

# **I-Global Holdings Limited**

ABN 28 611 470 010

## **Consolidated Financial Statements**

For the Year Ended 31 December 2018

# I-Global Holdings Limited

ABN 28 611 470 010

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For the Year Ended 31 December 2018

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## **Corporate Governance Statement**

**For the Year Ended 31 December 2018**

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders. Although the Company is not listed on the Australian Securities Exchange (ASX), the Board has taken the view that the Company should, to the extent possible, comply with the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (ASX Principles).

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition*. The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation. The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

Due to the current size and nature of the existing Board of Directors of the Company (Board) and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and believe that the Company's resources would be better utilised in other areas as at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees. The Company's Corporate Governance Plan is available on the Company's website at <http://www.iglobalholdings.com/>.

# I-Global Holdings Limited

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## Directors' Report For the Year Ended 31 December 2018

The directors submit the consolidated financial report of the Group, being I-Global Holdings Limited ("the Company") and its controlled entities, for the year ended 31 December 2018.

### Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Koon Lip Choo

Qualifications	Dr Koon Lip Choo holds a PhD and Doctorate of Business Administration in Investment Psychology, an MBA from the University of California, Los Angeles, and a BSc in Applied Mathematics from the National University of Singapore.
Experience	Based in Singapore and Hong Kong, Dr Choo began trading as a retail trader and investor in 2004, then eventually specialising in managing private equity and venture capital investment. Dr Choo established the Forex Asia Academy and Consultancy (in 2008), a Singapore-based educational services provider which was awarded 'The Best Financial Education Project in Asia' by ShowFxAsia Expo 2009. He currently owns more than 10 trading- and investment-related businesses in Singapore, Malaysia, Hong Kong and China.
Interest in shares and options	18,800,001 fully paid ordinary shares held in own name and 451,550 fully paid ordinary shares held under Global Asset Inc Limited
Special responsibilities	Executive Chairman; Chief Executive Officer
Other current directorships in listed entities	N/A
Other directorships in listed entities held in the previous three years	Golden Mile Resources Limited (ASX: G88, resigned 23 August 2018)

Francesco Cannavo

Experience	Francesco Cannavo is an experienced public company director with significant business and investment experience working with companies operating across various industries and has been instrumental in assisting several listed and unlisted companies achieve their growth strategies through the raising of investment capital and the acquisition of assets. Francesco is an entrepreneur with a strong network of investors and industry contacts in the public company sector throughout the Asia-Pacific region and has extensive experience in capital raisings, investment activities and IPO's.
Interest in shares and options	NIL
Special responsibilities	Non-Executive Director
Other current directorships in listed entities	Lifespot Health Ltd (ASX: LSH) and Magnum Mining and Exploration Limited (ASX:MGU)
Other directorships in listed entities held in the previous three years	Wonhe Multimedia Commerce Ltd (ASX: WMC, resigned 1 September 2018) and GBM Resources Ltd (ASX: GBZ, resigned 25 November 2015)

## **Directors' Report**

### **For the Year Ended 31 December 2018**

#### **Information on directors (continued)**

Justyn Peter Stedwell

Qualifications	Justyn's qualifications include a Bachelor of Commerce (Economics and Management) from Monash University, a Graduate Diploma of Accounting at Deakin University and a Graduate Diploma in Applied Corporate Governance at the Governance Institute of Australia.
Experience	Justyn Stedwell has over 10 years' experience as a Company Secretary of ASX-listed companies in a wide range of industries including biotechnology, agriculture, mining and exploration, information technology and telecommunications.
Interest in shares and options	NIL
Special responsibilities	Company Secretary
Other current directorships in listed entities	Axxis Technology Group (ASX: AYG); Tymlez Group Limited (ASX: TYM) - appointed 2 December 2019
Other directorships in listed entities held in the previous three years	N/A

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### **Principal activities and significant changes in nature of activities**

The principal activities of the Group during the financial 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 the Group's principal activities during the financial year, other than those identified under the heading of "Significant Changes in State of Affairs".

#### **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 parent entity occurred during the financial 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 2018, 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 lodging its outstanding financial statements in order for the suspension to be lifted.
- On 8 May 2018, the divestment of Avant Group Sdn Bhd ("Avant") settled, which was in line with the Group's change in strategy. Refer to Note 9 to the financial statements for further details.

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## Directors' Report For the Year Ended 31 December 2018

### Significant changes in state of affairs (continued)

- 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 year, 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.

Changes in the controlled entities and divisions:

- Following a review of operations and corporate structure, Avant was divested on 8 May 2018. Refer to Note 9 to the financial statements for further details.

### Events after the reporting date

On 2 December 2019, Dr Koon Lip Choo entered into a loan agreement with the Company to provide a loan facility of up to \$120,000 which may be drawn down by the Company via maximum monthly instalments of \$10,000 over 12 months. This loan is unsecured, interest free and repayable on 15 November 2021. A loan fee of 1% of the total drawn down amount is payable on the repayment date.

Except for the above, no other matters or circumstances have arisen since the end of the financial 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.

### Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

### Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

### Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

### Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Koon Lip Choo  
Francesco Cannavo  
Justyn Peter Stedwell

Directors' Meetings	
Number eligible to attend	Number attended
4	4
4	3
4	4

## **I-Global Holdings Limited**

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### **Directors' Report For the Year Ended 31 December 2018**

#### **Company secretary**

The following persons held the position of Company secretary during and at the end of the financial year:

- Mr Justyn Peter Stedwell was appointed on 30 August 2017; and
- Ms Nova Anne Taylor was appointed on 1 September 2017.

#### **Options**

There have been no unissued shares or interests under option in the Company or a controlled entity during or since reporting date.

#### **Indemnification and insurance of officers and auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of I-Global Holdings Limited.

#### **Proceedings on behalf of the Group**

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the court under Section 237 of the *Corporations Act 2001*.

#### **Remuneration report (audited)**

The remuneration report, which has been audited, outlines the Director and executive remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

#### **Principles Used to Determine the Nature and Amount of Remuneration**

The performance of the Group depends upon the quality of its Directors and Executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives. To that end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholder value;
- Placing a portion of executive remuneration at risk, dependent upon meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

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### **Directors' Report For the Year Ended 31 December 2018**

#### **Remuneration report (audited) (continued)**

#### **Principles Used to Determine the Nature and Amount of Remuneration (continued)**

The Board's policy for determining the nature and amount of remuneration for Key Management Personnel ("KMP") for the Group is based on the following:

- The remuneration policy is to be developed and approved by the Board after professional advice is sought from independent external consultants (where applicable);
- All executive KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives, where appropriate;
- Performance incentives (in the form of a cash bonus) are generally only paid once predetermined key performance indicators (KPIs) have been met;
- Apart from those detailed in this report no other share based/options incentives have been offered to KMP during this reporting financial year; and
- The Board, which also serves as the remuneration committee, reviews the remuneration packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

All remuneration paid to KMP are valued at the cost to the Group and expensed.

KMP or closely related parties of KMP are prohibited from entering hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration. In addition, the Board's remuneration policy prohibits Directors and KMP from using the Group's shares as collateral in any financial transaction.

#### **Engagement of remuneration consultants**

During the year, the Group did not engage any remuneration consultants.

#### **Remuneration structure**

The structure of Non-Executive, Executive Director and Senior Manager remuneration is separate and distinct.

##### **A. Non-Executive Director Remuneration**

The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders.

Each Director receives a fee for being a Director of the Group.

##### **B. Senior Management and Executive Director Remuneration**

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group to:

- Reward Executives for the Group, business unit and individual performance against targets set by reference to appropriate benchmarks;



## I-Global Holdings Limited

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# Directors' Report

## For the Year Ended 31 December 2018

### Remuneration report (audited) (continued)

#### Principles Used to Determine the Nature and Amount of Remuneration (continued)

- Align the interests of Executives with those of shareholders;
- Link reward with the strategic goals and performance of the Group;
- Ensure total remuneration is competitive by market standards; and
- Executive remuneration is designed to support the Group's reward philosophies and to underpin the Group's growth strategy. The program comprises the following available components:
  - Fixed remuneration component; and
  - Variable remuneration component including cash bonuses paid.

#### **Fixed Remuneration**

The level of fixed remuneration is set to provide a based level of remuneration which is both appropriate to the position and is competitive in the market. The fixed (primary) remuneration is provided in cash.

#### **Variable Remuneration**

The performance of KMP is measured against criteria agreed annually with each Executive. All bonuses and incentives must be linked to predetermined performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

The objective of the Short-Term Incentive ("STI") program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level to provide sufficient incentive to achieve the operational targets and such that the cost to the Group is reasonable.

Actual STI payments granted depend on the extent to which specific operating targets are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance.

On an annual basis, the individual performance of each executive is rated and taken into account when determining the amount, if any, of the short-term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Group are usually delivered in the form of a cash bonus.

#### **Relationship between remuneration policy and company performance**

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on key performance indicators, and the second being the issue of options to directors and executives to encourage the alignment of personal and shareholder interests.

Due to the current financial status of the Group, there were no performance-based bonuses paid or options issued during the year ended 31 December 2018 (31 December 2017: None).

The following table shows the gross revenue, profits and dividends for the last two years for the Company (since listing), as well as the share prices at the end of the respective financial years.

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### Directors' Report For the Year Ended 31 December 2018

#### Remuneration report (audited) (continued)

	2018	2017
	\$	\$
Revenue	173,017	52,219
Net Profit/(Loss)	408,461	(3,197,177)
Share Price at Year-end *	-	-

\*The Company's shares have been suspended from trading on the NSX since 18 September 2017. The share price on the last day prior to suspension was \$0.285

#### Details of Remuneration

Details of the remuneration of the Directors and other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Group) are set out in the tables on pages 8 and 12.

