I-Global Holdings Limited for the year ended 31 December 2017, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for the adoption of new standards and interpretations effective as of 1 January 2018 included in Note 3(c) to the financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

The Group made a net profit for the period of \$403,620, and as at 30 June 2018 had a net asset deficiency of \$386,872, including an amount due to a related party. The Group is economically dependent on this related party not calling for repayment of the balance in question and on a related party associated with one of its major shareholders to provide continued financial support in the ordinary course of business so that the Group is able to pay its debts as and when they fall due.

Notwithstanding the above, the financial statements have been prepared on a going concern basis. A related party associated with one of the major shareholders has provided a letter of support confirming that it will provide the funds necessary for the Group to meet its debts as they fall due for a period of at least 12 months from the date of this financial report.

It is recognised that should continued financial support not be provided by the related party associated with the major shareholder, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will realise assets and discharge liabilities in the normal course of business and at the amounts shown in the financial report.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

2 Change in Accounting Policy

Financial Instruments - Adoption of AASB 9

The Group has adopted AASB 9 *Financial Instruments* for the first time in the current half year with a date of initial adoption of 1 January 2018.

As part of the adoption of AASB 9, the Group adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the consolidated statement of profit or loss and other comprehensive income. In the comparative half year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current half year.

The key changes to the Group's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Group has not restated any amounts relating to classification and measurement requirements including impairment and have recognised and disclosed any applicable cumulative impact effective 1 January 2018 via accumulated losses.

Classification of financial assets

The financial assets of the Group have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost; and
- Fair value through other comprehensive income - equity instruments (FVOCI - equity).

Measurement of equity instruments

All equity instruments of the Group are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 which allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) in the reporting period which includes the date of application.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments classified as fair value through other comprehensive income are taken to the relevant reserve.

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Transition adjustments

The move to the expected credit loss model under AASB 9 has had no impact on the provision for trade receivables at the adoption date.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

2 Change in Accounting Policy (continued)

Financial Instruments - Adoption of AASB 9 (continued)

Classification of financial assets and financial liabilities

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application.

	Note	Classification under AASB 139	Classification under AASB 9	Carrying amount under AASB 139 \$	Reclassification \$	Remeasurements \$	Carrying amount under AASB 9 \$
Financial assets							
Equity securities (i)		Available for sale	FVOCI - equity	70,000	-	-	70,000
Trade and other receivables		Loans and receivables	Amortised cost	26,457	-	-	26,457
Cash and cash equivalents		Loans and receivables	Amortised cost	125,722	-	-	125,722
Total financial assets				222,179	-	-	222,179
Financial liabilities							
Unsecured borrowings	9	Other financial liabilities	Other financial liabilities	102,795	-	-	102,795
Trade and other payables	8	Other financial liabilities	Other financial liabilities	968,669	-	-	968,669
Total financial liabilities				1,071,464	-	-	1,071,464

Notes to the table:

(i) Reclassify investments from Available for Sale to FVOCI - equity

The Group previously classified investments as available for sale with changes in value being taken through a financial asset reserve. On adoption of AASB 9, investments with a fair value of \$70,000 were reclassified from the financial asset reserve to the financial asset at fair value through OCI reserve since they are not held for trading.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

2 Change in Accounting Policy (continued)

Revenue from Contracts with Customers - Adoption of AASB 15

The Group has adopted AASB 15 *Revenue from Contracts with Customers* for the first time in the current half year with a date of initial application of 1 January 2018.

The key changes to the Group's accounting policies and the impact on these financial statements from applying AASB 15 are described below.

The Group has applied AASB 15 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118 and related interpretations. All adjustments on adoption of AASB 15 have been taken to retained earnings at 1 January 2018. The adoption of AASB 15 has had no effect in respect of the recognition and valuation of the revenue earned.

Changes in presentation

Other than the changes in accounting policies included in Notes 3(a) and 3(b), there were no amendments required to the presentation of any items to align with the requirements of AASB 15.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

3 Summary of Changes to Key Policies Not Previously Disclosed

(a) Revenue and other income

Pre 1 January 2018

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Consulting fees

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Interest revenue

Interest is recognised using the effective interest method.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

Post 31 December 2017

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue from consultancy and brand royalty fees over time when it provides the relevant service to the customer.