#### Key Management Personnel - Directors and Executives

The key management personnel ("KMP") of the Company consisted of the following Directors and executives during the year:

Non-Executive Directors	Position
Francesco Cannavo	Non-Executive Director
Justyn Peter Stedwell	Company Secretary and Non-Executive Director
Executive Director	Position
Koon Lip Choo	Chief Executive Officer and Executive Chairman

#### Key Management Personnel - Service Agreements

##### Employment contract - Dr Koon Lip Choo

i-Global Holdings Pte Ltd (i-Global Singapore) entered into a contract of employment with Dr Koon Lip Choo dated 21 March 2016 (i-Global Singapore Employment Agreement), pursuant to which Dr Choo is engaged as an executive director, responsible for the running of Company operations. The material terms of the i-Global Singapore Employment Agreement are as follows:

- (a) **(Term):** The i-Global Singapore Employment Agreement commenced on 1 April 2016 and continues until terminated in accordance with its terms.
- (b) **(Remuneration):** i-Global Singapore pays Dr Choo S\$12,000 per month for his services, with the possibility of a bonus to be determined at the discretion of the Company.
- (c) **(Termination):** Either party may terminate the i-Global Singapore Employment Agreement by giving 3 months' notice in writing. Otherwise, i-Global Singapore may terminate the i-Global Singapore Employment Agreement:
  - if Dr Choo is found guilty of misconduct, negligence or a breach of the rules and regulations of i-Global Singapore;
  - if it is in the best interests of the company; or
  - if Dr Choo becomes incapacitated by ill-health (physical or mental) for an aggregate period of 60 days in a calendar year.

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### Directors' Report For the Year Ended 31 December 2018

#### Remuneration report (audited) (continued)

##### Details of Remuneration (continued)

- (d) **(Confidentiality)**: Dr Choo must not divulge to any person, during or after his employment with i-Global Singapore, any secrets, transactions or information relating to the business of i-Global Singapore.
- (e) **(Jurisdiction)**: The i-Global Singapore Employment Agreement is governed by the laws of the Republic of Singapore.

##### ***Executive Director Letter of Appointment - Dr Koon Lip Choo***

On 28 February 2017, the Company entered into a letter of appointment with Dr Koon Lip Choo ("Director Agreement") pursuant to which Dr Choo was appointed as an executive director of the Company.

Dr Choo's executive director fees are paid pursuant to the i-Global Singapore Employment Agreement and he is not paid any additional fees under his Director Agreement. Dr Choo's fee shall be subject to annual review by the board of the Company. Dr Choo is entitled to reasonable expenses properly incurred whilst undertaking his respective duties.

The Director Agreement also contains various other terms and conditions that are considered standard for an agreement of this nature, including those relating to termination and vacation of office.

##### ***Non-Executive Directors Letters of Appointment - Mr Ivan Perry Wu (Resigned 1 September 2017), Mr Benjamin Donovan (Resigned 30 August 2017) and Mr Teck Lee (Resigned 4 August 2017)***

On 28 February 2017, the Company entered into letters of appointment with Mr Ivan Perry Wu, Mr Benjamin Donovan, and Mr Teck Lee ("Director Agreements") pursuant to which Mr Wu, Mr Donovan, and Mr Lee were appointed as non-executive directors of the Company.

Per the Director Agreements, Mr Wu, Mr Donovan, and Mr Lee will each be paid A\$48,000 per annum commencing on the date the Company is admitted to the Official List. Each director's fee shall be subject to annual review by the board of the Company. Each director is entitled to reasonable expenses properly incurred whilst undertaking their respective duties.

Mr Wu, Mr Lee and Mr Donovan are all considered independent directors of the Company.

Each Director Agreement also contains various other terms and conditions that are considered standard for an agreement of this nature, including those relating to termination and vacation of office.

Mr Wu, Mr Lee and Mr Donovan all resigned as directors of the Company during the year ended 31 December 2017.

##### ***Non-Executive Director Letter of Appointment - Mr Francesco Cannavo (Appointed 1 September 2017)***

The key terms of the contract are as follows:

- (a) Commenced on 1 September 2017 with no fixed term;
- (b) Position of Non-executive Director;
- (c) Fee of A\$2,000 (plus GST) per month inclusive of pension and other benefits; and
- (d) Agreement can be terminated in writing by either party or by mutual consent.

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### **Directors' Report For the Year Ended 31 December 2018**

**Remuneration report (audited) (continued)**

**Details of Remuneration (continued)**

#### ***Non-Executive Director Letter of Appointment - Mr Justyn Peter Stedwell (Appointed 30 August 2017)***

The key terms of the contract are as follows:

- (a) Commenced on 30 August 2017 with no fixed term;
- (b) Position of Non-executive Director;
- (c) Fee of A\$1 (plus GST) per month, inclusion of pension and other benefits; and
- (d) Agreement can be terminated in writing by either party or by mutual consent.

#### ***Company Secretary Agreement - Mr Benjamin Donovan (Resigned 30 August 2017)***

On 20 March 2016, the Company entered into a company secretarial services agreement with Mr Ben Donovan, a Non-Executive Director, for the provision of company secretarial services ("Company Secretary Agreement").

The Company has agreed to pay Mr Donovan A\$2,100 (excluding GST) per month, commencing on the date on which the Company is admitted to the Official List of the NSX. The Company has also agreed that Mr Donovan will be entitled to be considered as an eligible person to receive options under a Company option scheme, to be determined at the discretion of the directors of the Company.

Either party may terminate the Company Secretary Agreement by giving three months' written notice.

#### ***Company Secretary Agreement - Mr Justyn Peter Stedwell (Appointed 30 August 2017)***

The key terms of the contract are as follows:

- (a) Commenced on 30 August 2017 with no fixed term;
- (b) Position of Company Secretary;
- (c) Fee of A\$2,499 (plus GST) per month; and
- (d) Agreement can be terminated in writing by either party or by mutual consent.

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## Directors' Report For the Year Ended 31 December 2018

### Remuneration report (audited) (continued)

#### Remuneration details for the year ended 31 December 2018

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group:

#### Table of benefits and payments

	Short Term Employment Benefits			Termination Payment	Equity Based Payments	Total
	Cash Salary and Fees	Leave Provision	Cash Bonus		Shares	
2018	\$	\$	\$	\$	\$	\$
<b>Directors</b>						
<i>Executive Director:</i>						
Koon Lip Choo	-	-	-	-	-	-
<i>Non-Executive Directors:</i>						
Francesco Cannavo	24,000	-	-	-	-	24,000
Justyn Peter Stedwell	30,000	-	-	-	-	30,000
<b>Total</b>	<b>54,000</b>	-	-	-	-	<b>54,000</b>

Due to the current financial status of the Group, the following Directors have elected to waive or agree to waive all/some of the emoluments due to them during the financial year:

- Koon Lip Choo (Executive Director) \$142,790 (2017: \$79,605).

#### Remuneration details for the year ended 31 December 2017

	Short Term Employment Benefits			Termination Payment	Equity Based Payments **	Total
	Cash Salary and Fees	Leave Provision	Cash Bonus		Shares	
2017	\$	\$	\$	\$	\$	\$
<b>Directors</b>						
<i>Executive Director:</i>						
Koon Lip Choo	-	-	-	-	-	-
<i>Koon Lip Choo</i>						
Francesco Cannavo	8,800	-	-	-	-	8,800
Justyn Peter Stedwell	11,000	-	-	-	-	11,000
Ivan Perry Wu *	13,200	-	-	-	500	13,700
Benjamin Donovan	20,130	-	-	1,590	300	22,020
Teck Lee	-	-	-	-	500	500
<b>Total</b>	<b>53,130</b>	-	-	<b>1,590</b>	<b>1,300</b>	<b>56,020</b>

\* Ivan Perry Wu provided consultancy services billed through ICW Capital. The total amount billed was \$59,400.

\*\* These shares were issued to the non-executive directors who were in office in February 2017 as an expression of the Board's commitment to retaining the services of these directors post admission to the NSX.

## I-Global Holdings Limited

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### Directors' Report For the Year Ended 31 December 2018

#### Remuneration report (audited) (continued)

##### Cash performance-related bonuses

There were no cash bonuses granted as remuneration during the year that was paid or payable to key management personnel.

##### Securities received that are not performance related

No members of key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package.

##### Key management personnel shareholdings

The number of ordinary shares in I-Global Holdings Limited held by each key management person of the Group during the financial year is as follows:

	Balance at beginning of year	Granted as payment of remuneration	Other changes during the year *	Balance at end of year/ date of resignation
<b>31 December 2018</b>				
<b>Directors</b>				
<i>Executive Director:</i>				
Koon Lip Choo	19,191,201	-	60,350	19,251,551
<i>Non-Executive Directors:</i>				
Francesco Cannavo	-	-	-	-
Justyn Peter Stedwell	-	-	-	-
<b>Total</b>	<b>19,191,201</b>	<b>-</b>	<b>60,350</b>	<b>19,251,551</b>

\* Net movement relates to 60,350 ordinary shares issued as a result of off-market transfer of shares to Global Asset Inc. Limited, a company controlled by Dr Koon Lip Choo.

	Balance at beginning of year	Granted as payment of remuneration	Other changes during the year *	Balance at end of year/ date of resignation
<b>31 December 2017</b>				
<b>Directors</b>				
<i>Executive Director:</i>				
Koon Lip Choo	1	-	19,191,200	19,191,201
<i>Non-Executive Directors:</i>				
Francesco Cannavo	-	-	-	-
Justyn Peter Stedwell	-	-	-	-
Ivan Perry Wu	-	500,000	-	500,000
Benjamin Donovan	-	300,000	-	300,000
Teck Lee	-	500,000	-	500,000
<b>Total</b>	<b>1</b>	<b>1,300,000</b>	<b>19,191,200</b>	<b>20,491,201</b>

\* Movement relates to issue of 18,000,000 founder shares as well as 391,200 ordinary shares issued as a result of off-market transfer of shares to Global Asset Inc. Limited, a company controlled by Dr Koon Lip Choo.