Consultancy and brand royalty fees

Revenue from this stream is recognised in the accounting period in which the services are rendered. Consultancy fees are charged at hourly rates whereas brand royalty fees are charged at fixed monthly rates.

For hourly rate contracts, the Group recognises revenue only to the extent that they have a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced. Revenue is recognised as each hour is worked.

For usage-based (monthly) royalty charges, revenue is recognised only when the later of the following event occurs:

- (a) the usage occurs; and
- (b) the performance obligation, if any, to which some or all of the usage-based royalty has been allocated has been satisfied (or partially satisfied).

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

3 Summary of Changes to Key Policies Not Previously Disclosed (continued)

(a) Revenue and other income (continued)

Interest revenue

Interest is recognised using the effective interest method.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(b) Financial instruments

Pre 1 January 2018

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

The Group's financial assets are divided into the following categories which are described in detail below:

- loans and receivables and
- available-for-sale financial assets.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

3 Summary of Changes to Key Policies Not Previously Disclosed (continued)

(b) Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Group's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period consolidated statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the consolidated statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

3 Summary of Changes to Key Policies Not Previously Disclosed (continued)

(b) Financial instruments (continued)

Impairment of Financial Assets (continued)

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Post 31 December 2017

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost; and
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

3 Summary of Changes to Key Policies Not Previously Disclosed (continued)

(b) Financial instruments (continued)

Financial assets (continued)

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Group has an investment in a listed entity over which they do not have significant influence nor control. The Group has made an irrevocable election to classify this equity investment as fair value through other comprehensive income as they are not held for trading purposes.

This investment is carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings /(accumulated losses) and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

3 Summary of Changes to Key Policies Not Previously Disclosed (continued)

(b) Financial instruments (continued)

Financial assets (continued)

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, and borrowings.

(c) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 January 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group and are outlined in Note 2.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

4 Revenue and Other Income

Revenue from continuing operations

	30 June 2018 \$	30 June 2017 \$
Revenue from contracts with customers:		
- Consultancy fees *	19,187	-
- Brand royalty fees *	18,000	-
Finance income:		
- Interest income	-	39
Other revenue:		
- Government grant	2,019	-
Total revenue	39,206	39

* All revenue from contracts with customers is derived from the Group's operations in Australia over time. The total income earned in the half year ended 30 June 2018 is from one client.

(a) Revenue recognised in relation to contract liabilities

There is no revenue recognised in relation to contract liabilities during the half year ended 30 June 2018.

(b) Unsatisfied performance obligations

All customer contracts are billed based on time incurred. As permitted by AASB 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5 Business Combinations

During the half year ended 30 June 2018, the parent company did not acquire any businesses.

On 24 May 2017, the parent company acquired a 100% interest of i-Global Holdings Pte Ltd (Singapore). Details of this business combination were disclosed in Note 7 of the Group's annual financial statements for the year ended 31 December 2017.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

6 Discontinued Operations

Following a review of its operations and corporate structure, the Group decided to dispose of Avant Group Sdn Bhd ("Avant"), thereby discontinuing its operations in this business segment.

The sale of this division was settled on 8 May 2018 and is reported in these consolidated financial statements as a discontinued operation.

Financial information relating to the discontinued operation to the date of disposal is set out below.