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## Directors' Report For the Year Ended 31 December 2018

### Remuneration report (audited) (continued)

### Key management personnel shareholdings (continued)

There were no options issued to key management personnel during the year ended 31 December 2018 (31 December 2017: None).

### KMP related party transactions

The Group undertook the following transactions during the year with:

- Key management personnel (KMP);
- A close member of the family of that person; or
- An entity over which the key management person or family member has, directly or indirectly, control, joint control or significant influence.

Information regarding share-based payment transactions with these persons or entities are included elsewhere in the remuneration report.

#### 1. Transactions (excluding loans)

Transaction type	Terms and conditions	Name of KMP	Amount \$
Waiver of director fees	Due to the current financial status of the Company, Dr Koon Lip Choo has elected to waive the emoluments due to him during the financial year.	Koon Lip Choo	142,790
Forgiveness of loan	Dr Koon Lip Choo, a Director of the Company, provided a loan to the Company. This loan was interest free and subsequently forgiven. No payment of the outstanding amount was made or required.	Koon Lip Choo	63,864

#### Income and expenses related to KMP transactions

Transaction type	Revenue recognised \$	Amount of revenue relating to: Interest \$	Expense recognised \$	Amount of expenses relating to: Interest \$
Forgiveness of loan	63,864	-	-	-

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## Directors' Report For the Year Ended 31 December 2018

### Remuneration report (audited) (continued)

#### 2. Loans made to KMP

The following information relates to KMP loans made during the reporting period on an aggregate basis.

	Balance at beginning of the year	Foreign exchange differences	Net loans advanced	Balance at the end of the year	Highest indebtedness during the year
	\$	\$	\$	\$	\$
Due to Koon Lip Choo	133,105	10,639	5,598	149,342	149,342
Due to Global Assets Inc Limited	57,559	4,708	-	62,267	62,267


The loans are unsecured, interest free and have no fixed term for repayment.

#### End of Audited Remuneration Report

#### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2018 has been received and can be found on page 15 of the consolidated financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .....  
  
Dr Koon Lip Choo

Dated this 19th day of December 2019



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of I-Global Holdings Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in relation to I-Global Holdings Limited and the entities it controlled during the period.

HLB Mann Judd



**HLB Mann Judd**  
**Chartered Accountants**

**Michael Gummery**  
**Partner**

Melbourne  
19 December 2019

[hlb.com.au](http://hlb.com.au)

**HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
<b>Continuing operations</b>			
Revenue and other income	5	173,017	52,219
Employee benefits expense (including directors fees and remuneration)		(24,000)	(53,444)
Depreciation and amortisation expense	6	(9,488)	(27,967)
Impairment loss (goodwill)	8	-	(3,012,336)
Accounting and audit fees		(96,397)	(66,736)
Consulting and professional fees		(34,453)	(45,261)
Marketing expenses		-	(11,846)
Share registry and listing fees		(39,232)	(11,834)
Travelling and accommodation expenses		-	(4,928)
Other expenses		(13,829)	(13,308)
Finance costs	6	(10,090)	(2,795)
<b>Loss before income tax</b>	6	<b>(54,472)</b>	<b>(3,198,236)</b>
Income tax expense	7	-	-
<b>Loss from continuing operations</b>		<b>(54,472)</b>	<b>(3,198,236)</b>
Profit/(loss) from discontinued operations	9	462,933	1,059
<b>Net profit/(loss) for the year</b>		<b>408,461</b>	<b>(3,197,177)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
		-	-
<b>Items that will be reclassified to profit or loss when specific conditions are met:</b>			
- Exchange differences on translating foreign controlled entities	21	(52,883)	(2,972)
- Net fair value movements for available-for-sale financial assets	21	19,126	(29,405)
<b>Other comprehensive income for the year, net of tax</b>		<b>(33,757)</b>	<b>(32,377)</b>
<b>Total comprehensive income for the year</b>		<b>374,704</b>	<b>(3,229,554)</b>
<b>Profit attributable to:</b>			
Equity holders of the parent entity		408,461	(3,197,177)
		<b>408,461</b>	<b>(3,197,177)</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent entity		374,704	(3,229,554)
		<b>374,704</b>	<b>(3,229,554)</b>
<b>Earnings per share:</b>			
Basic, gain/(loss) for the year attributable to ordinary equity holders of the parent (cents)	24	0.55	(6.47)
Diluted, gain/(loss) for the year attributable to ordinary equity holders of the parent (cents)		0.55	(6.47)
<b>Earnings per share for continuing operations:</b>			
Basic, loss from continuing operations attributable to ordinary equity holders of the parent (cents)	24	(0.07)	(6.47)
Diluted, loss from continuing operations attributable to ordinary equity holders of the parent (cents)		(0.07)	(6.47)

# I-Global Holdings Limited

ABN 28 611 470 010

## Consolidated Statement of Financial Position

As At 31 December 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11	11,350	125,722
Trade and other receivables	12	33,870	26,457
Other financial assets	13	-	70,000
Current tax receivable		-	6,851
Other assets	14	9,021	11,561
<b>TOTAL CURRENT ASSETS</b>		<b>54,241</b>	<b>240,591</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	15	682	45,792
Intangible assets	16	-	1,966
<b>TOTAL NON-CURRENT ASSETS</b>		<b>682</b>	<b>47,758</b>
<b>TOTAL ASSETS</b>		<b>54,923</b>	<b>288,349</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	320,449	866,981
Borrowings	18	142,885	102,795
Other liabilities	19	-	101,688
<b>TOTAL CURRENT LIABILITIES</b>		<b>463,334</b>	<b>1,071,464</b>
<b>TOTAL LIABILITIES</b>		<b>463,334</b>	<b>1,071,464</b>
<b>NET ASSETS/(NET DEFICIENCY)</b>		<b>(408,411)</b>	<b>(783,115)</b>
<b>EQUITY/(NET DEFICIENCY)</b>			
Issued capital	20	2,447,510	2,447,510
Reserves	21	(55,855)	(32,377)
Accumulated losses	22	(2,800,066)	(3,198,248)
<b>TOTAL EQUITY/(NET DEFICIENCY)</b>		<b>(408,411)</b>	<b>(783,115)</b>

The accompanying notes form part of these financial statements.

**Consolidated Statement of Changes in Equity**  
For the Year Ended 31 December 2018

2018

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Other Reserve	Total
Note	\$	\$	\$	\$	\$
<b>Balance at 1 January 2018</b>					
20,22, 21	2,447,510	(3,198,248)	(2,972)	(29,405)	<b>(783,115)</b>
Net profit/(loss) for the year	22	408,461	-	-	<b>408,461</b>
Foreign currency translation gain	21	-	(52,883)	-	<b>(52,883)</b>
Fair value adjustment on available-for-sale financial assets	21	-	-	19,126	<b>19,126</b>
Transfer from other reserve to accumulated losses on sale of available-for-sale assets	22,21	(10,279)	-	10,279	-
<b>Balance at 31 December 2018</b>	<b>2,447,510</b>	<b>(2,800,066)</b>	<b>(55,855)</b>	<b>-</b>	<b>(408,411)</b>
<b>Balance at 1 January 2017</b>					
20,22, 21	1	(1,071)	-	-	(1,070)
Net profit/(loss) for the year	22	(3,197,177)	-	-	(3,197,177)
Foreign currency translation gain	21	-	(2,972)	-	(2,972)
Fair value adjustment on available-for-sale financial assets	21	-	-	(29,405)	(29,405)
<b>Transactions with owners in their capacity as owners</b>					
Contribution of equity, net of transaction costs	20	2,447,509	-	-	2,447,509
<b>Balance at 31 December 2017</b>	<b>2,447,510</b>	<b>(3,198,248)</b>	<b>(2,972)</b>	<b>(29,405)</b>	<b>(783,115)</b>

The accompanying notes form part of these financial statements.

# I-Global Holdings Limited

ABN 28 611 470 010

## Consolidated Statement of Cash Flows For the Year Ended 31 December 2018

	2018	2017
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	105,160	47,957
Payments to suppliers and employees	(181,183)	(203,268)
Interest received	-	4,258
Income taxes paid	-	(6,851)
<b>Net cash provided by/(used in) operating activities</b>	23 <b>(76,023)</b>	<b>(157,904)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of other assets	-	69,229
Subsidiary cash paid in divestment	(43,162)	-
Proceeds from disposal of subsidiary	-	342
Subsidiary cash acquired in business combination	-	42,240
Payments for subsidiary acquisition costs	-	(33,596)
<b>Net cash provided by/(used in) investing activities</b>	<b>(43,162)</b>	<b>78,215</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from KMP loan	15,852	236,654
Proceeds from third party loans	-	100,000
Payment of share issue costs	-	(188,436)
<b>Net cash provided by financing activities</b>	<b>15,852</b>	<b>148,218</b>
Effects of exchange rate changes on cash and cash equivalents	(11,039)	(2,972)
Net increase/(decrease) in cash and cash equivalents held	(114,372)	65,557
Cash and cash equivalents at beginning of the year	125,722	60,165
<b>Cash and cash equivalents at end of financial year</b>	11(a) <b>11,350</b>	<b>125,722</b>

The accompanying notes form part of these financial statements.