The financial performance of the discontinued operation to the date of sale which is included in profit / (loss) from discontinued operations is as follows:

	30 June 2018 \$	30 June 2017 \$
Revenue	-	-
Expenses	(20,397)	-
Profit/(loss) before income tax	(20,397)	-
Income tax expense	-	-
Profit/(loss) after income tax of discontinued operation	(20,397)	-
Gain on sale of the subsidiary after income tax (see below)	483,330	-
Profit from discontinued operation	462,933	-
Exchange differences on translation of discontinued operation	(10,810)	-
Other comprehensive income from discontinued operations	(10,810)	-
Basic earnings per share of discontinued operation (cents)	0.62	-
Diluted earnings per share of discontinued operation (cents)	0.62	-
The net cash flows of the discontinuing division which have been incorporated into the consolidated statement of cash flows are as follows:		
Net cash inflow/(outflow) from operating activities	7,500	-
Net cash inflow/(outflow) from financing activities	(30,385)	-
Net cash increase in cash generated by the discontinued division	(22,885)	-
Net gain on sale of discontinued division		
Consideration received or receivable:		
Initial cash consideration	517,955	-
Liabilities waived/offset	(114,749)	-
Total disposal consideration	403,206	-
Carrying amount of net liabilities sold	90,934	-
Gain on sale before income tax and reclassification of foreign currency translation reserve	494,140	-
Reclassification of foreign currency translation reserve	(10,810)	-
Income tax expense on gain	-	-
Gain on sale after income tax	483,330	-

On 1 December 2017, the Group decided to dispose of its investment in i-Global Capital Limited ("IGC"). Details of this divestment were disclosed in Note 8 of the Group's annual financial statements for the year ended 31 December 2017.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

7 Operating Segments

Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

Management has determined that the Group has one reportable segment, being consultancy and investment in Australia, Singapore and Malaysia. The Group is managed primarily on the basis of geographical segments as the operations of I-Global Holdings Limited in each of these geographic areas have different risk profiles and environment in which the business operates in. Operating segments are therefore determined on the same basis.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of I-Global Holdings Limited.

(b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to I-Global Holdings Limited as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

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Notes to the Financial Statements

For the Half Year Ended 30 June 2018

7 Operating Segments (continued)

(d) Segment performance

	Australia		Singapore		Malaysia		Elimination		Total		Discontinued Operations	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE												
Revenue from external customers	37,187	-	-	-	-	-	-	-	37,187	-	-	-
Gain on divestment of subsidiary	-	-	-	-	-	-	-	-	-	-	483,330	-
Other segment income	-	37	20,714	322	-	-	(18,695)	20,886	2,019	21,245	-	-
Interest revenue	-	39	-	-	-	-	-	-	-	39	-	-
Total segment revenue	37,187	76	20,714	322	-	-	(18,695)	20,886	39,206	21,284	483,330	-
Depreciation and amortisation	246	437	4,424	901	-	3,810	-	-	4,670	5,148	13,893	-
Interest expense	4,959	-	-	-	-	-	-	-	4,959	-	-	-
Impairment expense	-	-	-	-	-	-	-	2,978,740	-	2,978,740	-	-
Other segment expenses	80,894	36,868	7,996	41,250	-	9,889	-	-	88,890	88,007	6,504	-
Total segment expenses	86,099	37,305	12,420	42,151	-	13,699	-	2,978,740	98,519	3,071,895	20,397	-
Segment operating profit/(loss)	(48,912)	(37,229)	8,294	(41,829)	-	(13,699)	(18,695)	(2,957,854)	(59,313)	(3,050,611)	462,933	-

I-Global Holdings Limited

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Notes to the Financial Statements For the Half Year Ended 30 June 2018

7 Operating Segments (continued)

(e) Segment assets

	Australia		Singapore		Malaysia		Elimination		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	63,482	96,178	111,169	1,025,806	-	135,188	(47,172)	(968,823)	127,479	288,349
Segment asset increases for the period:										
- Capital expenditure	-	-	-	-	-	-	-	-	-	-
Total segment assets	63,482	96,178	111,169	1,025,806	-	135,188	(47,172)	(968,823)	127,479	288,349

(f) Segment liabilities

Segment liabilities	278,384	262,168	314,518	809,251	-	178,022	(78,551)	(177,977)	514,351	1,071,464
Total segment liabilities	278,384	262,168	314,518	809,251	-	178,022	(78,551)	(177,977)	514,351	1,071,464

I-Global Holdings Limited

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Notes to the Financial Statements For the Half Year Ended 30 June 2018