# I-Global Holdings Limited

ABN 28 611 470 010

## Notes to the Financial Statements For the Year Ended 31 December 2018

The consolidated financial report covers I-Global Holdings Limited ("the Company") and its controlled entities ('the Group').

I-Global Holdings Limited 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 19 December 2019.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### Going concern

The Group made a loss from continuing operations for the year of \$54,472 (2017: loss of \$3,198,236) and as at 31 December 2018, the Group was in a net liability position of \$408,411 (2017: net liability of \$783,115) and a net current liability position of \$409,093 (2017: net current liability of \$830,873). These factors, among others indicate the existence of a material uncertainty that may cast doubt over the Group's ability to continue as a going concern and therefore whether it will be able to realise its assets and discharge its liabilities in the normal course of business and at the amounts shown in the financial report.

At the date of this report, the Directors have considered the above factors and are of the opinion that the Group will be able to continue as a going concern and will be able to pay its debts as and when they fall due. This statement is underpinned by the following factors:

- On 2 December 2019, the Group entered into a loan agreement with Dr Koon Lip Choo. Under the agreement, Dr Choo has made a loan facility of up to \$120,000 available to the Group commencing 15 December 2019 which may be drawn down in maximum monthly instalments of \$10,000 up until 15 November 2020. The loan is unsecured and interest of 1% of the total drawn down amount is payable on repayment date. The loan is repayable on 15 November 2021, or sooner in the event that the Group completes a capital raising of more than \$100,000.
- In addition to the above loan facility, Dr Koon Lip Choo has also agreed that amounts payable to him, and his related company Global Asset Inc. Limited, by the Group totalling \$211,609, will not be called upon before 31 March 2021.

# I-Global Holdings Limited

ABN 28 611 470 010

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 1 Basis of Preparation (continued)

#### Going concern (continued)

- Mr Wei Ming Goh has signed a letter of support confirming that he will not call upon the amount of \$112,795 payable to him by the Group before 14 December 2021.
- Director of GACH Limited, Mr Wei Ming Goh, has signed a letter of support confirming that the company will not call upon the amount of \$30,090 payable by the Group before 2 December 2021.
- The Directors of the Group have prepared a cash flow forecast which indicates that, the Group will be able to meet its debts as and when they fall due. The forecast assumptions include the Group drawing down on the \$120,000 loan facility from Dr Koon Lip Choo in full and an assumption that the Group will generate revenues totalling at least \$48,000 during the 12 months to December 2020.

On the basis of the above factors, the Directors have deemed it appropriate to prepare the financial statements on the going concern basis. If the Group is not successful in meeting its cash flow forecasts, the going concern basis may not be appropriate and the Group may be required to realise its assets and discharge its liabilities other than in the normal course of business.

### 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 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 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, this disclosures have been provided for the current 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

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **2 Change in Accounting Policy (continued)**

##### **Financial Instruments - Adoption of AASB 9 (continued)**

##### **Classification of financial assets (continued)**

- 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 *Financial Instruments: Recognition and Measurement* 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 did not result in any impact on the recognition of credit losses (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 Year Ended 31 December 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.

	<b>Note</b>	<b>Classification under AASB 139</b>	<b>Classification under AASB 9</b>	<b>Carrying amount under AASB 139</b>	<b>Reclassification</b>	<b>Remeasurements</b>	<b>Carrying amount under AASB 9</b>
				<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>							
Equity securities (i)	13	Available for sale	FVOCI - equity	<b>70,000</b>	-	-	70,000
Trade and other receivables	12	Loans and receivables	Amortised cost	<b>26,457</b>	-	-	26,457
Cash and cash equivalents	11	Loans and receivables	Amortised cost	<b>125,722</b>	-	-	125,722
<b>Total financial assets</b>				<b>222,179</b>	-	-	<b>222,179</b>
<b>Financial liabilities</b>							
Unsecured borrowings	18	Other financial liabilities	Amortised cost	<b>102,795</b>	-	-	102,795
Trade and other payables	17	Other financial liabilities	Amortised cost	<b>968,669</b>	-	-	968,669
<b>Total financial liabilities</b>				<b>1,071,464</b>	-	-	<b>1,071,464</b>

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 Year Ended 31 December 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 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 modified retrospective approach which means the comparative information has not been restated and continues to be reported under AASB 111 *Construction Contracts*, AASB 118 *Revenue* 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 timing of revenue recognition or the valuation of the revenue earned.

##### **Changes in presentation**

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

#### **3 Summary of Significant Accounting Policies**

##### **(a) Basis for consolidation**

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. The parent controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

A list of controlled entities is contained in Note 27 to the financial statements.

##### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

##### **(b) Business combinations**

Business combinations occur where an acquirer obtains control over one or more businesses.

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(b) Business combinations (continued)**

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

##### **(c) Income Tax**

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(c) Income Tax (continued)**

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

##### **(d) 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.

###### **From 1 January 2018**

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.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(d) Revenue and other income (continued)**

###### **Consultancy and brand royalty fees (continued)**

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).

###### **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.

##### **(e) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are presented on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

##### **(f) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

##### **(g) 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).

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(g) Financial instruments (continued)**

###### **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.

###### *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.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(g) Financial instruments (continued)**

###### **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.

###### *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. Refer to Note 4 *Critical Accounting Estimates and Judgements* for details on how the Group has applied this requirement.

###### **From 1 January 2018**

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.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(g) Financial instruments (continued)**

###### **Financial assets (continued)**

###### *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 that are solely payments of principal and interest on the principal amount outstanding.

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 these equity investments 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.



## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(g) Financial instruments (continued)**

###### **Financial assets (continued)**

###### *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.

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.

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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 3 Summary of Significant Accounting Policies (continued)

#### (g) Financial instruments (continued)

##### 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.

#### (h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Group, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Motor Vehicles	5 years
Office Equipment	3 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (i) Intangibles

##### Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest; and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(i) Intangibles (continued)**

###### **Goodwill (continued)**

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 50% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group determines which method to adopt for each acquisition.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available.

Refer to Note 8 for information on the goodwill policy adopted by the Group for each acquisition.

Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortised but is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

###### **Amortisation**

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

###### **Software**

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between three and five years.

##### **(j) Impairment of non-financial assets**

At the end of each reporting period the Group determines whether there is any evidence of impairment for its non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **3 Summary of Significant Accounting Policies (continued)**

##### **(j) Impairment of non-financial assets (continued)**

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

##### **(k) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

##### **(l) Foreign currency transactions and balances**

###### **Transaction and balances**

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

###### **Group companies**

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 3 Summary of Significant Accounting Policies (continued)

##### (m) Discontinued Operations

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash generating units), that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with the view to resale.

##### (n) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 January 2018, refer to Note 2 for details of the changes due to standards adopted.

##### (o) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

<b>Standard Name</b>	<b>Effective date for entity</b>	<b>Requirements</b>	<b>Impact</b>
AASB 16 Leases	Annual reporting period beginning on or after 1 January 2019	AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet.  The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.  A corresponding right to use asset will be recognised which will be amortised over the term of the lease.  Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.	As the Group does not have any leases, no impact on reported financial performance or position is expected.

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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 4 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - impairment of goodwill

In accordance with AASB 136 *Impairment of Assets*, the Group is required to estimate the recoverable amount of goodwill at each reporting period.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate and using a terminal value to incorporate expectations of growth thereafter.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA, calculated as adjusted operating profit before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence results.

The Group's review includes the key assumptions related to sensitivity in the cash flow projections. Further details are provided in Note 8 to the consolidated financial statements.

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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 5 Revenue and Other Income

#### Revenue from continuing operations

	2018	2017
	\$	\$
<b>Revenue from contracts with customers:</b>		
<i>Revenue earned over time</i>		
- Consultancy fees *	71,104	20,000
- Royalty fees	36,000	-
<b>Finance income:</b>		
- Interest income	-	4,258
<b>Other revenue:</b>		
- Government grant	2,049	337
- Forgiveness of loan	63,864	14,427
- Other income	-	13,197
<b>Total revenue and other income</b>	<b>173,017</b>	<b>52,219</b>

\* All revenue from contracts with customers is derived from the Group's operations in Australia and recognised "over time". The total income earned in the year ended 31 December 2018 is from one client.

#### (a) Revenue recognised in relation to contract liabilities

The Group did not have any revenue recognised in the current reporting period relating to carried-forward contract liabilities or any performance obligations that were satisfied in a prior year.

#### (b) Unsatisfied performance obligations

All customer contracts are for period of one year or less or are billed based on time incurred. As permitted by AASB 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

### 6 Result for the Year

The result for the year includes the following specific expenses:

	2018	2017
	\$	\$
<b>Depreciation and amortisation expenses:</b>		
Depreciation - motor vehicles	-	21,961
Depreciation - office equipment	7,711	4,936
Amortisation - computer software	1,777	1,070
<b>Total depreciation and amortisation expenses</b>	<b>9,488</b>	<b>27,967</b>
<b>Finance costs:</b>		
Interest on loan	10,090	2,795
<b>Total finance costs</b>	<b>10,090</b>	<b>2,795</b>

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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 7 Income Tax Expense

#### Reconciliation of income tax to accounting profit:

	2018	2017
	\$	\$
Loss before income tax	(54,472)	(3,198,236)
Income tax rate	27.50 %	27.50 %
Prima facie tax payable on loss from ordinary activities before income tax	(14,980)	(879,515)
Adjusted for tax effect of:		
- non-assessable income	-	(3,968)
- allowable tax deductions	-	(17,994)
- non-deductible expenses	-	843,903
- tax losses not brought to account	14,980	57,574
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

### 8 Business Combinations

#### *In the current financial year*

There were no acquisitions in the current financial year.

#### *In the previous financial year*

On 24 May 2017, the parent company acquired a 100% interest of i-Global Holdings Pte Ltd (Singapore) and resulted in the Company obtaining control of i-Global Holdings Pte Ltd (Singapore).

The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	Acquiree's carrying amount	Fair value
	\$	\$
<b>Purchase consideration:</b>		
- Equity instruments		2,470,865
- Stamp duty on transfer of shares		33,596
<b>Total purchase consideration</b>		<b>2,504,461</b>
<b>Assets or liabilities acquired:</b>		
Cash and cash equivalents	42,240	42,240
Current tax receivable	24,251	-
Financial assets	100,000	100,000
Plant and equipment	71,069	71,069
Other asset	115,602	69,229
Intangible assets	3,064	3,064
Trade and other payables	(691,180)	(691,180)
Other liabilities	(102,297)	(102,297)
<b>Identifiable assets acquired/(liabilities assumed)</b>	<b>(437,251)</b>	<b>(507,875)</b>



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### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 8 Business Combinations (continued)

	Acquiree's carrying amount	Fair value
	\$	\$
Goodwill consideration		2,504,461
Less: Net identifiable assets acquired/(liabilities assumed)		<u>(507,875)</u>
<b>Goodwill expensed</b>		<b><u><u>3,012,336</u></u></b>

Revenue of i-Global Holdings Pte Ltd (Singapore) included in the consolidated revenue of the Group since the acquisition date on 24 May 2017 amounted to \$98,759 with a net loss of \$121,360.

Had the results of i-Global Holdings Pte Ltd (Singapore) been consolidated from 1 January 2017, revenue of the Group would have been \$284,106 and consolidated loss would have been \$3,847,072 for the year ended 31 December 2017. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2017.

Goodwill recognised was impaired in accordance with the requirements of AASB 136 *Impairment of Assets*. As at 31 December 2017, i-Global Holdings Pte Ltd (Singapore) has a consolidated net asset deficiency of \$613,476 and a consolidated loss of \$155,575 for the year ended 31 December 2017. As at the date of this report, the Directors have reviewed the operations and performance of i-Global Singapore, including the events that have occurred subsequent to 31 December 2017 (as described in Note 32), and have concluded that the amount of goodwill recognised on the acquisition i-Global Holdings Pte Ltd (Singapore) totalling \$3,012,336 is fully impaired as at 31 December 2017.

#### 9 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.

On 1 December 2017, the Group completed the settlement of the sale of i-Global Capital Limited ("IGC"), and this was reported in the consolidated financial statements as a discontinued operation in the comparative information.

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

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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 9 Discontinued Operations (continued)

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

	2018	2017
	\$	\$
Revenue	-	1,550
Expenses	(20,397)	(829)
<b>Profit/(loss) before income tax</b>	<b>(20,397)</b>	<b>721</b>
Income tax expense	-	-
<b>Profit/(loss) after income tax of discontinued operation</b>	<b>(20,397)</b>	<b>721</b>
Gain on sale of the subsidiary after income tax (see below)	<b>483,330</b>	<b>338</b>
<b>Profit from discontinued operation</b>	<b>462,933</b>	<b>1,059</b>
Exchange differences on translation of discontinued operation	(10,810)	-
<b>Other comprehensive income from discontinued operations</b>	<b>(10,810)</b>	<b>-</b>
Basic earnings per share of discontinued operation (cents)	<b>0.62</b>	-
Diluted earnings per share of discontinued operation (cents)	<b>0.62</b>	-
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	<b>7,500</b>	(829)
Net cash inflow/(outflow) from investing activities	-	342
Net cash inflow/(outflow) from financing activities	<b>(30,385)</b>	-
<b>Net cash increase/(decrease) in cash generated by the discontinued division</b>	<b>(22,885)</b>	<b>(487)</b>
<b>Net gain on sale of discontinued division</b>		
<b>Consideration received or receivable:</b>		
Initial cash consideration	<b>517,955</b>	1
Return on investment	-	480
Liabilities waived/offset	<b>(114,749)</b>	-
<b>Total disposal consideration</b>	<b>403,206</b>	<b>481</b>
Carrying amount of net (assets)/liabilities sold	<b>90,934</b>	(139)
<b>Gain on sale before income tax and reclassification of foreign currency translation reserve</b>	<b>494,140</b>	<b>342</b>
Reclassification of foreign currency translation reserve	<b>(10,810)</b>	(4)
Income tax expense on gain	-	-
<b>Gain on sale after income tax</b>	<b>483,330</b>	<b>338</b>

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2018**

#### **10 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 Company has one reportable segment, being consultancy and investment in Australia, Singapore and Malaysia. The Company 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 Year Ended 31 December 2018

### 10 Operating Segments (continued)

#### (d) Segment performance

	Australia		Singapore		Malaysia		Elimination		Total		Discontinued Operations	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>												
Revenue from external customers	107,104	20,000	-	-	-	-	-	-	107,104	20,000	-	-
Gain on divestment of subsidiary	-	-	-	-	-	-	-	-	-	-	483,330	-
Other segment income	-	14,914	98,978	13,047	-	-	(33,065)	-	65,913	27,961	-	1,888
Interest revenue	-	39	-	4,219	-	-	-	-	-	4,258	-	-
<b>Total segment revenue</b>	<b>107,104</b>	<b>34,953</b>	<b>98,978</b>	<b>17,266</b>	<b>-</b>	<b>-</b>	<b>(33,065)</b>	<b>-</b>	<b>173,017</b>	<b>52,219</b>	<b>483,330</b>	<b>1,888</b>
Depreciation and amortisation	433	770	9,055	5,188	-	22,009	-	-	9,488	27,967	13,893	-
Impairment of goodwill	-	2,504,461	-	-	-	-	-	507,875	-	3,012,336	-	-
Interest expense	10,090	2,795	-	-	-	-	-	-	10,090	2,795	-	-
Other segment expenses	188,314	139,356	19,597	90,228	-	57,748	-	(79,975)	207,911	207,357	6,504	829
<b>Total segment expenses</b>	<b>198,837</b>	<b>2,647,382</b>	<b>28,652</b>	<b>95,416</b>	<b>-</b>	<b>79,757</b>	<b>-</b>	<b>427,900</b>	<b>227,489</b>	<b>3,250,455</b>	<b>20,397</b>	<b>829</b>
<b>Segment operating profit</b>	<b>(91,733)</b>	<b>(2,612,429)</b>	<b>70,326</b>	<b>(78,150)</b>	<b>-</b>	<b>(79,757)</b>	<b>(33,065)</b>	<b>(427,900)</b>	<b>(54,472)</b>	<b>(3,198,236)</b>	<b>462,933</b>	<b>1,059</b>

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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 10 Operating Segments (continued)

#### (e) Segment assets

	Australia		Singapore		Malaysia		Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Segment assets</b>	50,314	96,178	65,816	1,025,806	-	135,188	(61,207)	(968,823)	54,923	288,349
Segment asset increases for the period:										
- Acquisitions	-	-	-	-	-	-	-	-	-	-
<b>Total segment assets</b>	<b>50,314</b>	<b>96,178</b>	<b>65,816</b>	<b>1,025,806</b>	<b>-</b>	<b>135,188</b>	<b>(61,207)</b>	<b>(968,823)</b>	<b>54,923</b>	<b>288,349</b>

#### (f) Segment liabilities

<b>Segment liabilities</b>	308,037	262,168	216,504	809,251	-	178,022	(61,207)	(177,977)	463,334	1,071,464
<b>Total segment liabilities</b>	<b>308,037</b>	<b>262,168</b>	<b>216,504</b>	<b>809,251</b>	<b>-</b>	<b>178,022</b>	<b>(61,207)</b>	<b>(177,977)</b>	<b>463,334</b>	<b>1,071,464</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**11 Cash and Cash Equivalents**

	2018	2017
Note	\$	\$
Cash on hand	1	33
Cash at bank	<u>11,349</u>	<u>125,689</u>
<b>Total cash and cash equivalents</b>	<b>11(a) <u>11,350</u></b>	<b><u>125,722</u></b>

**(a) Reconciliation of cash**

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

Cash and cash equivalents	11	<u>11,350</u>	<u>125,722</u>
<b>Balance as per consolidated statement of cash flows</b>		<b><u>11,350</u></b>	<b><u>125,722</u></b>

**12 Trade and Other Receivables**

	2018	2017
	\$	\$
CURRENT		
Trade receivables	163	-
GST receivable	3,830	-
TFN withholding credits	105	105
Other receivables	<u>29,772</u>	<u>26,352</u>
<b>Total current trade and other receivables</b>	<b><u>33,870</u></b>	<b><u>26,457</u></b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

None of the receivables are considered past due but not impaired.

**13 Other Financial Assets**

**Available-for-sale financial assets**

	2018	2017
Note	\$	\$
CURRENT		
Listed investments - fair value		
Shares in other corporations	13(a) -	70,000
<b>Total current available-for-sale financial assets</b>	<b>-</b>	<b><u>70,000</u></b>

**(a) Shares in other corporations**

Shares in other corporations include shares in Lifespot Health Limited (ASX: LSH). These shares were sold to Dr Koon Lip Choo (Executive Chairman) on 4 October 2018 for a consideration of \$42,500.