8 Trade and Other Payables

	30 June 2018 \$	31 December 2017 \$
CURRENT		
<i>Unsecured liabilities:</i>		
Trade payables and accruals	72,708	58,791
Related party payables:		
- Payable to key management personnel *	242,751	300,398
- Payable to director related entity *	59,536	57,559
Other payables	31,603	551,921
Total current trade and other payables	406,598	968,669

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

* These amounts are non-interest bearing

9 Borrowings

	30 June 2018 \$	31 December 2017 \$
CURRENT		
Unsecured liabilities:		
Other loans from third party *	107,753	102,795
Total current borrowings	107,753	102,795

* These amounts are interest bearing at 10% per annum and repayable on 14 May 2019.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

10 Issued Capital

	30 June 2018	31 December 2017
	\$	\$
74,587,001 (2017: 74,587,001) fully paid ordinary shares	2,774,666	2,774,666
Share issue costs	(327,156)	(327,156)
Total issued capital	2,447,510	2,447,510

(a) Ordinary shares

	30 June 2018	31 December 2017
	No.	No.
At the beginning of the reporting period	74,587,001	1
Shares issued during the reporting period:		
- issued as consideration for acquisition of i-Global Singapore	-	67,277,000
- issued as consideration for acquisition of Avant Group Sdn Bhd	-	6,000,000
- issued to directors	-	1,300,000
- issued on initial public offering	-	10,000
At the end of the reporting period	74,587,001	74,587,001

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Capital Management

The key objectives of the Group when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Group defines capital as its equity and net debt.

There has been no change to capital risk management policies during the half year.

The Group manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios.

Notes to the Financial Statements

For the Half Year Ended 30 June 2018

11 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2018	Percentage Owned (%) [*] 2017
Subsidiaries:			
i-Global Holdings Pte Ltd	Singapore	100	100
Avant Group Sdn Bhd	Malaysia	-	100
i-Global Capital Limited	British Virgin Islands	-	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

12 Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting period.

13 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel - refer to list of Directors included in the Directors' report.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following table provides the total amount of transactions that have been entered into with related parties during the periods ended 30 June 2018 and 2017, as well as balances with related parties as at 30 June 2018 and 31 December 2017:

	Sales \$	Purchases \$	Balance outstanding	
			Owed to the Group \$	Owed by the Group \$
KMP related parties				
Loan from Dr Koon Lip Choo, Director:				
2018	-	-	-	242,751
2017	-	-	-	234,793
Loan from Global Assets Inc Limited:				
2018	-	-	-	59,536
2017	-	-	-	57,559
Consultancy fee, Ivan Wu, Director:				
2018	-	-	-	-
2017	-	59,400	-	-

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Notes to the Financial Statements For the Half Year Ended 30 June 2018

14 Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on 30 April 2019 by the board of directors.

On 4 October 2018, the Group sold the shares it held in Lifespot Health Limited (ASX: LSH) to Dr Koon Lip Choo (Executive Chairman). On the date of transfer, the market value of these shares was \$42,500.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

15 Statutory Information

The registered office of and principal place of business of the Group is:

I-Global Holdings Limited
Unit 1B Level 1, 205 Johnston Street
FITZROY VIC 3065

Directors' Declaration

The directors of the Group declare that:

1. The consolidated financial statements and notes, as set out on pages 4 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, based on the factors outlined in Note 1 Going Concern.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Dr Koon Lip Choo

Dated this 30th day of April 2019

Independent auditor's review report to the members of I-Global Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of I-Global Holdings Limited ("the company") and its controlled entities ("the Group"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 I-Global Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 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 the *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 Going Concern, in the financial report, which indicates that the Group incurred a net profit after tax of \$396,243 during the period ended 30 June 2018 and, as of that date, the Group's current liabilities exceeded its current assets by \$392,304 (31 December 2017: \$830,873) and had a net deficiency of assets over liabilities by \$386,872 (a deficiency of \$783,115 as at 31 December 2017). As stated in Note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB

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Liability limited by a scheme approved under Professional Standards Legislation.

134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, 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*.

A handwritten signature in blue ink, appearing to read 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Jude Lau'.

Jude Lau
Partner

Melbourne
30 April 2019