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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 14 Other Assets

	2018 \$	2017 \$
CURRENT		
Prepayments	9,021	11,561
<b>Total current other assets</b>	<b>9,021</b>	<b>11,561</b>

### 15 Property, plant and equipment

	2018 \$	2017 \$
<b>Motor vehicles</b>		
At cost	-	188,234
Accumulated depreciation	-	(150,588)
<b>Total motor vehicles</b>	<b>-</b>	<b>37,646</b>
<b>Office equipment</b>		
At cost	24,978	23,236
Accumulated depreciation	(24,296)	(15,090)
<b>Total office equipment</b>	<b>682</b>	<b>8,146</b>
<b>Total property, plant and equipment</b>	<b>682</b>	<b>45,792</b>

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial years:

	Motor Vehicles \$	Office Equipment \$	Total \$
<b>Year ended 31 December 2018</b>			
Balance at the beginning of the year	37,646	8,146	45,792
Disposals			
Disposals through business divestiture	(26,022)	-	(26,022)
Depreciation expense	-	(7,711)	(7,711)
Depreciation expense on disposals through business divestiture	(13,862)	-	(13,862)
Foreign exchange movements	2,238	247	2,485
<b>Balance at the end of the year</b>	<b>-</b>	<b>682</b>	<b>682</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**15 Property, plant and equipment (continued)**

**(a) Movements in carrying amounts of property, plant and equipment (continued)**

	Motor Vehicles \$	Office Equipment \$	Total \$
<b>Year ended 31 December 2017</b>			
Balance at the beginning of the year	-	1,761	1,761
Additions through business combinations	59,628	11,441	71,069
Depreciation expense	(21,961)	(4,936)	(26,897)
Foreign exchange movements	(21)	(120)	(141)
<b>Balance at the end of the year</b>	<b>37,646</b>	<b>8,146</b>	<b>45,792</b>

**16 Intangible Assets**

	2018 \$	2017 \$
<b>Goodwill</b>		
Cost	507,875	3,012,336
Accumulated impairment losses	(507,875)	(3,012,336)
<b>Net carrying value</b>	<b>-</b>	<b>-</b>
<b>Computer software</b>		
Cost	5,576	5,568
Accumulated amortisation and impairment	(5,576)	(3,602)
<b>Net carrying value</b>	<b>-</b>	<b>1,966</b>
<b>Total intangibles</b>	<b>-</b>	<b>1,966</b>

**(a) Movements in carrying amounts of intangible assets**

	Computer software \$	Formation costs \$	Goodwill \$	Total \$
<b>Year ended 31 December 2018</b>				
Balance at the beginning of the year	1,966	-	-	1,966
Additions				
Disposals				
Disposal through business divestiture	(234)	-	-	(234)
Disposals	(234)	-	-	(234)
Amortisation	(1,777)	-	-	(1,777)
Amortisation on disposals through business divestiture	(30)	-	-	(30)
Foreign exchange movements	75	-	-	75
<b>Closing value at 31 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 16 Intangible Assets (continued)

#### (a) Movements in carrying amounts of intangible assets (continued)

	Computer software \$	Formation costs \$	Goodwill \$	Total \$
<b>Year ended 31 December 2017</b>				
Balance at the beginning of the year	-	-	-	-
Additions				
Additions through business combinations	3,064	-	3,012,336	3,015,400
Amortisation	(1,070)	-	-	(1,070)
Impairment loss in income	-	-	(3,012,336)	(3,012,336)
Foreign exchange movements	(28)	-	-	(28)
<b>Closing value at 31 December 2017</b>	<b>1,966</b>	<b>-</b>	<b>-</b>	<b>1,966</b>

### 17 Trade and Other Payables

	2018 \$	2017 \$
CURRENT		
<i>Unsecured liabilities:</i>		
Trade payables and accruals	75,435	58,791
<b>Related party payables:</b>		
- Payable to key management personnel *	149,342	198,710
- Payable to director related entity *	62,267	57,559
Other payables	33,405	551,921
<b>Total current trade and other payables</b>	<b>320,449</b>	<b>866,981</b>

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.

### 18 Borrowings

	2018 \$	2017 \$
CURRENT		
<i>Unsecured liabilities:</i>		
Other loans from third party *	142,885	102,795
<b>Total current borrowings</b>	<b>142,885</b>	<b>102,795</b>

\* These amounts are interest bearing at 10% per annum with the outstanding amounts repayable on 2 December and 14 December 2021.

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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 19 Other Liabilities

	2018	2017
	\$	\$
CURRENT		
Amounts received in advance	-	101,688
<b>Total current other liabilities</b>	<b>-</b>	<b>101,688</b>

### 20 Issued Capital

	2018	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)
<b>Total issued capital</b>	<b>2,447,510</b>	<b>2,447,510</b>

#### (a) Ordinary shares

	2018	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
<b>At the end of the reporting period</b>	<b>74,587,001</b>	<b>74,587,001</b>

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 financial 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 Year Ended 31 December 2018**

**21 Reserves**

	2018	2017
	\$	\$
<b>Foreign currency translation reserve</b>		
Opening balance	(2,972)	-
Movement in foreign currency translation reserve	(52,883)	(2,972)
<b>Closing balance</b>	<u>(55,855)</u>	<u>(2,972)</u>
<b>Other reserve</b>		
Opening balance	(29,405)	-
Revaluation gain/(loss) on available-for-sale assets	19,126	(29,405)
Transfer to accumulated losses on sale of available-for-sale assets	10,279	-
<b>Closing balance</b>	<u>-</u>	<u>(29,405)</u>
<b>Total reserves</b>	<u>(55,855)</u>	<u>(32,377)</u>

**(a) Foreign currency translation reserve**

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

**(b) Other reserve**

The other reserve records the change in fair value of available-for-sale financial assets.

**22 Accumulated losses**

	2018	2017
	\$	\$
Accumulated losses at the beginning of the year	(3,198,248)	(1,071)
Net profit/(loss) for the year	408,461	(3,197,177)
Transfer from other reserve on sale of available-for-sale assets	(10,279)	-
<b>Accumulated losses at end of the year</b>	<u>(2,800,066)</u>	<u>(3,198,248)</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**23 Cash Flow Information**

**Reconciliation of result for the year to cashflows from operating activities**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Net profit/(loss) for the year	<b>408,461</b>	(3,197,177)
Non-cash flows in profit:		
- depreciation and amortisation expense	<b>9,488</b>	27,967
- impairment loss	-	3,012,336
- forgiveness of loan	<b>(63,864)</b>	-
- share based payments	-	1,300
- accrued finance costs	<b>10,090</b>	2,795
- unrealised foreign exchange gains	-	(3,497)
- net (gain)/loss on sale of division	<b>(462,933)</b>	(338)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	<b>(7,413)</b>	(23,868)
- (increase)/decrease in other assets	<b>2,540</b>	(11,561)
- (increase)/decrease in income tax receivable	-	(6,851)
- increase/(decrease) in trade and other payables	<b>27,608</b>	40,990
<b>Cashflows from operations</b>	<b>(76,023)</b>	(157,904)

**24 Earnings per Share**

(a) Reconciliation of earnings/(loss) to profit or loss from continuing operations

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Loss from continuing operations	<b>(54,472)</b>	(3,198,236)
<b>Earnings used to calculate basic EPS from continuing operations</b>	<b>(54,472)</b>	(3,198,236)
<b>Earnings used in the calculation of dilutive EPS from continuing operations</b>	<b>(54,472)</b>	(3,198,236)

(b) Reconciliation of earnings to profit or loss from discontinued operations

Profit from discontinued operations	<b>462,933</b>	1,059
<b>Earnings used to calculated basic EPS from discontinued operations</b>	<b>462,933</b>	1,059

(c) Earnings used to calculate overall earnings per share

<b>Earnings used to calculate overall earnings per share</b>	<b>408,461</b>	(3,197,177)
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(d) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<b>74,587,001</b>	49,436,872
<b>Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS</b>	<b>74,587,001</b>	49,436,872

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 25 Financial Risk Management

The Group's principal financial instruments comprise of trade receivables, trade payables, borrowings and cash at bank. The main purpose of holding these instruments is to invest surplus members' funds in order to maximise returns while not exposing the Group to high levels of risk.

This note presents information about the Group's exposure to financial instrument risks, its objectives, policies and processes for measuring and managing risk.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018 \$	2017 \$
<b>Financial Assets</b>			
Financial assets at amortised cost:			
- Cash and cash equivalents	11	11,350	125,722
- Trade and other receivables	12	30,040	26,457
Available-for-sale financial assets	13	-	70,000
<b>Total financial assets</b>		<b>41,390</b>	<b>222,179</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
- Trade and other payables	17	320,449	866,981
- Borrowings	18	142,885	102,795
<b>Total financial liabilities</b>		<b>463,334</b>	<b>969,776</b>

#### Objectives, policies and processes

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Executive Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

It is, and has been throughout the period under review, the Group's policy that no trading of financial instruments shall be undertaken. The main risks arising from holding these financial instruments are foreign exchange risk, interest rate risk, liquidity risk and credit risk. The Group is not exposed to price risk. Mitigation strategies for specific risks faced are described below:

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 25 Financial Risk Management (continued)

##### Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, whilst the Group is reporting a net deficiency position, the Board of Directors is confident that the Group will have sufficient liquid resources to meet its obligations under all reasonably expected circumstances, based on the factors outlined in Note 1 under "Going Concern".

The table below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Group's liabilities have contractual maturities which are summarised below:

	Not later than 1 month		1 to 3 months		3 months to 1 year	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Trade and other payables	75,435	58,791	-	-	-	-
Related party payables	211,609	256,269	-	-	-	-
Other payables	33,405	551,921	-	-	-	-
Other loans from third party	142,885	102,795	-	-	-	-
<b>Total</b>	<b>463,334</b>	<b>969,776</b>	-	-	-	-

	1 to 5 years		Total Contractual Cashflow/ Carrying Amount	
	2018	2017	2018	2017
	\$	\$	\$	\$
Trade and other payables	-	-	75,435	58,791
Related party payables	-	-	211,609	256,269
Other payables	-	-	33,405	551,921
Other loans from third party	-	-	142,885	102,795
<b>Total</b>	-	-	<b>463,334</b>	<b>969,776</b>

# I-Global Holdings Limited

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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 25 Financial Risk Management (continued)

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Group's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

On a geographical basis, the Group has significant credit risk exposures in Australia, Singapore and Malaysia given the substantial operations in those regions.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2018 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect the Group's detailed assessment of their customers' ability to settle their debts.

On that basis, the loss allowance as at 31 December 2018 was determined as follows for trade receivables:

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	
<b>2018</b>							
Expected loss rate		- %	- %	- %	- %	- %	
Trade and other receivables	<b>30,040</b>	-	-	-	<b>29,772</b>	<b>268</b>	
<b>Loss allowance</b>	-	-	-	-	-	-	

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 25 Financial Risk Management (continued)

The Group has applied AASB 15 using the modified retrospective approach and has not restated comparatives. The comparatives have been prepared using AASB 118 and related interpretations. Accordingly, as permitted under the transitional provisions in AASB 15, the loss allowances for trade receivables at 2017 are not disclosed.

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

##### (i) Interest rate risk

The Group is exposed to interest rate risk as surplus funds are invested at floating rates. Borrowings from non-related parties are interest bearing and carries interest rate risk. Related party borrowings are non-interest bearing and does not create any interest rate risk.

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Group is exposed to changes in market interest rates through its bank deposits, which are subject to variable interest rates.

	2018	2017
	\$	\$
<b>Floating rate instruments</b>		
Cash at bank	11,349	125,689
<b>Total floating rate instruments</b>	<u>11,349</u>	<u>125,689</u>

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +0.10% and -0.10% (2017: +0.10%/-0.10%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2018		2017	
	+0.10%	-0.10%	+0.10%	-0.10%
	\$	\$	\$	\$
Net results	11	(11)	126	(126)
Equity	11	(11)	126	(126)

##### (ii) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

Exposures to currency exchange rates arise from the Group's overseas operations, hence sales and purchases, which are primarily denominated in Singapore Dollars ("SGD") and Malaysian Ringgit ("MYR").

The Group does not hedge nor apply hedge accounting. The implications of this decision are that unrealised foreign exchange gains and losses are recognised in profit and loss in the period in which they occur.



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## Notes to the Financial Statements For the Year Ended 31 December 2018

### 25 Financial Risk Management (continued)

Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars ("AUD") at the closing rate, are as follows:

	SGD	MYR	AUD	Total AUD
	\$	\$	\$	\$
<b>2018</b>				
Nominal amounts				
Financial assets	4,482	-	40,736	45,218
Financial liabilities	(216,502)	-	(246,830)	(463,332)
<b>Short-term exposure</b>	<b>(212,020)</b>	<b>-</b>	<b>(206,094)</b>	<b>(418,114)</b>
<b>2017</b>				
Nominal amounts				
Financial assets	72,504	66,047	83,628	222,179
Financial liabilities	(707,563)	(90,181)	(172,032)	(969,776)
<b>Short-term exposure</b>	<b>(635,059)</b>	<b>(24,134)</b>	<b>(88,404)</b>	<b>(747,597)</b>

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and financial liabilities and the SGD-AUD / MYR-AUD exchange rate.

It assumes a +/- 0.0310% (31 December 2017: +/- 0.0001%) change of the AUD/SGD exchange rate and a +/- 0.0295% (31 December 2017: +/- 0.0085%) change of the AUD/MYR exchange rate for the year ended 31 December 2018. This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months.

The year end rate is 0.9636 SGD and 2.9213 MYR (31 December 2017: 1.0424 SGD and 3.1660 MYR respectively).

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date.

If the AUD had strengthened and weakened against SGD and MYR by 0.0310% (31 December 2017: 0.0001%) and 0.0295% (31 December 2017: 0.0085%) respectively, then this would have had the following impact:

	2018		2017	
	Increase	Decrease	Increase	Decrease
	\$	\$	\$	\$
<b>SGD</b>				
Net results	66	(65)	1	-
Equity	66	(65)	1	-
<b>MYR</b>				
Net results	-	-	(18)	(22)
Equity	-	-	(18)	(22)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

## Notes to the Financial Statements

### For the Year Ended 31 December 2018

#### 25 Financial Risk Management (continued)

##### Net Fair Values

##### *Fair value estimation*

The fair values of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. None of the Group's financial instruments are revalued at fair value post initial recognition, except those disclosed in Note 26 *Fair Value Measurement* below.

#### 26 Fair Value Measurement

The Group measures the following asset at fair value on a recurring basis:

- Financial assets: Listed shares

##### Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>31 December 2018</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Listed shares	13	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 December 2017</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Listed shares	13	70,000	-	-	70,000
<b>Total</b>		<b>70,000</b>	<b>-</b>	<b>-</b>	<b>70,000</b>

##### Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

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### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 27 Interests in Subsidiaries

##### Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2018	Percentage Owned (%)* 2017
<b>Subsidiaries:</b>			
i-Global Holdings Pte Ltd	Singapore	100	100
Avant Group Sdn Bhd	Malaysia	-	100

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

#### 28 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2018	2017
	\$	\$
Short-term employee benefits	54,000	53,130
Termination benefits	-	1,590
Share-based payments	-	1,300
<b>Total key management personnel remuneration</b>	<b>54,000</b>	<b>56,020</b>

#### 29 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.

# I-Global Holdings Limited

ABN 28 611 470 010

## Notes to the Financial Statements

For the Year Ended 31 December 2018

### 29 Related Parties (continued)

#### (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 31 December 2018 and 2017, as well as balances with related parties as at 31 December 2018 and 31 December 2017:

	Sales \$	Purchases \$	Balance outstanding Owed to the Group \$	Owed by the Group \$
<b>KMP related parties</b>				
<b>Loan from Dr Koon Lip Choo, Director:</b>				
2018	-	-	-	149,342
2017	-	-	-	133,105
<b>Loan from Global Assets Inc Limited:</b>				
2018	-	-	-	62,267
2017	-	-	-	57,559
<b>Consultancy fee, Ivan Wu, Director:</b>				
2018	-	-	-	-
2017	-	59,400	-	-
<b>Forgiveness of loan, Teck Lee, Director:</b>				
2018	-	-	-	-
2017	14,427	-	-	-
<b>Sale of LSH shares, Koon Lip Choo, Director:</b>				
2018	37,824	-	-	-
2017	-	-	-	-
<b>Forgiveness of loan, Koon Lip Choo, Director:</b>				
2018	63,864	-	-	-
2017	-	-	-	-

#### (c) Other transactions with related parties

##### Disposal of Avant Group Sdn Bhd

On 31 May 2016, i-Global Holdings Pte Ltd purchased Global IBS Sdn Bhd, which was subsequently renamed Avant Group Sdn Bhd ("Avant"), from Oriental Global Empire Inc. The beneficial owner of Oriental Global Empire Inc. is Mr Eng Yeo Nyo, who is a current director of i-Global Holdings Pte Ltd and a former director of I-Global Holdings Limited (from 23 March to 7 November 2016). Mr Nyo is the Executive Director and CEO of Avant and is the second largest shareholder of I-Global Holdings Limited. The directors have determined that Mr Nyo is not part of the key management personnel of the Group but that the transaction does represent a related party transaction that warrants disclosure.

## I-Global Holdings Limited

ABN 28 611 470 010

### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 29 Related Parties (continued)

##### (c) Other transactions with related parties (continued)

Total consideration per the agreement to purchase Avant was \$1,200,000 plus 6 million I-Global Holdings Limited shares at a deemed value of \$0.05 per share (\$300,000). \$700,000 of the cash component of the transaction price was paid during 2016 with the remaining \$500,000 recognised as a payable. By agreement of both parties the \$500,000 payable was reclassified as being denominated in Singapore dollars. The 6 million shares under the agreement were issued on 20 February 2017 to a party specified by the seller.

In an agreement dated 27 April 2018, i-Global Holdings Pte Ltd sold the Avant business back to the original vendor (Oriental Global Empire Inc) for total consideration of Malaysian Ringgit (MYR) 1,535,650 which approximately equates to the MYR equivalent of the amount still payable to Oriental Global Empire Inc at the time being the unpaid \$500,000 from the original purchase of Avant. As such, no funds were transferred as a result of the sale, instead it was agreed that the amount payable by I-Global Holdings Limited to Oriental Global Empire Inc. be offset against the amount receivable under the sale. The agreement was dated 27 April 2018 and the share transfer occurred on 8 May 2018.

##### Transactions with I-Global Capital Limited

I-Global Capital Limited ("IGC") is a company incorporated in the British Virgin Islands that was a subsidiary of the Group owned via i-Global Holdings Pte Ltd prior to its disposal for consideration of US\$1 via an agreement dated 1 December 2017.

The directors have assessed the relationship between IGC, the Group, its directors and key management personnel, and determined that no related party relationship exists under the requirements of *AASB 124 Related Party Disclosures*. However, given the significance of the relationship with IGC, and the nature of certain transactions between the parties, the directors have deemed it appropriate to disclose the following transactions in the interest of transparency.

On 3 December 2017, an agreement was signed between the Company and IGC in respect of royalty and consultancy services to be provided by the Company. A brand royalty of \$3k per month is payable for use of the I-Global branding in addition to consulting fees charged on an hourly basis. All the Group's operating revenue recognised during the year (\$107,104) was generated via the royalty and consulting services agreement with IGC.

On 9 April 2018, IGC entered into an agreement with a third-party customer for the provision of corporate consulting services. The term of the agreement was for 12 months and included consultancy fees of \$210,000 among other performance contingent payments. In delivering the consultancy services to the customer, IGC utilised the services of the Group in accordance with the royalty and consulting services agreement. In addition, IGC directly engaged I-Global Holdings Limited directors Koon Lip Choo and Frank Cannavo in a personal capacity (outside of their I-Global Holdings Limited director duties) as consultants, directly paying them \$91,570 and \$148,053 respectively for their services.

As at 31 December 2018, the Group had amounts payable to Mr Wei Ming Goh of \$112,795 and GACH Limited, of which Wei Ming Goh is a director, of \$30,090. Wei Ming Goh is a shareholder and director of IGC.

## I-Global Holdings Limited

ABN 28 611 470 010

### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 30 Auditors' Remuneration

During the year, the following fees were paid or payable for services provided to the auditor of the parent entity, its related practices and non-related audit firms:

	2018	2017
	\$	\$
<b>HLB Mann Judd:</b>		
- auditing or reviewing the financial statements	30,500	25,000
- taxation services	5,500	-
<b>Total remuneration of HLB Mann Judd</b>	<u>36,000</u>	<u>25,000</u>
<b>Network firms of HLB Mann Judd:</b>		
- auditing or reviewing the financial statements	7,437	9,477
<b>Total remuneration of network firms of HLB Mann Judd</b>	<u>7,437</u>	<u>9,477</u>
<b>Non HLB Mann Judd related audit firms:</b>		
- auditing or reviewing the financial statements	-	1,681
<b>Total remuneration of non HLB Mann Judd related audit firms</b>	<u>-</u>	<u>1,681</u>
<b>Total auditors' remuneration</b>	<u><u>43,437</u></u>	<u><u>36,158</u></u>

#### 31 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2018 (31 December 2017: None).

#### 32 Events Occurring After the Reporting Date

On 2 December 2019, Dr Koon Lip Choo entered into a loan agreement with the Company to provide a loan facility of up to \$120,000 which may be drawn down by the Company via maximum monthly instalments of \$10,000 over 12 months. This loan is unsecured, interest free and repayable on 15 November 2021. A loan fee of 1% of the total drawn down amount is payable on the repayment date.

Except for the above, no other matters or circumstances have arisen since the end of the financial 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.

#### 33 Parent entity

The following information has been extracted from the books and records of the parent, I-Global Holdings Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, I-Global Holdings Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

##### *Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

## I-Global Holdings Limited

ABN 28 611 470 010

### Notes to the Financial Statements For the Year Ended 31 December 2018

#### 33 Parent entity (continued)

	2018	2017
	\$	\$
<b>Statement of Financial Position</b>		
<b>Assets</b>		
Current assets	49,757	95,188
Non-current assets	557	990
<b>Total Assets</b>	<u>50,314</u>	<u>96,178</u>
<b>Liabilities</b>		
Current liabilities	308,037	262,168
<b>Total Liabilities</b>	<u>308,037</u>	<u>262,168</u>
<b>Equity</b>		
Issued capital	2,447,510	2,447,510
Accumulated losses	(2,705,233)	(2,613,500)
<b>Total Equity</b>	<u>(257,723)</u>	<u>(165,990)</u>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Total profit or loss for the year	(91,733)	(2,612,429)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<u>(91,733)</u>	<u>(2,612,429)</u>

#### Guarantees

The parent entity did not enter into any deed of cross-guarantee as at 31 December 2018 or 31 December 2017.

#### Contingent liabilities

The parent entity did not have any contingent liabilities as at 31 December 2018 or 31 December 2017.

#### Contractual commitments

The parent entity did not have any commitments as at 31 December 2018 or 31 December 2017.

#### 34 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

**I-Global Holdings Limited**


ABN 28 611 470 010

**Directors' Declaration**

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 31 December 2018 as set out on pages 16 to 61, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position and performance of the consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A of the *Corporations Act 2001* that:
  - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - b. the consolidated financial statements and notes for the financial year comply with the Accounting Standards; and
  - c. the consolidated financial statements and notes for the financial year give a true and fair view.
3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, based on the factors outlined in Note 1 under "Going Concern".

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

Director .....  .....

Koon Lip Choo

Dated this 19th day of December 2019



## Independent Auditor's Report to the Members of I-Global Holdings Limited

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of I-Global Holdings Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Material Uncertainty Regarding Going Concern

We draw attention to the Going Concern section in Note 1 in the financial report, which indicates that the Group incurred a net loss from continuing operations of \$54,472 during the year ended 31 December 2018 and, as of that date, the Group's current liabilities exceeded its current assets by \$408,411. The Group's ability to continue as a going concern is reliant on various assumptions outlined in Note 1, including funding via a director provided loan facility and the generation of forecast future revenues. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that

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may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Disclosure of related party and other material transactions</b> - refer to Note 29 in the financial statements</p>	
<p>As per Note 29 to the financial statements, the group was involved in certain transactions that were ultimately deemed to either represent related party transactions in accordance with <i>AASB 124 Related Party Disclosures</i>, or whilst not strictly meeting the definition of related party transactions, were deemed material to users of the financial statements by their nature and significance and thus required disclosure.</p>	<p>In assessing whether related party and other material transactions were identified and appropriately disclosed we:</p> <ul style="list-style-type: none"> <li>• Obtained signed declarations from the Group's Key Management Personnel in which they are requested to disclose details of all related party relationships and transactions along with other information;</li> <li>• Read the royalty and consultancy services agreement with I-Global Capital Limited to understand the terms &amp; conditions and parties involved;</li> <li>• Read the purchase agreement, director resolutions and other documentation relating to the divestment of Avant Group Sdn Bhd to understand the key terms &amp; conditions, relationships and parties involved in the transaction;</li> </ul>
<p>Assessing whether such transactions meet the definition of related party transactions, and determining the extent of required disclosure, requires a significant degree of management judgment.</p>	<ul style="list-style-type: none"> <li>• Enquired of management regarding related party transactions and other transactions that may be deemed material to users of the financial statements by their nature;</li> <li>• Enquired of management as to their view of what transactions or relationships should be disclosed in the financial statements and the extent of such disclosures;</li> </ul>
<p>For the above reasons, we determined the disclosure of related party and other material transactions to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Challenged management's original assessment of certain transactions as not meeting the definition of related party transactions.</li> <li>• Challenged management's original assessment of certain transactions as not being material to users of the financial statements and thus not warranting disclosure;</li> <li>• Requested that the above transactions be disclosed in the financial statements; and</li> <li>• Read the disclosures in Note 29 and assessed their compliance with the requirements of <i>Australian Accounting Standards</i> and the <i>Corporations Act 2001</i>.</li> </ul>

### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2018 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON THE REMUNERATION REPORT**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 5 to 14 of the directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of I-Global Holdings Limited for the year ended 31 December 2018 complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
19 December 2019



**Michael Gummery**  
**Partner**

## I-Global Holdings Limited

### Additional Information for Listed Public Companies

For the Year Ended 31 December 2018

#### NSX Additional Information

Additional information required by the NSX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 13 December 2019.

#### Substantial shareholders

The number of substantial shareholders and their associates are set out below:

<b>Shareholders</b>	<b>Number of shares</b>
Koon Lip Choo	18,800,001
Eng Yeo Nyo	14,200,000
Constance Chai Ai Tan	6,000,000
Angelina Chiu Ling Tay	5,851,200
	<u>44,851,201</u>

#### Voting rights

##### Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### Distribution of equity security holders

<b>Holding</b>	<b>Ordinary shares</b>
10,001 - 100,000	4,110,639
100,000 and over	70,466,362
	<u>74,577,001</u>

There were NIL holders of less than a marketable parcel of ordinary shares.

#### Ten largest shareholders

	<b>Ordinary shares</b>
	<b>Number held</b>
Koon Lip Choo	18,800,001
Eng Yeo Nyo	14,200,000
Constance Chai Ai Tan	6,000,000
Angelina Chiu Ling Tan	5,851,200
Jun Xiong Chua	2,353,451
Zhen Peng Lim	2,300,000
Hoo Keng Goh	1,550,000
Grace Chye Tee Tan	1,462,800
Yoon Chon Sung	1,462,800
Tan Wee Chean	1,350,000
	<u>55,330,252</u>

## I-Global Holdings Limited

### Additional Information for Listed Public Companies

For the Year Ended 31 December 2018

#### Results of the Group for the last 5 years

As specified in the NSX Listing Rules 6.9(9), a summary table of the Group's results as well as assets and liabilities for the last five years is required to be disclosed, however, as the Group was only incorporated on 23 March 2016, the table below provides the comparison of the results, assets and liabilities for the period since incorporation:

	2018	2017	23 March - 31 December
	\$	\$	2016
			\$
<b>For the year/period ended 31 December:</b>			
Loss from continuing operations	(54,472)	(3,198,236)	(1,071)
Profit from discontinued operations	462,933	1,059	-
<b>Net profit/(loss) for the period/year</b>	<b>408,461</b>	<b>(3,197,177)</b>	<b>(1,071)</b>
<b>As at 31 December:</b>			
Total assets	54,923	288,349	200,735
Total liabilities	463,334	1,071,464	201,805
<b>Net deficiency</b>	<b>(408,411)</b>	<b>(783,115)</b>	<b>(1,070)</b>

#### Director emolument arrangements

Due to the current financial status of the Group, the following directors of the Group has elected to waive or agreed to waive all/some of the emoluments due to them during the financial year:

- Koon Lip Choo (Executive Director) \$142,790 (2017: \$79,605)
- Teck Lee (Non-Executive Director) \$NIL (2017: \$8,800)

#### Shareholder dividend arrangements

No shareholder of the Company has waived or agreed to waive any dividends during the financial year. The Company did not declare any dividends for the year ended 31 December 2018 (31 December 2017: None).

#### Securities exchange

The Company is listed on the National Stock Exchange of Australia Limited ("NSX").